All Nippon Airways Co., Ltd. (9202)
Consolidated Financial Results
For the First Half ended September 30, 2012

ANA reports Consolidated Financial Results for the First Half of FY2012

1. Consolidated financial highlights for the first half ended September 30, 2012

(1) Consolidated financial and operating results

Yen (Millions)

	FY2012 first half Apr.1-Sep.30	Year on Year (%)	FY2011 first half Apr.1-Sep.30	Year on year (%)
Operating revenues	753,213	6.9	704,841	3.0
Operating income	75,304	50.2	50,133	(11.8)
Recurring profit	63,408	68.7	37,596	(17.4)
Net income	36,930	61.6	22,856	72.1
Net income per share	12.84yen	−	9.10yen	-
Comprehensive income	21,707	−	(5,853)	-

(2)Consolidated financial positions

Yen (Millions)

	FY2012 first half as of Sep. 30	FY2011 as of Mar. 31
Total assets	2,165,502	2,002,570
Total net assets	742,896	554,859
Ratio of shareholder's equity to total assets	34.0%	27.4%
Net assets per share	209.83yen	218.24yen
Shareholder's equity	736,371	549,014

2. Consolidated operating results forecast for the fiscal year ending March 31, 2013

Yen (Millions)

	FY2012	Year on Year (%)
Operating revenues	1,470,000	4.1
Operating income	110,000	13.4
Recurring profit	70,000	2.3
Net income	40,000	42.0
Net income per share	12.53yen	-

Note: The forecasted operating results for the fiscal year ending March 31, 2013 have been revised.

3. Other

(1) Changes of significant subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): No

(2) Changes in accounting principles, procedures, and the method of presentation
(i) Changes caused by revision of accounting standards: Yes
(ii) Changes other than (i): No
(iii) Changes in accounting estimates: Yes
(iv) Restatement: No

(3)Number of outstanding shares (Common stock)

Number of Shares (Thousands)

		FY2012		FY2011
Number of shares outstanding (including treasury stock)	As of Sep. 30	3,516,425	As of Mar. 31	2,524,959
Number of treasury stock	As of Sep. 30	7,012	As of Mar. 31	9,266
Average number of shares during the period	First half	2,875,657	First half	2,510,497

＊All financial results are prepared on the basis of accounting principles generally accepted in Japan.
＊All financial results statement is not audited and provided for reference only.

ANA issued 914,000,000 ordinary shares in a public and private offer with payment due on July 25, 2012.

Through a third-party allotment to Nomura Securities Co., Ltd., ANA issued 77,466,000 shares of common stock with a payment due date of August 17, 2012 in relation to sales through over-allotment. Therefore, net earnings per share stated in the earnings forecast for the fiscal year ending March 31, 2013 has been recalculated on the basis of 914,000,000 shares through the above public and private offer in addition to the issue of 77,466,000 shares through the above third-party allotment.

Appendix
Overview of consolidated financial results for the first half ended September 30, 2012

Ⅰ Qualitative Information / Financial Statements, etc.

1. Qualitative Information Regarding Consolidated Results

unit: billion yen (rounded down)

Consolidated Operating Results	FY2011 first half Apr.1-Sep.30	FY2012 first half Apr.1-Sep.30	Year-on-Year (%)
Operating Revenues	704.8	753.2	6.9
Air Transportation	631.0	672.0	6.5
Travel Services	78.4	84.3	7.5
Other	67.7	73.5	8.5
Intersegment Transactions	-72.5	-76.7	—
Operating Income/Loss (-)	50.1	75.3	50.2
Air Transportation	45.7	69.6	52.2
Travel Services	1.9	3.0	56.2
Other	2.1	2.6	23.0
Intersegment Transactions	0.3	0.0	-97.7
Recurring Profit/Loss (-)	37.5	63.4	68.7
Net Income/Loss (-)	22.8	36.9	61.6

See Notes 1, 2, & 3, below.

Although the Japanese economy continued to show underlying strength during the first half of fiscal 2012 (April 1, 2012 through September 30, 2012, hereinafter the “first half”), it has recently been weak. Looking ahead, although reconstruction demand is expected to continue, there is a risk that the highly uncertain situation surrounding the external economic environment in Europe and China will have a negative effect on the Japanese economy.

