

ANA Holdings Inc.

Financial Results FY2014 First Quarter

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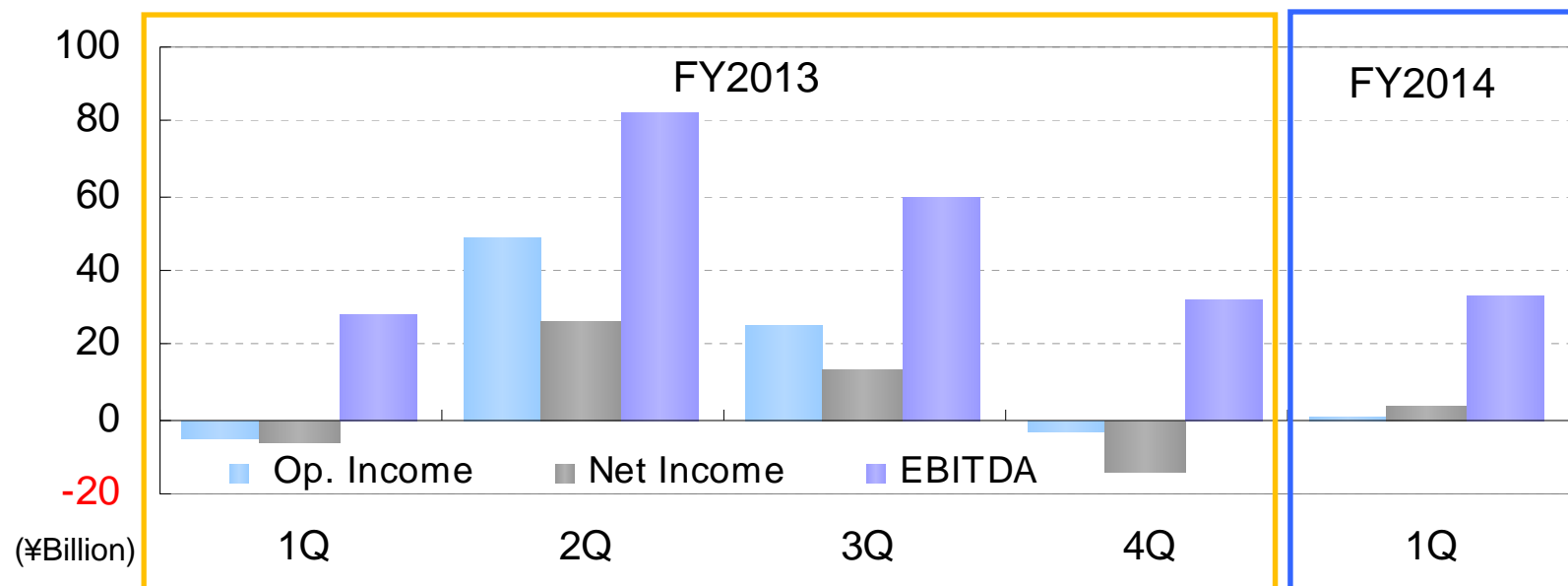
Highlights of FY2014 First Quarter

