

## **ANA reports non-consolidated financial results for the interim of FY2007**

### **1. Non-consolidated financial highlights for the period ended September 30, 2007**

	Yen (Millions rounded down)				
	Interim FY2007 Apr.1 – Sep.30	Year on Year (%)	Interim FY2006 Apr.1 – Sep.30	Year on Year (%)	FY2006 Apr.1 - Mar.31
Operating revenues	685,816	5.7	648,879	9.5	1,289,429
Operating income	58,085	1.0	57,514	(3.3)	76,284
Recurring profit	48,162	2.8	46,830	(9.6)	46,240
Net income	90,529	245.9	26,173	(6.2)	31,833
Net income per share	46.47yen		13.43yen		16.34yen
Average number of shares of outstanding during the period	1,948,009,158		1,948,613,233		1,948,455,619

Note:

Changes in the accounting policy during the period: Yes

### **(2) Summary of non-consolidated financial positions**

	Yen (Millions rounded down)		
	Interim FY2007 As of Sep.30	Interim FY2006 As of Sep.30	FY2006 As of Mar.31
Total assets	1,602,641	1,490,198	1,501,805
Total net assets	474,070	373,315	383,509
Net worth / total assets	29.6%	25.1%	25.5%
Net worth per share	243.38yen	191.60yen	196.85yen
Number of shares of outstanding at balance sheet date	1,949,959,257	1,948,458,239	1,948,195,911
Number of treasury stocks at balance sheet date	2,083,938	1,501,018	1,763,346

### **2. Forecast of non-consolidated operating results for the period ending March 31, 2008**

	Yen (Millions)
Operating revenues	1,350,000
Operating income	69,000
Recurring profit (loss)	36,000
Net income (loss)	54,000

Notes: Forecast of net income per share: 27.72yen

### **3. Dividends**

	Dividends per share	
	End of Fiscal year	Total
FY2006	3.00yen	3.00yen
FY2007	5.00yen	5.00yen

This forecast is made based on (1) the information available to ANA as of the date of publication of this material and (2) assumptions as of the same date with respect to the various factors which might have impact on the future financial result of ANA. The reader should be aware that actual results could differ materially due to various factors with reference to the supporting data.

**(1) Non-consolidated Balance Sheets**

Yen (Millions rounded down)