Overview by Segment

◎ **Air Transportation**

Operating Revenues: ¥672.0 billion, raised 6.5% year-on-year

Operating Loss: ¥69.6billion, raised 52.2% year-on year

＜Domestic Passenger Services＞

Category		FY2011 first half Apr.1-Jun.30	FY2012 first half Apr.1-Jun.30	Year-on-Year (%)
Passenger Revenues	(billion yen)	327.8	343.0	4.6
Number of Passengers	(Passengers)	19,217,117	20,773,749	8.1
Available Seat km	(Thousand km)	28,408,063	29,727,091	4.6
Revenue Passenger-km	(Thousand km)	17,053,705	18,336,123	7.5
Passenger Load Factor	(%)	60.0	61.7	1.7

See Notes 3, 4, 5, 9, 10 & 14 below.

In addition to business demand remaining strong, leisure demand that was severely affected by the Great East Japan Earthquake (hereinafter the, “earthquake”) in the first quarter of the previous year has been solid throughout the period under review, and passenger numbers exceeded numbers for the same period last year.

In route network, ANA established the Narita-Niigata route and the Itami-Fukushima route while resuming the Fukuoka-Miyazaki/Sendai routes and increasing the number of flights on the Itami/Fukuoka-Niigata-Oita, Fukuoka/Niigata routes. Efforts were made to improve the network by increasing the number of flights. Moreover, ANA also introduced the Boeing 787 aircraft on the competitive Haneda-Fukuoka/Kagoshima/Kumamoto routes.

Marketing measures established *Tabiwari 55* which offers more affordable price tickets that could be purchased up to 55 days in advance to stimulate demand for the pleasure purpose, and the *Experience JAPAN Fare* for overseas residents traveling within Japan to increase international visitor demand.

As for services, in addition to opening a new ANA lounge at Okayama Airport on August 9, the Company also launched the ANA digital content service in it’s lounges from September 10 as part of its measures to strengthen competitiveness.

＜International Passenger Services＞

Category		FY2011 first half Apr.1-Jun.30	FY2012 first half Apr.1-Jun.30	Year-on-Year (%)
Passenger Revenues	(billion yen)	159.6	179.7	12.6
Number of Passengers	(Passengers)	2,840,667	3,311,813	16.6
Available seat-km	(Thousand km)	16,919,123	18,490,662	9.3
Revenue Passenger-km	(Thousand km)	12,204,642	14,341,648	17.5
Passenger Load Factor	(%)	72.1	77.6	5.4

See Notes 3, 5, 9, 10, & 14 below.

Both business demand and leisure demand were solid throughout the entire period. Leisure demand was particularly solid during Japan’s Golden Week period in May and Obon period in August, as inbound tourist demand steadily recovered after being severely impacted by the earthquake last year.

Efforts were made to improve the route network service, such as establishing Narita-Seattle route from July 25. ANA also introduced Boeing 787 aircraft for all flights on the Haneda-Frankfurt route, and also successively introduced new Premium Economy seats on Europe and North America routes on August 29, in efforts to be more competitive by offering premium experience. Meanwhile, efforts were made to improve the network of China routes by introducing daily operation of the Narita/Kansai-Hangzhou routes. However, anti-Japanese demonstrations in China since the middle of September have resulted in a sudden decline in demand between Japan and China.

As for marketing, the second phase of the *IS JAPAN COOL?* Campaign, began on August 20,which was designed to attract visitors to Japan.

Furthermore, on September 27 the Ministry of Land, Infrastructure, Transport and Tourism granted ATI (Anti Trust Immunity) to ANA in regard to the inclusion of Swiss International Airlines and Austrian Airlines in the Japan-Europe joint venture between ANA and Lufthansa Airlines. ANA will now proceed with preparations to commence joint operations from next spring.

