

ANA Financial Results for the First Quarter of FY2013

TOKYO July 30, 2013 - ANA Holdings today reported its consolidated financial results for the first three months of fiscal year 2013 (April – June).

Operating revenues for the period increased by 4.4 per cent to ¥358.3 billion, but operating costs rose by 9.6 per cent to ¥363.9 billion. This resulted in an operating loss of ¥5.6 billion, a recurring loss of ¥11.2 billion and a net loss for the period of ¥6.6 billion. The primary reason for the increase in operating expenses was a rise in fuel costs due to the weakening of the yen. Operating revenues were also held back by the suspension of Boeing 787 services for part of the period.

Despite these currency headwinds, the Japanese economy showed steady signs of improvement during the first three months, with consumer spending recovering and the decline in capital investment stabilizing. The economic stimulus measures implemented by the Government from the end of last year are also expected to support recovery.

In the airline business, we were pleased to return our fleet of 787s to service on June 1, after completion of the required modifications to their battery systems and receipt of approvals from the relevant authorities. ANA continues to improve the service we offer to our passengers both on-board and pre-flight. This was recognized by the 5-star accreditation ANA received from Skytrax last fiscal year and this year ANA has been named as best airline in the two categories of World's Best Airport Services and Best Cabin Cleanliness.

Consolidated Financial Performance

unit: billion yen (rounded down)

	1Q/ FY2013	1Q/FY 2012	Difference	% Comparison
Operating revenues	358.3	343.1	+ 15.1	+ 4.4
Operating expenses	363.9	332.1	+ 31.8	+ 9.6
Operating income/ loss	- 5.6	11.0	- 16.6	-
Non-operating income/ loss (net)	- 5.6	- 6.3	+ 0.7	-
Recurring profit/ loss	- 11.2	4.6	- 15.9	-
Extraordinary gains/ loss (net)	1.8	- 0.2	+ 2.0	-
Net income/ loss	- 6.6	0.6	- 7.3	-

Performance by business segment *1 (consolidated)

unit: billion yen (rounded down)

	1Q/ FY2013		1Q/ FY2012		Difference	
	Operating revenues	Segment results	Operating revenues	Segment results	Revenue	Segment results
Air Transportation	312.3	- 6.5	299.3	9.0	+ 13.0	- 15.6
Airline Related	45.7	1.2	42.1	0.2	+ 3.5	+ 0.9
Travel Services	36.3	0.6	34.7	0.8	+ 1.6	- 0.2
Trade and Retail	26.4	0.7	24.6	0.6	+ 1.8	+ 0.0
Others	7.0	0.1	6.9	0.2	+ 0.1	- 0.0

*1 From the current fiscal year, the reporting segments has been reorganized as "Air Transportation," "Airline Related," "Travel Services," "Trade and Retail" and "Others".

Air Transportation

Domestic Passenger Services

- Domestic passenger numbers increased compared to the previous year due to solid business demand, steady improvement in leisure demand and the use of other aircraft types to minimize the impact of the grounding of the Boeing 787 fleet. However, revenue decreased by ¥1.8 billion, a decrease of 1.3% compared to the previous year due to fierce competition which resulted in reduced unit prices.
- ANA has worked to improve its network to increase convenience by establishing new routes from the summer timetable such as Akita-Sapporo and Narita-Hiroshima routes, and reopening Haneda-Ishigaki and the Nagasaki/Kumamoto-Okinawa.
- ANA also became the first Japanese airline to institute a mileage rewards program based on cumulative distance traveled with its *ANA Million Miler Program*.

Domestic Air Transportation (consolidated)	1Q/ FY2013	1Q/FY 2012	Difference	% Comparison
Revenue (billion yen)	147.3	149.2	- 1.8	- 1.3
Number of passengers (thousand)	9,690	9,502	+ 187	+ 2.0
Available seat km (million)	14,909	14,256	+ 653	+ 4.6
Revenue passenger km (million)	8,495	8,296	+ 199	+ 2.4
Passenger load factor (%)	57.0	58.2	- 1.2	-

International Passenger Services

- On routes to Europe and North America, both business and leisure demand remained steady, but leisure traffic continued to be affected on routes to China due to the effect of anti-Japanese demonstrations. Overall international passenger revenues increased by 7.5 per cent or ¥6.2 billion,

helped by rising unit prices and stronger yield management.

- The Narita-Seattle and Narita-San Jose routes that were cancelled due to the grounding of the 787 resumed operations on June 1. ANA strengthened the Japan - North American network, and captured connecting demand between North America and Asia.

- As a full service carrier, ANA continued to improve its service, such as increasing the number of seats at the airport lounge in Narita and enhancing in-flight dining.

International Air Transportation (consolidated)	1Q/ FY2013	1Q/FY 2012	Difference	% Comparison
Revenue (billion yen)	89.5	83.2	+ 6.2	+ 7.5
Number of passengers (thousand)	1,436	1,592	- 156	- 9.8
Available seat km (million)	9,805	9,059	+ 746	+ 8.2
Revenue passenger km (million)	6,963	6,818	+ 145	+ 2.1
Passenger load factor (%)	71.0	75.3	- 4.2	-

Cargo Services

- Domestic cargo volumes and revenue both fell short of the same period the previous year due to increased competition from land transport and rival companies and the sluggish performance of fresh food cargo originating from Hokkaido, Kyushu and Okinawa.