	Interim FY2007 As of Sep.30	FY 2006 As of Mar.31	Difference	Interim FY2006 As of Sep.30
<b>Assets</b>				
<b>Current assets</b>	530,951	443,452	87,498	446,530
Cash and deposits	276,348	136,127	140,221	197,485
Trade accounts receivable	95,869	98,444	(2,574)	107,574
Marketable securities	19,983	-	19,983	2,997
Inventories	59,619	55,051	4,568	55,894
Deferred income tax current	8,805	608	8,196	6,346
Other current assets	70,418	153,360	(82,942)	76,290
Allowance for doubtful accounts	(93)	(139)	46	(59)
<b>Fixed assets</b>	1,071,525	1,058,024	13,501	1,043,157
[Tangible fixed assets]	[873,609]	[840,027]	33,582	[797,524]
Buildings	85,334	83,871	1,463	83,399
Aircraft	607,056	582,561	24,495	535,174
Land	50,703	48,755	1,948	48,755
Construction in progress	103,090	96,612	6,478	104,568
Other	27,423	28,226	(802)	25,627
[Intangible fixed assets]	[33,858]	[33,432]	426	[31,678]
[Investments and others]	[164,057]	[184,565]	(20,507)	[213,953]
Investment in securities	62,105	56,191	5,914	51,901
Investments in subsidiaries and affiliates	33,592	42,836	(9,243)	44,166
Deferred income tax non-current	20,810	23,980	(3,169)	23,427
Other	48,279	62,406	(14,127)	102,412
Allowance for doubtful accounts	(731)	(849)	118	(7,954)
<b>Deferred assets</b>	164	328	(164)	510
Share issuance expenses	133	266	(133)	399
Bond issuance expenses	31	62	(31)	111
<b>Total assets</b>	<b>1,602,641</b>	<b>1,501,805</b>	<b>100,835</b>	<b>1,490,198</b>
<b>Liabilities</b>				
<b>Current liabilities</b>	474,016	438,253	35,763	399,006
Trade accounts payable	181,887	170,190	11,697	165,821
Short-term loan payable	37,677	27,299	10,378	-
Current portion of long-term debt	68,019	106,678	(38,658)	67,876
Current portion of bonds payable	20,000	45,000	(25,000)	45,000
Accrued income taxes	72,384	496	71,887	18,428
Accrued bonuses to employees	9,638	6,961	2,677	10,242
Other current liabilities	84,408	81,626	2,781	91,638
<b>Long-term liabilities</b>	654,555	680,042	(25,487)	717,876
Straight bonds	145,000	165,000	(20,000)	195,000
Long-term loans payable	411,088	418,916	(7,828)	426,863
Accrued employees' retirement benefits	86,385	84,955	1,430	83,300
Other long-term liabilities	12,080	11,171	909	12,712
<b>Total liabilities</b>	<b>1,128,571</b>	<b>1,118,296</b>	<b>10,275</b>	<b>1,116,883</b>
<b>Net assets</b>				
<b>Shareholders' equity</b>	<b>434,372</b>	<b>349,836</b>	<b>84,536</b>	<b>344,296</b>
Common stock	160,001	160,001	-	160,001
Capital surplus	125,359	125,352	6	125,348
Capital reserve	95,024	95,024	-	95,024
Other surplus	30,334	30,328	6	30,323
Retained earnings	149,848	65,163	84,685	59,503
Treasury Stock	(836)	(680)	(155)	(556)
<b>Valuation, translation adjustment and others</b>	<b>39,697</b>	<b>33,673</b>	<b>6,024</b>	<b>29,018</b>
Unrealized gain on securities	12,720	10,621	2,098	8,611
Deferred gain on hedging instruments	26,977	23,051	3,925	20,407
<b>Total net assets</b>	<b>474,070</b>	<b>383,509</b>	<b>90,560</b>	<b>373,315</b>
<b>Total liabilities and net assets</b>	<b>1,602,641</b>	<b>1,501,805</b>	<b>100,835</b>	<b>1,490,198</b>

Note:

Yen (Millions rounded down)

	Interim FY2007 As of Sep.30	FY2006 As of Mar.31	Interim FY2006 As of Sep.30
Accumulated depreciation	817,983	790,559	778,583
Contingent liabilities	30,997	32,321	8,836

**(2)Non-consolidated Statements of Income (Loss)**

Yen (Millions rounded down)

	Interim FY2007 Apr.1 - Sep.30	Interim FY2006 Apr.1 - Sep.30	Difference	FY2006 Apr.1 - Mar.31
<b>Operating revenues and expenses</b>				
Operating revenues	685,816	648,879	36,937	1,289,429
Operating expenses	525,925	492,259	33,665	1,012,723
Sales, general and administrative expenses	101,805	99,104	2,700	200,420
Operating income	58,085	57,514	571	76,284
<b>Non-operating income and expenses</b>				
Non-operating income	5,514	6,764	(1,249)	10,190
Interest income	1,112	777	334	1,776
Other non-operating income	4,402	5,986	(1,584)	8,414
Non-operating expenses	15,437	17,447	(2,009)	40,235
Interest expense	6,763	7,453	(690)	14,850
Other non-operating expenses	8,674	9,993	(1,319)	25,384
<b>Total recurring profit (loss)</b>	<b>48,162</b>	<b>46,830</b>	<b>1,331</b>	<b>46,240</b>
<b>Extraordinary gains and losses</b>				
Extraordinary gains	127,905	1,661	126,243	10,032
Gain on sale of property and equipment	1,848	-	1,848	-
Gain on sale of stock of affiliates	1,101	-	1,101	966
Gain on sale of investment in securities	3	-	3	46
Gain on sale of hotel business	123,781	-	123,781	-
Other extraordinary gains	1,170	1,661	(491)	9,019
Extraordinary losses	25,083	3,628	21,455	14,761
Loss on sale of property and equipment	246	191	55	191
Loss on disposal of fixed assets	-	909	(909)	938
Loss on sales of investment in securities	106	-	106	-
Impairment loss	-	629	(629)	11,333
Provision for allowance for doubtful accounts	-	453	(453)	37
Special retirement benefit	149	96	53	393
Extraordinary depreciation	22,331	-	22,331	-
Other extraordinary losses	2,249	1,348	900	1,865
<b>Net income (loss) before taxes</b>	<b>150,984</b>	<b>44,864</b>	<b>106,119</b>	<b>41,511</b>
Corporate, inhabitant and enterprise tax	69,824	15,809	54,015	4,757
Deferred taxes	(9,370)	2,881	(12,252)	4,920
<b>Net income</b>	<b>90,529</b>	<b>26,173</b>	<b>64,356</b>	<b>31,833</b>