＜Cargo Services＞

Category		FY2011 first half Apr.1-Jun.30	FY2012 first half Apr.1-Jun.30	Year-on-Year (%)
Domestic Routes Cargo Revenues	(billion yen)	16.4	15.8	-3.8
Available Cargo Capacity	(Thousand ton-km)	903,353	975,401	8.0
Cargo volume	(tons)	229,496	226,166	-1.5
Cargo Traffic Volume	(Thousand ton-km)	228,706	224,698	-1.8
Mail Revenues	(billion yen)	1.6	1.7	4.1
Mail Volume	(tons)	15,196	15,071	-0.8
Mail Traffic Volume	(Thousand ton-km)	15,687	15,286	-2.6
Cargo and Mail Load Factor	(%)	27.1	24.6	-2.5
International Routes Cargo Revenues	(billion yen)	45.1	41.4	-8.3
Available Cargo Capacity	(Thousand ton-km)	1,791,779	1,927,459	7.6
Cargo Volume	(tons)	277,283	293,595	5.9
Cargo Traffic Volume	(Thousand ton-km)	1,081,653	1,167,107	7.9
Mail Revenues	(billion yen)	1.6	1.7	5.8
Mail Volume	(tons)	12,343	14,642	18.6
Mail Traffic Volume	(Thousand ton-km)	55,274	62,415	12.9
Cargo and Mail Load Factor	(%)	63.5	63.8	0.3

See Notes 3, 5, 6, 7, 8, 11, 12, 13 & 15 below.

There was solid performance in fresh cargo from Okinawa and parcel services due to the expansion of the nationwide mail-order market. On the other hand, in addition to the recoil from increased demand immediately following the earthquake, low vegetable crop yield affected by poor weather conditions at the beginning of summer, and flight cancellations due to typhoons and rainfalls after summer resulted in both cargo volume and revenue falling below the levels of the same period last year.

In addition to the recoil derived from the earthquake, there has been a decline in demand between Japan and China due to the European economic crisis and the slowdown of the Chinese economy. Because of this, ANA actively captured in third country cargo demand utilizing its network, such as cargo from Europe and North America bound for Asia and China cargo from Asia and China bound for Europe and North America, and cargo transported within Asia using Okinawa as a cargo hub, although cargo volume increased from the same period in the previous year as a result, revenue decreased.

＜Other Air Transportation Businesses＞

In addition to recording AirAsia Japan Co.,Ltd. operating revenue, there was also an increase in revenue from airport handling service contracts. As a result, revenue for the first half was ¥88.3 billion, up 12.4.% from ¥78.6. billion in the same period last year.

AirAsia Japan Co., Ltd initiated Narita-Sapporo/Fukuoka routes on August 1 and the Narita-Okinawa route on August 3. Since September 30 it has been operating 12 flights per day using two Airbus A320 aircraft. Because of the popular low-priced fare and that operations were launched during the high-demand summer season, it led to a smooth start. AirAsia Japan carried 96,607 passengers over 140,466,million available seat-km and 107,638,million revenue passenger-km with a passenger load factor of 76.6%.AirAsia Japan also plans to open the Narita-Incheon route on October 28 and the Narita-Pusan route on November 28.

◎ **Travel services**

Operating revenue: ¥ 84.3 billion, up 7.5% year-on year.

Operating income: ¥ 3.0 billion, up 56.2% year-on-year.

Travel demand was solid especially in the Metropolitan area due to many notable events such as the opening of Tokyo Sky Tree and also in the Tohoku region, which suffered the effects of the earthquake last year, and sales of original packaged tours such as *ANA Sky Holiday* exceeded those in the same period last year. Sales of dynamic packages *Tabisaku* were solid due to efforts to expand sales channels such as smartphone sites, and the cumulative total of customers sold since 2006 reached 1.5 million in the first half. As a result, sales in the first half surpassed those of the same period last year.

Efforts were made to establish products using the network of Star Alliance carriers and expand the "*World Selection*" including high-quality products to new destinations such as the Middle East and Africa. Tour products to Europe were weak during summer and the decline in demand for travel to China due to the anti-Japanese demonstrations which occurred in China since the middle of September led to a fall in sales of package tours such as *ANA Hallo Tours* resulted in lowering the level of the same period last year. Meanwhile, the number of cities available under the dynamic *Tabisaku* package increased from 40 to 74, while the number of hotels increased from 500 to 2,500. These enhancements contributed an increase in customers. As a result, sales in the first half were on par with those of the same period last year.