Highlights of Financial Results FY14 1st Quarter and FY13

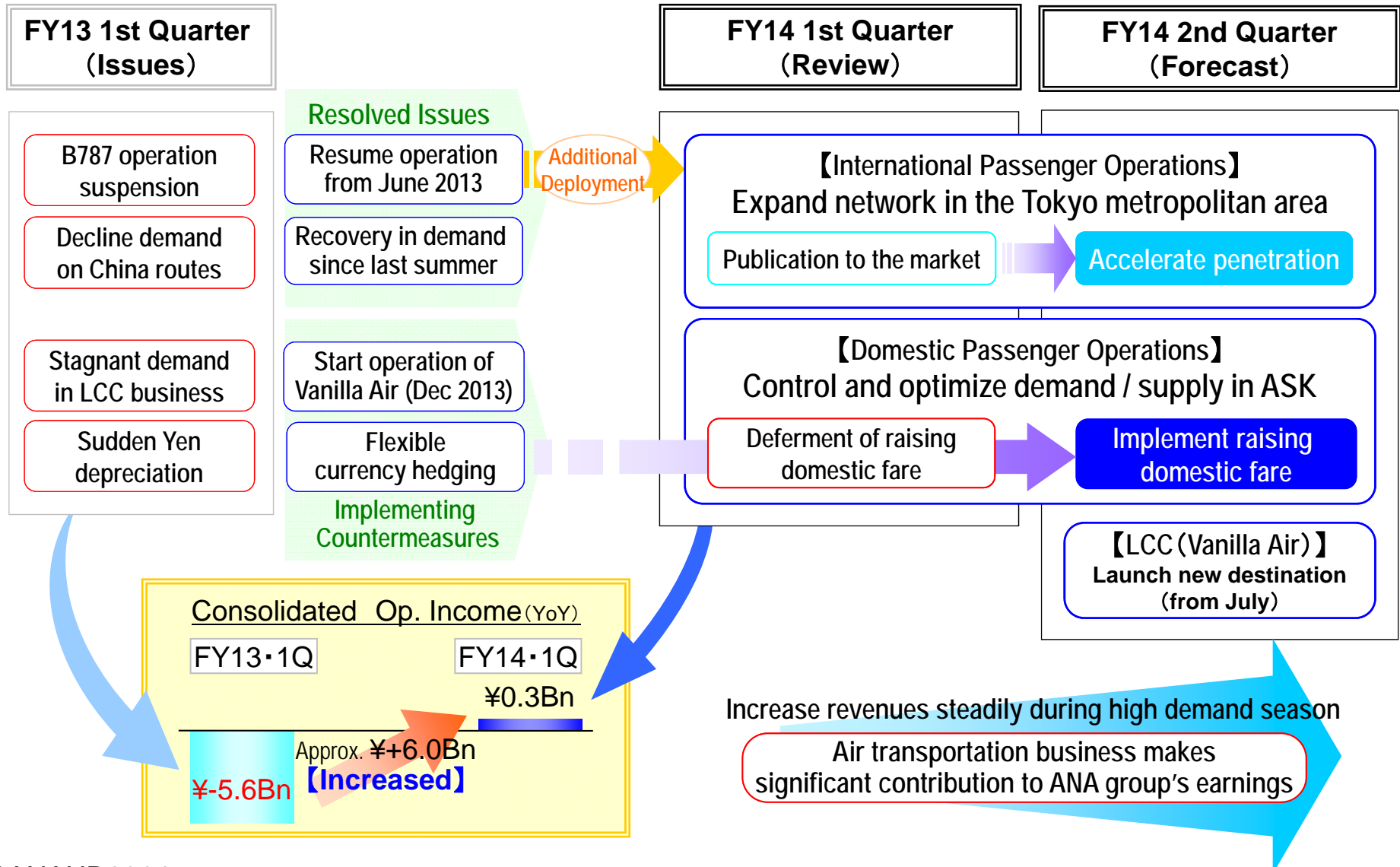
Turned to surplus in FY14 1st quarter from deficit in FY13 1st quarter on operating income.

【FY2014 1st Quarter (Consolidated Results)】

- Op. Income : ¥ 0.3Bn (YoY ¥ +5.9Bn)
- Net Income : ¥ 3.4Bn (YoY ¥+10.1Bn)
- EBITDA : ¥32.7Bn (YoY ¥ +4.4Bn)



Business Environment of 1st and 2nd Quarter of FY2014 (Compared to the Last Year)



Consolidated Financial Summary

Income Statements

	1Q/FY13	1Q/FY14	Difference
Operating Revenues	351.5	386.8	+ 35.2
Operating Expenses	357.1	386.4	+ 29.3
Operating Income	- 5.6	0.3	+ 5.9
Op. Margin (%)	—	0.1	—
Non-Op. Gains/Losses	- 5.6	- 2.8	+ 2.7
Recurring Income	-11.2	- 2.5	+ 8.7
Extraordinary Gains/Losses	1.8	10.0	+ 8.2
Net Income	- 6.6	3.4	+ 10.1
Net Income Before Minority Interests	- 7.9	3.7	+ 11.6
Other Comprehensive Income	- 0.7	4.8	+ 5.6
Comprehensive Income	- 8.6	8.6	+ 17.2

Revenue of fuel which is resold to airlines outside the group is offset by its purchasing cost and the net amount is recorded as net revenue, effective from FY14 1Q. Related figures for FY13 have been also corrected by applying this new accounting change.