### **(3)Non-consolidated Statements of Changes in Net Asset**

For the period from Apr.1 - Sep.30, 2006	Shareholders' equity				Total shareholders' equity
	Common Stock	Capital surplus	Retained earnings	Less treasury stock, at cost	
<b>Balance at the end of previous period</b>	<b>160,001</b>	<b>125,342</b>	<b>39,176</b>	<b>(427)</b>	<b>324,092</b>
<b>Changes of items during the period</b>					
Dividends from retained earnings			(5,846)		(5,846)
Net income			26,137		26,137
Purchase of treasury stock				(159)	(159)
Disposal of treasury stock		6		30	36
Net changes of items other than shareholders' equity during the period					
<b>Total changes during the period</b>	<b>-</b>	<b>6</b>	<b>20,327</b>	<b>(129)</b>	<b>20,204</b>
<b>Balance at the end of the period</b>	<b>160,001</b>	<b>125,348</b>	<b>59,503</b>	<b>(556)</b>	<b>344,296</b>

For the period from Apr.1 - Sep.30, 2006	Valuation, translation adjustments and others			Total net assets
	Net unrealized holding gain on securities	Deferred gain on hedging instruments	Total valuation, translation adjustments and others	
<b>Balance at the end of previous period</b>	<b>9,063</b>	<b>-</b>	<b>9,063</b>	<b>333,155</b>
<b>Changes of items during the period</b>				
Dividends from retained earnings				(5,846)
Net income				26,173
Purchase of treasury stock				(159)
Disposal of treasury stock				36
Net changes of items other than shareholders' equity during the period	(451)	20,407	19,955	19,955
<b>Total changes during the period</b>	<b>(451)</b>	<b>20,407</b>	<b>19,955</b>	<b>40,159</b>
<b>Balance at the end of the period</b>	<b>8,611</b>	<b>20,407</b>	<b>29,018</b>	<b>373,315</b>

For the period from Apr.1 - Sep.30, 2007	Shareholders' equity				
	Common Stock	Capital surplus	Retained earnings	Less treasury stock, at cost	Total shareholders' equity
<b>Balance at the end of previous period</b>	<b>160,001</b>	<b>125,352</b>	<b>65,163</b>	<b>(680)</b>	<b>349,836</b>
<b>Changes of items during the period</b>					
Dividends from retained earnings			(5,844)		(5,844)
Net income			90,529		90,529
Purchase of treasury stock				(198)	(198)
Disposal of treasury stock		6		43	49
Net changes of items other than shareholders' equity during the period					
<b>Total changes during the period</b>	<b>-</b>	<b>6</b>	<b>84,685</b>	<b>(155)</b>	<b>84,536</b>
<b>Balance at the end of the period</b>	<b>160,001</b>	<b>125,359</b>	<b>149,848</b>	<b>(836)</b>	<b>434,372</b>