◎ **Other Businesses**

Operating revenue: ¥ 73.5 billion, up 8.5% year-on-year.

Operating income: ¥ 2.6 billion up 23.0% year-on-year.

The Other segment recorded a year-on-year increase in revenues for the first half due to such factors as increases in revenues from trading and product sales.

Notes:

1. The breakdowns within segments are the categories used for internal management.
2. The revenues for each segment include internal inter-segment revenues; operating income is the income for the segment.
3. The above figures do not include consumption tax, etc.
4. The results for passenger travel on domestic routes include results from code share flights with IBEX Airlines Co., Ltd., Hokkaido International Airlines Co., Ltd., Skynet Asia Airways Co., Ltd., and Starflyer, Inc.
5. Irregular flights have been excluded from both domestic and international routes.
6. Domestic cargo and mail results include code share flights with Hokkaido International Airlines Co., Ltd., Skynet Asia Airways Co., Ltd., and Oriental Air Bridge Co., Ltd.
7. Includes regular late-night cargo flights on domestic routes.
8. The results for international cargo and mail include the results for code share flights, results for flights with block space agreements, and land transport results.
9. Available seat-kilometers represents the total figure calculated by multiplying the available number of seats on each segment of each route (seats) by the distance for each segment (km).
10. Revenue passenger-kilometers represents the total figure calculated by multiplying the number of passengers (people) on each segment of each route by the distance for each segment (km).
11. Available cargo capacity is the total calculated by multiplying the available cargo space (tons) on each segment of each route by the distance for each segment (km). Please note that for passenger aircraft, the available cargo space in the hold (belly) of the aircraft is multiplied by the distance traveled for each segment. Moreover, the available cargo space in the belly includes the available space for checked luggage of passengers on the flight in addition to cargo, mail, etc.
12. Cargo traffic volume and mail traffic volume is the total calculated by multiplying the volume of cargo transported on each segment of each route (tons) by the distance for each segment (km).
13. The cargo and mail load factor is the figure arrived at by dividing the sum of the cargo traffic volume and the mail traffic volume by the available cargo capacity.
14. The results for operating revenues for AirAsia Japan Co., Ltd is not included. No international flights were operated in the first half.
15. AirAsia Japan Co., Ltd. does not handle cargo.

2. Qualitative information regarding consolidated financial situation

(1) Financial situation

Assets: Cash equivalents increased through the issue of new shares, and total assets increased by ¥162.9 billion year-on-year, to 2,165.5 billion.

Liabilities: Procurement of funds through the issue of corporate bonds and the repayment of loans resulted in liabilities totaling ¥1,422.6 billion, a decrease of ¥25.1 billion. Note that interest-bearing debt decreased by ¥29.9 billion year-on-year, to ¥933.6 billion.

Net assets: Despite dividend payments and an increase in deferred hedging loss, the posting of a net income for the quarter and paid-in capital by issuing new shares resulted in net assets increasing by ¥188.0 billion to ¥742.8 billion. The equity ratio as of September 30, 2012 was 34.0%.

(2) Cash Flows

Operating activities: Net income for the first half before tax adjustments was ¥63.1 billion. Adjustment for depreciation, other non-cash items, changes in operating receivables and payables, net cash provided by operating activities was positive ¥123.7 billion.

Investment activities: Net cash used in investing activities was negative ¥326.0 billion due to the acquisition of aircraft and parts and prepayment for aircraft scheduled for introduction, along with making deposits with a maturity of over three months. As a result, free cash flow was negative ¥202.2 billion.

Financial activities: While the group carried out repayment of loans, repayment of lease obligations and payment of dividends, net cash provided by financing activities was positive ¥129.6 billion due to the procurement of funds through the issuance of shares.

As a result of the above, cash and cash equivalents at the end of the reporting quarter were down ¥71.7 billion against the first six months on FY2011, with a balance of ¥194.1 billion.