- International cargo traffic benefited from ANA actively capturing cargo originating from Japan, the steady improvement in the cargo market between Asia and China and Europe and North America and the use of Okinawa as a hub for third country cargo transported within Asia. As a result, cargo volume and revenue both exceeded the same period of the previous year.

This resulted in a ¥0.4 billion decrease in domestic cargo revenues, down 6.3% year-on-year, and a ¥3.0 billion increase in international cargo revenues, up 14.0% year-on-year.

Cargo (consolidated)		1Q/ FY2013	1Q/ FY2012	Difference	% Comparison
Domestic	Revenue (billion yen)	7.1	7.6	- 0.4	- 6.3
	Freight carried (thousand tons)	101	106	- 5	- 4.8
	Ton km (million)	101	107	- 5	- 5.1
International	Revenue (billion yen)	24.5	21.5	+ 3.0	+ 14.0
	Freight carried (thousand tons)	162	146	+ 16	+ 11.2
	Ton km (million)	666	585	+ 80	+ 13.8

Others

- Maintenance contracting revenue, and other revenue in the airline business such as the contribution from AirAsia Japan was ¥41.7 billion, up 16.0% from the same period the previous year.

- In the first three months, AirAsia Japan carried 144 thousand passengers on domestic routes, 275,473 thousand available seat-kilometers and 152,759 thousand revenue passenger-kilometers with a passenger load factor of 55.5%, and 39 thousand passengers on international routes, 85,015 thousand available seat-kilometers and 44,267 thousand revenue passenger-kilometers with a passenger load factor of 52.1%. AirAsia Japan, which was established as a joint venture between ANA and AirAsia Berhad has become a wholly-owned subsidiary of ANA since the end of June.

Airline Related, Travel Services, Trading Company Business, Other

- In airline-related businesses, revenue for the first three months was up by 8.5% to ¥45.7 billion while operating income rose more than three-fold to ¥1.2 billion year-on-year helped by increased contracts for ground support operations at Chitose Airport and Kansai Airport, increased revenue from Overseas Courier Service, and revenue from ANA Airport Service, which began operations this April.

- In travel services, reduced demand for travel to China and East Asia was offset by the popularity of destinations in the Kanto region such as Tokyo Disney Resort and Tokyo Skytree and Okinawa following the opening of the new Ishigaki Airport. In addition, ANA's new WONDER EARTH overseas tour product stimulated demand and inbound travel to Japan remained solid. This resulted in revenue of ¥36.3 billion during the first three months, up 4.6% from the same period of the previous year. However, operating income decreased by 29.6% to ¥0.6 billion due to increased costs.

- In the trading company business, in addition to steady sales in airport duty free stores and airport shops, increased turnover on the mail order sales website resulted in quarterly revenue of ¥26.4 billion, up 7.4% year-on-year, and operating income of ¥0.7 billion, up 14.9% year-on-year.

- In other areas, sound performance of the building maintenance business and the real estate business resulted in quarterly revenue of ¥7.0 billion, up 1.9% year-on-year, and operating income of ¥0.1 billion, down 38.5% year-on-year.

Outlook for FY2013 (April, 2013 - March, 2014)

- Although the global economic outlook remains uncertain and exchange rates are having an adverse impact, the stimulus measures implemented by the Japanese government are expected to bring about an economic recovery. At the same time, ANA will continue to seek cost savings, strengthen its management and implement its corporate plan which is based on a multi-brand strategy, diversification into aviation related businesses and expansion into new growth areas through investments mainly in Asia.

Based on this, ANA's forecast for consolidated operating results for the current fiscal year remain unchanged.

Consolidated Operating Results (Forecast)

unit: billion yen (rounded down)

	Forecast for FY2013	FY2012	Difference
Operating Revenues	1,610.0	1,483.5	+126.4
Operating income	110.0	103.8	+6.1
Recurring profit	80.0	76.9	+3.0
Net income	45.0	43.1	+1.8

Notes for Editors:

- All financial information are prepared on the basis of accounting principles generally accepted in Japan
- All financial information are not audited and provided for reference only
- All percentages are rounded off; all other figures including monetary figures are rounded down
- All comparisons are year-on-year

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ANA Holdings Inc. is an aviation group with global operations and a total of 57 consolidated subsidiaries and 18 equity method affiliates. It is divided into passengers and cargo business segments as well as airline related business such as Catering and IT Services.

ANA Holdings Inc. formed in April 2013 and is the parent company of ANA; full service carrier and AirAsia Japan; LCC. ANA Holdings Inc. promotes a multi-brand strategy to leverage the strength of ANA brand and stimulate demand in markets not completely covered by its full-service airline offering, while expanding market share for the Group as a whole, leading to enhanced value.

ANA Holdings Inc. has 235 aircraft flying to 84 destinations and carrying more than 44 million passengers each year. It is number one in Asia and eighth in the world, based on revenue (2011).

Management vision of ANA Holdings Inc. is "It is our goal to be the world's leading airline group in customer satisfaction and value creation."

ANA is a member of Star Alliance.