(¥ Billion)

Consolidated Financial Summary

Consolidated Financial Position

	Mar 31, 2014	Jun 30, 2014	Difference
Assets	2,173.6	2,197.6	+ 24.0
Shareholders' Equity	746.0	752.0	+ 6.0
Ratio of Shareholders' Equity (%)	34.3	34.2	- 0.1pts
Interest Bearing Debts	834.7	857.2	+ 22.4
Debt/Equity Ratio (times) *	1.1	1.1	+ 0.0
Net Interest Bearing Debts **	461.6	473.0	+ 11.3

(¥ Billion)

* D/E ratio when including off-balanced lease obligation of ¥113.4 billion (¥121.0billion as of the end of March, 2014) is 1.3times.
(1.3times as of the end of March, 2014)

** Net Interest Bearing Debts: Interest Bearing Debts - (Liquid Assets(Cash on Hand and in Banks + Marketable Securities))

Consolidated Financial Summary

Consolidated Statements of Cash Flow

	1Q/FY13	1Q/FY14	Difference
Cash Flow from Operating Activities	75.3	49.0	- 26.2
Cash Flow from Investing Activities	69.5	- 29.7	- 99.3
Cash Flow from Financing Activities	- 49.4	11.3	+ 60.8
Net Increase or Decrease	95.5	30.5	- 64.9
Cash and Cash Equivalent at the beginning	191.2	240.9	} + 32.1 **
Cash and Cash Equivalent at the end	286.8	273.0	
Depreciation and Amortization	33.9	32.4	- 1.5
Capital Expenditures	65.6	52.9	- 12.7
Substantial Free Cash Flow (excluding periodic/negotiable deposits of more than 3 months)	15.5	- 1.7	- 17.2
EBITDA*	28.3	32.7	+ 4.4
EBITDA Margin (%)	8.1	8.5	+ 0.4pts

* EBITDA: Op. Income+Depreciation

** Includes effect on cash and cash equivalents with change of scope of consolidation.

(¥ Billion)

Consolidated Financial Summary

Results by Segment

		1Q/FY13	1Q/FY14	Difference
Revenues	Air Transportation	305.5	335.1	+29.6
	Airline Related	45.7	53.6	+7.8
	Travel Services	36.3	36.7	+0.3
	Trade and Retail	26.4	30.0	+3.5
	Total for Reporting Segments	414.1	455.5	+41.3
	Others	7.0	7.5	+0.5
	Adjustment	- 69.6	- 76.2	- 6.6
	Total	351.5	386.8	+35.2
Operating Income	Air Transportation	- 6.5	- 1.1	+ 5.3
	Airline Related	1.2	2.7	+ 1.5
	Travel Services	0.6	0.7	+ 0.1
	Trade and Retail	0.7	0.5	- 0.2
	Total for Reporting Segments	- 3.9	2.8	+ 6.8
	Others	0.1	0.1	+ 0.0
	Adjustment	- 1.7	- 2.7	- 0.9
	Total	- 5.6	0.3	+ 5.9

Accounting change is applied as shown on footnote of P.5.