3. Consolidated operating results forecast for the financial year ending March 31, 2013

With regard to the consolidated operating results and forecast and non-consolidated operating results and forecast, earnings in the first half were slightly below initial targets for both passenger revenue and cargo revenue, and this trend is expected to continue. Furthermore, it is unlikely that there will be a way to offset the impact of the anti-Japanese demonstrations in China and, consequently, a ¥30.0 billion decrease in operating revenues for the entire year in comparison with the consolidated earnings forecast shown in the ANA Financial Results for FY2012. On the other hand, in addition to cost reductions proceeding surpass than expected, efforts to reduce costs will continue ahead of schedule and the reduction in operating expenses is expected to match the shortfall in revenue. As a result, operating income, ordinary income and net income forecasts will remain unchanged from the initial announcement. Please note that statements regarding operating results forecasts detailed in this document are based on information currently obtainable by our company and on certain assumptions about the reasonableness of that information. Various different factors may cause operating results, etc. to differ substantially from these.

◎ Consolidated Operating results and Forecast (01APR2012～31MAR2013)

	Operating Revenues	Operating Income	Recurring Profit	Net Income	Net Income per Share
Forecast as of April 27, 2012 (A)	billion yen 1,500	billion yen 110	billion yen 70	billion yen 40	yen 15.90
New Forecast (B)	**1,470**	**110**	**70**	**40**	**12.53**
Change (B - A)	-30	—	—	—	—
% Change	-2.0	—	—	—	—
Ref. FY2011 (April 1, 2011-March 31, 2012)	1,411.5	97.0	68.4	28.1	11.22

◎ Non-consolidated Operating results and Forecast (01APR2012～31MAR2013)

	Operating Revenues	Operating Income	Recurring Profit	Net Income	Net Income per Share
Forecast as of April 27, 2012 (A)	billion yen 1,340	billion yen 100	billion yen 62	billion yen 37	yen 14.70
New Forecast (B)	**1,308**	**100**	**62**	**37**	**11.59**
Change (B - A)	-32	—	—	—	—
% Change	-2.4	—	—	—	—
Ref. FY2011 (April 1, 2011-March 31, 2012)	1,233.8	88.6	60.6	26.7	10.66

※ANA issued 914,000,000 ordinary shares in a public and private offer with payment due on July 25, 2012. Through a third-party allotment to Nomura Securities Co., Ltd., ANA issued 77,466,000 shares of common stock with a payment due date of August 17, 2012 in relation to sales through over-allotment. Therefore, net earnings per share stated in the earnings forecast for the fiscal year ending March 31, 2013 has been recalculated on the basis of 914,000,000 shares through the above public and private offer in addition to the issue of 77,466,000 shares through the above third-party allotment.

4. Others

(1) Significant changes in subsidiaries during the period under review (changes in specified subsidiaries due to change in scope of consolidation)

・ None applicable

(2) Use of specific quarterly accounting methods, if any

・ None

(3) Changes to accounting methods since the previous financial period, if any

(Change in depreciation method for tangible fixed assets)

In conjunction with change to the Corporation Tax Act, from the first quarter of the current fiscal year, the company and its consolidated subsidiaries in Japan have adopted a new depreciation method for tangible fixed assets acquired on or after April 1, 2012 based on the revised law. This change has no significant effect on operating income, recurring profit and net income before taxes.

Ⅱ. Financial statements & Operating results

1.Consolidated Balance Sheets

Yen (Millions)

Assets	FY2012 as of Sep.30	FY2011 as of Mar.31
Current assets:	764,050	548,719
Cash on hand and in banks	38,713	41,867
Note and accounts receivable-trade	113,511	124,028
Marketable securities	450,654	237,104
Inventories (Merchandise)	5,102	4,924
Inventories (Supplies)	49,349	44,935
Deferred income taxes - current	34,428	30,269
Other	73,395	66,752
Allowance for doubtful accounts	(1,102)	(1,160)
Fixed assets	1,399,501	1,453,675
Tangible fixed assets:	1,191,487	1,219,875
Building and structure	109,332	112,028
Flight equipment	819,623	751,108
Land	56,531	56,545
Leased assets	24,573	27,305
Construction in progress and advance payment on aircraft purchase contracts	153,191	241,817
Other	28,237	31,072
Intangible fixed assets	68,050	71,846
Investments and others:	139,964	161,954
Investments in securities	57,776	58,586
Deferred income taxes – non-current	53,766	68,887
Other	29,345	35,556
Allowance for doubtful accounts	(923)	(1,075)
Deferred assets	1,951	176
Total assets	**2,165,502**	**2,002,570**