For the period from Apr.1 - Sep.30, 2007	Valuation, translation adjustments and others			Total net assets
	Net unrealized holding gain on securities	Deferred gain on hedging instruments	Total valuation, translation adjustments and others	
<b>Balance at the end of previous period</b>	<b>10,621</b>	<b>23,051</b>	<b>33,673</b>	<b>383,509</b>
<b>Changes of items during the period</b>				
Dividends from retained earnings				(5,844)
Net income				90,529
Purchase of treasury stock				(198)
Disposal of treasury stock				49
Net changes of items other than shareholders' equity during the period	2,098	3,925	6,024	6,024
<b>Total changes during the period</b>	<b>2,098</b>	<b>3,925</b>	<b>6,024</b>	<b>90,560</b>
<b>Balance at the end of the period</b>	<b>12,720</b>	<b>26,977</b>	<b>39,697</b>	<b>474,070</b>

For the fiscal year ended Mar.31, 2007	Shareholders' equity				
	Common Stock	Capital surplus	Retained earnings	Less treasury stock, at cost	Total shareholders' equity
<b>Balance at the end of previous period</b>	<b>160,001</b>	<b>125,342</b>	<b>39,176</b>	<b>(427)</b>	<b>324,092</b>
<b>Changes of items during the period</b>					
Dividends from retained earnings			(5,846)		(5,846)
Net income			31,833		31,833
Purchase of treasury stock				(311)	(311)
Disposal of treasury stock		10		58	68
Net changes of items other than shareholders' equity during the period					
<b>Total changes during the period</b>	<b>-</b>	<b>10</b>	<b>25,987</b>	<b>(253)</b>	<b>25,744</b>
<b>Balance at the end of the period</b>	<b>160,001</b>	<b>125,352</b>	<b>65,163</b>	<b>(680)</b>	<b>349,836</b>

For the fiscal year ended Mar.31, 2007	Valuation, translation adjustments and others			Total net assets
	Net unrealized holding gain on securities	Deferred gain on hedging instruments	Total valuation, translation adjustments and others	
<b>Balance at the end of previous period</b>	<b>9,063</b>	<b>-</b>	<b>9,063</b>	<b>333,155</b>
<b>Changes of items during the period</b>				
Dividends from retained earnings				(5,846)
Net income				31,833
Purchase of treasury stock				(311)
Disposal of treasury stock				68
Net changes of items other than shareholders' equity during the period	1,558	23,051	24,609	24,609
<b>Total changes during the period</b>	<b>1,558</b>	<b>23,051</b>	<b>24,609</b>	<b>50,354</b>
<b>Balance at the end of the period</b>	<b>10,621</b>	<b>23,051</b>	<b>33,673</b>	<b>383,509</b>

Note: The number of Treasury stock

	FY2006 As of Mar.31	Increase Interim FY2007	Decrease Interim FY2007	Interim FY2007 As of Sep.30
Treasury Stock				
Common Stock	1,763	428	108	2,083
<b>Total</b>	<b>1,763</b>	<b>428</b>	<b>108</b>	<b>2,083</b>

### Summary of significant accounting policies

#### (a) Marketable securities and investment securities

Held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in Net assets.

Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

Investments in subsidiaries and affiliates are stated at cost determined by the moving average method.

#### (b) Derivatives

Derivatives, such as forward foreign exchange contracts, interest rate swaps and commodity options and swaps, are used, to limit their exposure to fluctuations in foreign exchange rates, interest rates, and commodity prices. These are not used for trading purposes.

Derivative financial instruments are carried at fair value with changes in unrealized gain or loss charged or credited to operations, except for those which meet the criteria for deferral hedge accounting under which an unrealized gain or loss is deferred as an asset or a liability. Receivables and payables hedged by qualified forward exchange contracts are translated at the corresponding foreign exchange contract rates.

#### (c) Inventories

Inventories are stated at cost. Cost is determined by the moving average method for aircraft spare parts, and mainly first-in, first-out method for miscellaneous supplies.