(¥ Billion)

Air Transportation Business

Operating Revenues and Expenses

		1Q/FY13	1Q/FY14	Difference
Operating Revenues	Domestic Passengers	147.3	148.3	+ 0.9
	International Passengers	89.5	109.2	+ 19.7
	Cargo and Mail	33.7	39.2	+ 5.4
	Others	34.9	38.2	+ 3.3
	Total	305.5	335.1	+29.6
Operating Expenses	Fuel and Fuel Tax	80.0	89.9	+ 9.8
	Landing and Navigation Fees	26.2	27.8	+ 1.5
	Aircraft Leasing Fees	18.6	22.0	+ 3.4
	Depreciation and Amortization	30.9	31.0	+ 0.1
	Aircraft Maintenance	19.9	19.8	- 0.0
	Personnel	42.3	41.5	- 0.8
	Sales Commission and Promotion	17.4	23.6	+ 6.1
	Contracts	38.4	41.0	+ 2.5
	Others	38.1	39.4	+ 1.3
	Total	312.1	336.3	+ 24.2
Op.Income	Operating Income	- 6.5	-1.1	+ 5.3
	EBITDA	26.4	29.8	+ 3.4
	EBITDA Margin (%)	8.6	8.9	+ 0.3pts

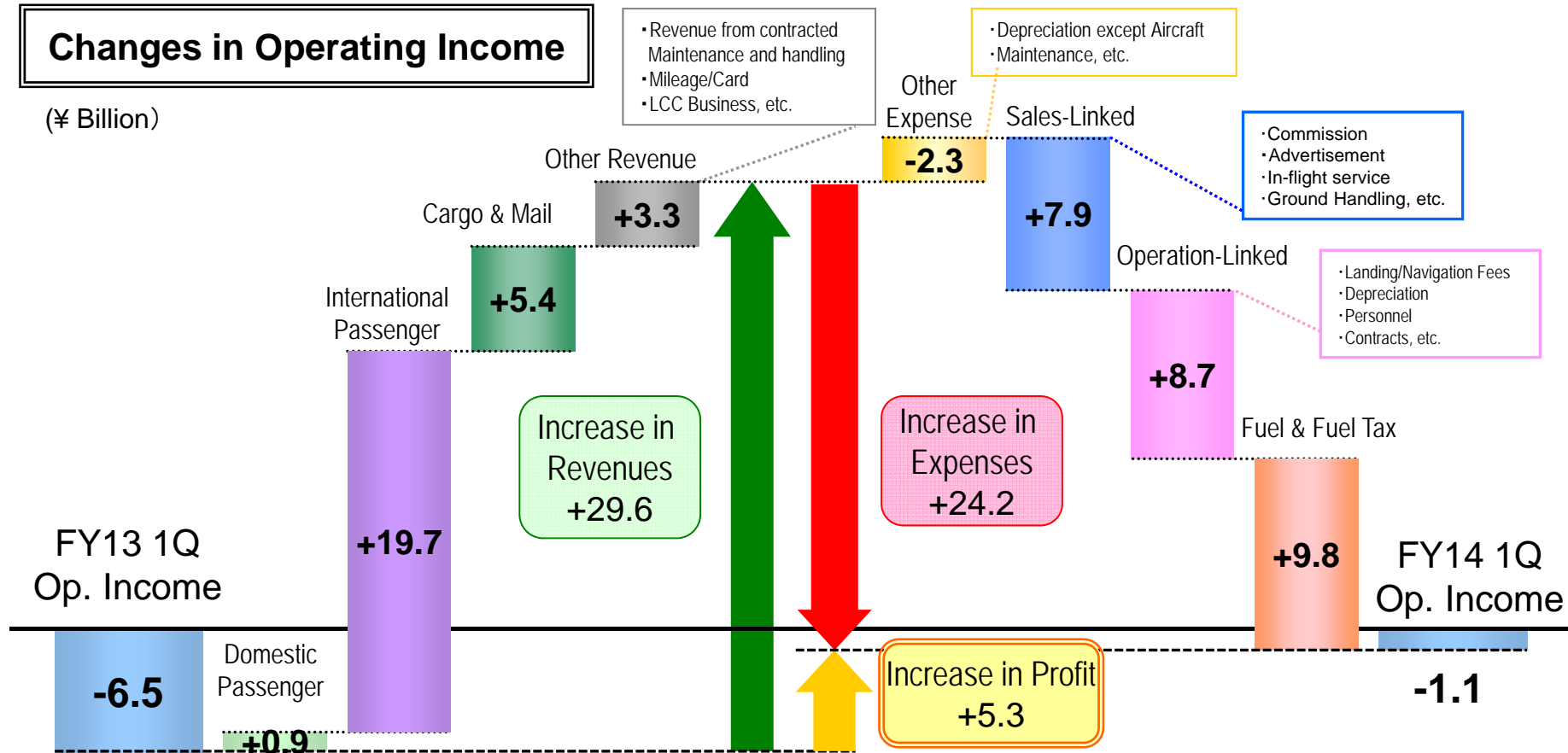
* EBITDA: Op. Income + Depreciation, includes inactive fixed asset depreciation expenses
Accounting change is applied as shown on footnote of P.5.