Liabilities and Net assets	FY2012 as of Sep.30	FY2011 as of Mar.31
Liabilities		
Current liabilities:	471,802	461,045
Notes and accounts payable-trade	174,708	180,804
Short-term loans	40	-
Current portion of long - term loans	111,439	115,962
Current portion of bonds	10,000	-
Finance lease obligations	11,164	11,443
Accrued income taxes	7,657	3,912
Accrued bonuses to employees	18,149	30,841
Provision for potential loss on antitrust proceedings	116	116
Asset retirement obligations	73	1,146
Other	138,456	116,821
Long - term liabilities:	950,804	986,666
Bonds	115,000	95,000
Long - term loans	662,208	716,663
Finance lease obligations	23,815	24,589
Accrued bonuses to employees	-	2,382
Accrued employees' retirement benefits	128,382	126,075
Retirement benefit for directors	544	591
Asset retirement obligations	1,034	1,027
Other	19,821	20,339
Total liabilities	1,422,606	1,447,711
Net assets		
Shareholders' equity	742,904	540,637
Common stock	318,789	231,381
Capital surplus	282,584	195,723
Retained earnings	144,453	117,622
Less treasury common stock, at cost	(2,922)	(4,089)
Accumulated other comprehensive income	(6,533)	8,377
Net unrealized holding loss on securities	(1,451)	(140)
Deferred (loss)gain on hedging instruments	(4,095)	9,334
Foreign currency translation adjustments	(987)	(817)
Minority interests	6,525	5,845
Total net assets	742,896	554,859
Total liabilities and net assets	**2,165,502**	**2,002,570**

2. Consolidated Statements of Income

Yen (Millions)

	FY2012 first half Apr.1 – Sep.30	FY2011 first half Apr.1 – Sep.30
Operating revenues	753,213	704,841
Operating expenses	562,399	541,818
Sales, general and administrative expenses	115,510	112,890
Operating income	75,304	50,133
Non-operating income:	4,745	5,247
Interest and dividend income	429	452
Other	4,316	4,795
Non-operating expenses:	16,641	17,784
Interest expenses	9,317	10,141
Other	7,324	7,643
Recurring profit	63,408	37,596
Extraordinary income	10	988
Gain on sale of property and equipment	-	571
Gain on sale of investments in securities	10	157
Other	-	260
Extraordinary loss	297	297
Loss on sales of investments in securities	-	163
Loss on revaluation of investments in securities	208	10
Special retirement expenses	63	33
Other	26	91
Income before income taxes and minority interests	63,121	38,287
Income taxes	26,499	15,317
Minority interests	(308)	114
Net income	**36,930**	**22,856**

3. Consolidated Statements of Comprehensive Income

Yen (Millions)

	FY2012 first half Apr.1 – Sep.30	FY2011 first half Apr.1 – Sep.30
Income before minority interests	36,622	22,970
Other comprehensive income:		
Net unrealized holding loss on securities	(1,308)	(571)
Deferred loss on hedging instruments	(13,429)	(27,911)
Foreign currency translation adjustments	(170)	(304)
Share of other comprehensive income of affiliates accounted for by the equity-method	(8)	(37)
Total other comprehensive income	(14,915)	(28,823)
Comprehensive income	21,707	(5,853)
(Total comprehensive income attributable to)		
Owners of All Nippon Airways Co., Ltd	(22,020)	(5,962)
Minority interests	(313)	109

4. Consolidated Statements of Cash Flows

Yen (Millions)

