

ANA HOLDINGS Financial Results for Third Quarter of FY2014

Tokyo, January 30, 2015 – ANA HOLDINGS (hereafter “ANA HD”) today reports its consolidated financial results for the first nine months of fiscal year 2014 (April-December).

Overview

- ANA HD today reported an increase in revenues and profits for the first nine months of FY 2014, driven by further expansion of the group’s international route network, tight cost control and the continued gradual recovery of the Japanese economy.
- In the April-December 2014 period, operating revenues increased by 9.1% or ¥107.9 billion to ¥1,297.2 billion while operating expenses including fuel costs rose by 7.8% to ¥1,207.9 billion. This resulted in an improvement in operating income which rose by 29.3% or ¥20.2 billion to ¥89.2 billion.
- The Japanese economy continued to recover gradually during the period despite weak personal consumption. While there are ongoing downside risks for the foreseeable future including weak domestic consumer sentiment and a slowing down in overseas economies, a gradual recovery is expected to continue supported by the effects of various government policies.
- ANA moved to strengthen its overseas networks by taking advantage of the increase in takeoff and landing slots for international routes at Haneda Airport last spring. ANA, as Japan's only 5-star rated airline, also worked to further improve airport and in-flight services for passengers.
- As the economic and competitive environment changes, ANA HD will work to implement its Mid-term Corporate Strategy for FY2014-2016 in order to achieve profitability targets.

Consolidated Financial Performance

Unit: billion yen (rounded down)

	1-3Q/ FY2014	1-3Q/ FY2013	Difference	% Comparison	3Q/ FY2014	Difference
Operating revenues	1,297.2	1,189.3	+107.9	+9.1	442.4	+36.3
Operating expenses	1,207.9	1,120.2	+87.6	+7.8	411.0	+30.6
Operating income/loss	89.2	69.0	+20.2	+29.3	31.3	+5.6
Non-operating income/ loss (net)	-14.7	-15.3	+0.6	-	-4.8	-0.8
Recurring profit/loss	74.5	53.6	+20.9	+39.0	26.4	+4.7
Extraordinary gains/ loss (net)	11.6	2.2	+9.4	+416.6	1.4	+0.5
Net income/loss	52.3	33.3	+19.0	+57.2	16.5	+3.3

Performance by business segment

Unit: billion yen (rounded down)

	1-3Q/FY2014		1-3Q/FY2013		Difference		3Q/FY2014		Difference	
	Operating revenues	Operating income								
Air Transportation	1,124.2	78.2	1,033.8	62.6	+90.3	+15.6	382.0	26.4	+30.2	+2.9
Airline Related	170.5	9.4	142.2	6.2	+28.2	+3.2	61.5	4.2	+12.3	+1.7
Travel Services	130.6	4.4	133.5	4.2	-2.8	+0.2	41.6	1.6	-1.1	+0.2
Trade and Retail	94.9	3.2	82.6	2.9	+12.2	+0.3	33.6	1.4	+4.7	+0.3
Others	23.5	1.3	21.7	0.9	+1.7	+0.4	7.9	0.5	+0.4	+0.1

Air Transportation

1. Domestic Passenger Services

- Revenue from domestic passenger services increased by ¥5.0 billion (up 1.0% year-on-year) to ¥523.2 billion. ANA reviewed its fare structure in July and implemented flexible discount fares, leading to year-on-year increases in both passenger numbers and revenue.
- ANA expanded its network and worked to improve convenience for passengers by establishing new routes from Osaka and Sapporo to Aomori, which began operations in July, while also making changes from the winter flight schedule onwards, including a new route between Haneda and Nagoya and additional flights on routes from Haneda to Okayama and Okinawa. ANA also deployed its fleet more flexibly to match capacity with demand.

(Except for % comparison and passenger load factor, rounded down)

Domestic Air Transportation	3Q/FY2014	3Q/FY2013	Difference	% Comparison
Revenues (billion yen)	523.2	518.2	+5.0	+1.0
Number of passengers (thousand)	32,881	32,566	+315	+1.0
Available seat km (million)	45,638	46,423	-785	-1.7
Revenue passenger km (million)	29,264	28,809	+455	+1.6
Passenger load factor (%)	64.1	62.1	+2.1	-

2. International Passenger Service

- Revenue from international passenger services increased by ¥56.7 billion (up 19.1% year-on-year) to ¥354.1 billion. Both passenger numbers and revenue increased over the prior fiscal year due to strong demand for long-haul routes and for routes from China and other Asian cities to Japan.
- ANA took advantage of the expansion in slots at Haneda Airport, adding seven new routes from the summer flight schedule. Passengers are now able to fly from Haneda to London, Paris, Munich, Hanoi, Jakarta, Manila and Vancouver. In addition, more flights were added to routes from Haneda to Frankfurt, Singapore and Bangkok, to capture demand from business travelers who prioritize ease of access from the airport to central Tokyo and Haneda's flight connections to various cities of Japan.
- At Narita, a new flight to Düsseldorf was added while existing flight schedule were adjusted to make international transits more convenient.
- Demand was further stimulated through the introduction of various discount fares including "Bizi-wari" and "Eco-wari" on flights from Japan to a wide range of destinations and through passenger service improvements including an in-flight entertainment system on major aircraft that offers over 300 channels in a variety of languages - more than any other Japanese carrier.