#### (d) Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation. Depreciation of property and equipment is computed based on estimated useful lives by the following methods:

Flight equipment .....	Straight-line method mainly
Buildings .....	Straight-line method
Other ground property and equipment.....	Declining balance method

The Company employs principally the following useful lives, based upon the Company's estimated durability of such aircraft:

International type equipment.....	20 years
Domestic type equipment.....	17 years

#### (Additional information)

Regarding capital expenditure on aircraft, the useful life and residual value of assets added to aircraft (eg, seats, etc) have been brought in line with the useful life of the aircraft to which they are attached, due to their small worth on the used aircraft market.

As a result of this change, the depreciation expenses for the first half of FY2007 increased by ¥23,078 million (including Extraordinary depreciation ¥22,331 million), Operating income and Recurring profit each decreased by ¥746 million, and Net income decreased by ¥23,078 million.

#### (e) Intangible fixed assets and amortization

Intangible fixed assets included in other assets are amortized by the straight-line method. Cost of software purchased for internal use is amortized by the straight-line method over 5 years, the estimated useful life of purchased software.

#### (f) Bond issuance costs and new stock issuance costs

Bond issuance costs and new stock issuance costs are principally capitalized and amortized over a period of three years.

#### (g) Foreign currency translation

Foreign currency receivables and payables are translated into yen at the rates of exchange in effect at the balance sheet date, and translation adjustments are made included in profit and loss account.

#### (h) Allowance for doubtful receivables

A general provision is made for doubtful receivables based on past experience. Provisions are made against specific receivables as and when required.

#### (i) Accrued bonuses to employees

Provisions are made for bonus payment for employees of the company. The accrued amounts of estimated bonus payments at balance sheet date are stated as accrued bonuses to employees.

#### (j) Retirement benefits

Accrued retirement benefits for employees at the balance sheet date are provided mainly at an amount calculated based on the retirement benefit obligation and the fair market value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized net retirement benefit obligation at transition, unrecognized actuarial gain or loss and unrecognized prior service cost. The retirement benefit obligation is attributed to each

period by the straight-line method over the estimated service years of the eligible employees. The net retirement benefit obligation at transition is being amortized principally over a period of 15 years by the straight-line method. Actuarial gains and losses are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over periods which are shorter than the average remaining service years of employees. Prior service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining service years of the employees.

(K) Retirement benefit for directors and Corporate Auditors

Retirement benefits for directors are accrued based on benefit obligations at the balance sheet date.

(l) Reserve for losses on related businesses

Provisions are made for estimated losses from investments in subsidiaries and affiliates.

(m) Leases

Finance lease transactions other than those that are expected to transfer ownership of the assets to the lessee are accounted for as operating leases.

(n) Revenue recognition

Passenger revenues are recorded when services are rendered.

(o) Consumption taxes

Consumption taxes are excluded from the amounts of profit and loss statements.

(p) Consolidated tax return system

The Company applied a consolidated tax return system.

**Changes in accounting policies**

(Accounting Standards for Depreciation Method of Tangible Fixed Assets)

Effective from the period ended September 30, 2007, the Company changed the depreciation method of tangible assets acquired after March 31, 2007 due to the revision of Japanese Corporation Tax Law and its regulations.

(Additional information)

Effective from the period ended September 30, 2007, the Company depreciates the residual value of tangible fixed assets acquired on or before March 31, 2007, to the memorandum value in five years using the straight-line method. Prior to March 31, 2007, depreciation was calculated in accordance with the previous Japanese Corporation Tax Law.

(Accounting Standards for Retirement benefit for directors and Corporate Auditors)

Until the previous fiscal year, accrued retirement benefit for directors was included in "long-term payable" in other long-term liabilities. However, in accordance with the public announcement of the "Auditing Treatment Relating to Reserve Defined under the Special Tax Measurement Law, Reserve Defined under the Special Law, and Reserve Director and Corporate Auditor Retirement Benefits" (Japanese Institute of Certified Public Accountants, Auditing and Assurance Practice Committee, Report No.42, April 13, 2007), accrued retirement benefit for directors and Corporate Auditors is included within "Accrued retirement benefits for directors and Corporate Auditors" in other long-term liabilities.