

Consolidated Statements of Operations

All Nippon Airways Co., Ltd. and its consolidated subsidiaries
Years ended March 31, 2003, 2002 and 2001

	Yen (Millions)			U.S. dollars (Thousands) (Note 3)
	2003	2002	2001	2003
Operating revenues:				
Passenger	¥ 760,263	¥ 762,923	¥ 813,156	\$ 6,324,983
Cargo	64,688	57,648	68,649	538,170
Incidental and other	390,958	383,943	397,830	3,252,562
	<u>1,215,909</u>	<u>1,204,514</u>	<u>1,279,635</u>	<u>10,115,715</u>
Operating expenses:				
Aircraft and flight operations	298,574	292,677	303,208	2,483,977
Aircraft maintenance	86,994	81,031	75,085	723,744
In-flight services	62,417	56,468	59,543	519,276
Flight control and ground handling	259,374	243,061	240,382	2,157,853
Reservations, sales and advertising	212,553	210,845	221,038	1,768,328
General and administrative	34,290	33,837	29,241	285,274
Depreciation and amortization	61,852	61,337	59,333	514,576
Other costs	202,452	202,290	209,562	1,684,293
	<u>1,218,506</u>	<u>1,181,546</u>	<u>1,197,392</u>	<u>10,137,321</u>
Operating income (loss)	(2,597)	22,968	82,243	(21,606)
Non-operating income (expenses):				
Interest and dividend income	6,843	7,143	9,537	56,930
Gain on sale of property and equipment	2,002	2,559	14,538	16,656
Interest expenses	(25,283)	(28,758)	(35,079)	(210,341)
Loss on sale or disposal of property and equipment	(16,304)	(10,033)	(11,057)	(135,641)
Equity in income (loss) of affiliates	364	(804)	251	3,028
Rebate on aircraft purchases	5,976	—	8,597	49,717
Amortization of net transitional retirement benefit obligation	(7,321)	(7,835)	(7,366)	(60,907)
Loss on sale and liquidation of affiliates	(26,914)	—	—	(223,910)
Valuation loss on investment securities	(3,373)	(2,127)	(4,011)	(28,062)
Special retirement benefit expenses	(3,191)	(1,312)	(1,216)	(26,547)
Other, net	14,977	11,021	6,852	124,601
	<u>(52,224)</u>	<u>(30,146)</u>	<u>(18,954)</u>	<u>(434,476)</u>
Income (loss) before income taxes and minority interests	(54,821)	(7,178)	63,289	(456,082)
Income taxes (Note 8):				
Current	3,888	6,115	17,888	32,346
Deferred	(31,717)	(3,871)	1,263	(263,869)
	<u>(27,829)</u>	<u>2,244</u>	<u>19,151</u>	<u>(231,523)</u>
Income (loss) before minority interests	(26,992)	(9,422)	44,138	(224,559)
Minority interests	1,264	34	3,852	10,516
Net income (loss)	¥ (28,256)	¥ (9,456)	¥ 40,286	\$ (235,075)
		Yen		U.S. dollars (Note 3)
	2003	2002	2001	2003
Net income (loss) per share (Note 2)	¥(18.42)	¥(6.17)	¥27.75	\$ (0.153)
Net income per share assuming full dilution (Note 2)	—	—	24.80	—

See accompanying notes to consolidated financial statements.