(Except for % comparison and passenger load factor, rounded down)

International Air Transportation	3Q/FY2014	3Q/FY2013	Difference	% Comparison
Revenues (billion yen)	354.1	297.4	+56.7	+19.1
Number of passengers (thousand)	5,361	4,757	+604	+12.7
Available seat km (million)	37,218	30,908	+6,310	+20.4
Revenue passenger km (million)	26,829	22,867	+3,961	+17.3
Passenger load factor (%)	72.1	74.0	-1.9	-

3. Cargo Services

- Revenue from domestic cargo services increased by ¥0.8 billion (up 3.4% year-on-year) and revenue from international cargo services increased by ¥16.1 billion (up 20.9% year-on-year). Domestic cargo services recorded a year-on-year increase in freight volume and revenue as a result of solid demand for courier services and flexible operation of additional non-scheduled flights.
- International cargo services benefited from buoyant volumes on flights from Japan to North America and Asia as well as from Asia and Europe to Japan, and also strong demand from shippers in China to route cargo bound for North America and Europe via Japan. ANA also harnessed its Okinawa hub to intra-Asia cargo traffic and express service. As a result of these initiatives, both freight volume and revenue increased year-on-year.
- The cargo network was expanded through the introduction of a tenth cargo freighter and adding it on Haneda-Okinawa route and also additional flights from Osaka to Okinawa from October.

(Except for % comparison, figures are rounded down)

Cargo		3Q/FY2014	3Q/FY2013	Difference	% Comparison
Domestic	Revenues (billion yen)	25.1	24.3	+0.8	+3.4
	Freight carried (thousand tons)	369	361	+8	+2.3
	Ton km (million)	369	357	+12	+3.5
International	Revenues (billion yen)	93.8	77.6	+16.1	+20.9
	Freight carried (thousand tons)	646	528	+117	+22.2
	Ton km (million)	2,731	2,165	+565	+26.1

4. Others

- Other revenue from the Air Transportation business, which include ANA's mileage program and Vanilla Air, was ¥120.6 billion (up 10.0% year-on-year).
- Vanilla Air, ANA HD's Narita-based low cost carrier, established a new route from Narita to Hong Kong from November, while improving passenger comfort with the introduction of three new aircraft with newly-designed cabins. In addition, as a result of working to capture demand by bringing forward the start date of the ticket selling, Vanilla Air carried approximately 821,000 passengers during the third quarter, a passenger load factor of 76.9%.

Airline Related, Travel Services, Trade and Retail and Others

- In Airline Related businesses, operating revenue for the period was ¥170.5 billion (up 19.9% year-on-year) and operating income was ¥9.4 billion (up 51.6% year-on-year), due to factors including an increase in contracts for ground support operations at Haneda and Okinawa airports.
- In Travel Services, operating revenue was down 2.1% on the prior year to ¥130.6 billion as demand for overseas travel, particularly from Taiwan and Hong Kong, was offset by a year-on-year decline in domestic revenue. However, thanks to cost-reduction measures, operating income was up 5.5% to ¥4.4 billion.
- In Trade and Retail, third-quarter operating revenue was ¥94.9 billion (up 14.8% year-on-year) and operating income was ¥3.2 billion (up 11.6% year-on-year) due to solid retail and electronics sales.
- In Others, building maintenance showed solid performance, resulting in operating revenue of ¥23.5 billion (up 8.0% year-on-year) and operating income of ¥1.3 billion (up 46.8% year-on-year).

Outlook for FY2014 (April 2014 – March 2015)

- The Japanese economy is expected to recover gradually due to the effects of various government policies.
- However, ANA HD's business environment will remain subject to various types of global event risk and increasingly fierce domestic and international market competition.
- ANA HD today updates its Mid-term Corporate Strategy for FY2014-2016 to continue pursuing the maximization of profitability by diversified business portfolio and cost reduction measures.

Consequently, there is no change to the consolidated business forecast, as announced on April 30, 2014.

Consolidated Operating Results (Forecast)

unit: billion yen (rounded down)

	Forecast for FY2014	FY2013	Difference
Operating revenues	1,700.0	1,601.0	+98.9
Operating income	85.0	65.9	+19.0
Recurring profit	55.0	42.9	+12.0
Net income	35.0	18.8	+16.1

Notes for Editors:

- All financial information is prepared on the basis of accounting principles generally accepted in Japan
- Financial information contained in this release is 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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About ANA HOLDINGS INC.

ANA HOLDINGS is an aviation group with global operations and a total of 63 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 HD formed in April 2013 and is the parent company of ANA; full service carrier and Vanilla Air; LCC. ANA HD 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 HD has about 240 aircraft flying to 81 destinations and carrying about 46 million passengers. ANA is the largest airline in Japan by passenger numbers.

Management vision of ANA HD 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.