	FY2012 first half Apr.1 – Sep.30	FY2011 first half Apr.1 – Sep.30
I. Cash flows from operating activities		
Income before income taxes and minority interests	63,121	38,287
Depreciation and amortization	60,376	58,427
Loss (gain) on disposal and sale of property and equipment	1,991	(42)
Loss on valuation and sale of securities	198	16
Increase in accrued employees’ retirement benefits	2,711	1,956
Interest and dividend income	(1,331)	(1,321)
Interest expense	9,317	10,141
Decrease (increase) in accounts receivable	10,517	(19,132)
Decrease in accounts and notes payable-trade	(6,178)	(11,969)
Other, net	(5,730)	23,480
Cash generated from operations	135,052	99,843
Interest and dividends received	1,391	1,480
Interest paid	(9,419)	(9,607)
Extra employees' retirement benefit paid	(409)	(33)
Income taxes paid	(2,855)	(1,241)
Net cash provided by operating activities	123,760	90,442
II. Cash flows from investing activities		
(Increase) decrease in time deposits	(12,010)	4
Payment for purchase of marketable securities	(304,870)	(195,140)
Proceeds from redemption of marketable securities	34,770	48,600
Payment for purchase of property and equipment	(62,441)	(29,410)
Proceeds from sale of property and equipment	26,584	13,294
Payment for purchase of intangible assets	(5,707)	(8,543)
Payment for purchase of investment in securities	(1,894)	(1,548)
Proceeds from sale of investments in securities	10	440
Payment for advances	(25)	(77)
Proceeds from collection of advances	260	502
Other, net	(724)	319
Net cash used in investing activities	(326,047)	(171,559)

III. Cash flows from financing activities		
Increase in short-term loans, net	40	49,844
Proceeds from long-term debt	-	150,000
Repayment of long-term debt	(58,978)	(62,429)
Proceeds from issuance bonds	29,848	-
Repayment of finance lease obligations	(6,114)	(5,975)
Proceeds from issuance of new stock by public offering and allocation to third party, net of issuance cost	173,718	-
Payment for dividends	(10,062)	(5,018)
Other, net	1,172	372
Net cash provided by financing activities	129,624	126,794
IV. Effect of exchange rate changes on cash and cash equivalents	(108)	(188)
V. Net (decrease) increase in cash and cash equivalents	(72,771)	45,489
VI. Cash and cash equivalents at the beginning of the period	265,834	201,606
VII. Increase in cash and cash equivalents resulting from change in scope of consolidation	1,050	-
VIII. Cash and cash equivalents at the end of the period	194,113	247,095

5.Significant Changes to Shareholder's Equity

The board of directors of the Company held on July 3, 2012 approved the resolutions of issuance of new shares by way of public and private offering and issuance of new shares by way of Third-party allotment. Accordingly common stock and capital surplus increased by ¥87,408 million. Additionally, in the first half of FY2012, capital surplus decreased by ¥547 million due to disposal by selling treasury stock. As a result, as of the end of the first half of FY2012, common stock was ¥318,789 million, and capital surplus was ¥282,584 million.

6. Segment information

<FY2012 first half Apr.1 - Sep.30> Yen (Millions)

	Reportable Segment			Other	Total	Adjustments	Consolidated
	Air Transportation	Travel Services	Subtotal				
Operating revenues	625,683	79,660	705,343	47,870	753,213	-	753,213
Intra-group sales and transfers	46,340	4,697	51,037	25,664	76,701	(76,701)	-
Total	672,023	84,357	756,380	73,534	829,914	(76,701)	753,213
Segment profit	69,608	3,003	72,611	2,686	75,297	7	75,304

<FY2011 first half Apr.1 - Sep.30> Yen (Millions)

	Reportable Segment			Other	Total	Adjustments	Consolidated
	Air Transportation	Travel Services	Subtotal				
Operating revenues	587,502	74,009	661,511	43,330	704,841	-	704,841
Intra-group sales and transfers	43,580	4,486	48,066	24,442	72,508	(72,508)	-
Total	631,082	78,495	709,577	67,772	777,349	(72,508)	704,841
Segment profit	45,723	1,922	47,645	2,184	49,829	304	50,133