(¥ Billion)

Air Transportation Business

Changes in Operating Income

(¥ Billion)



Progress of Cost Restructuring	Full Year Target	1st Quarter Results	vs. Target
Productivity Improvement etc.	11.0	2.5	23%
Appropriate Investment	5.0	1.0	20%
Appropriate Sales	3.5	1.0	29%
Operational Innovation etc.	14.5	2.5	17%
Total	34.0	7.0	21%

Accounting change is applied as shown on footnote of P.5.

Air Transportation Business

Domestic Passenger Operations

	1Q/FY13	1Q/FY14	% Y/Y
Available Seat Km (million)	14,909	14,839	- 0.5
Revenue Passenger Km (million)	8,495	8,788	+ 3.5
Passengers (thousands)	9,690	9,970	+ 2.9
Load Factor (%)	57.0	59.2	+ 2.2pts*
Passenger Revenues (¥Billion)	147.3	148.3	+ 0.7
Unit Revenue (¥/ASK)	9.9	10.0	+ 1.2
Yield (¥/RPK)	17.3	16.9	- 2.7
Unit Price (¥/Passenger)	15,209	14,881	- 2.2

*Difference

(Not including Vanilla Air / ex-Air Asia Japan)

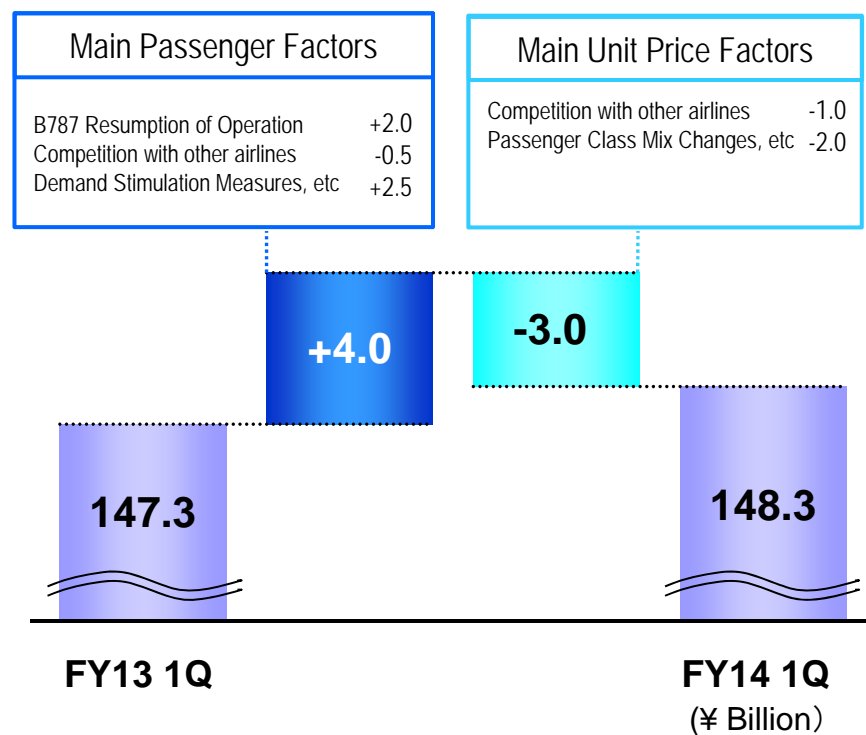
Air Transportation Business

Trends in Domestic Passenger Operations

(Not including Vanilla Air / ex-AirAsia Japan)

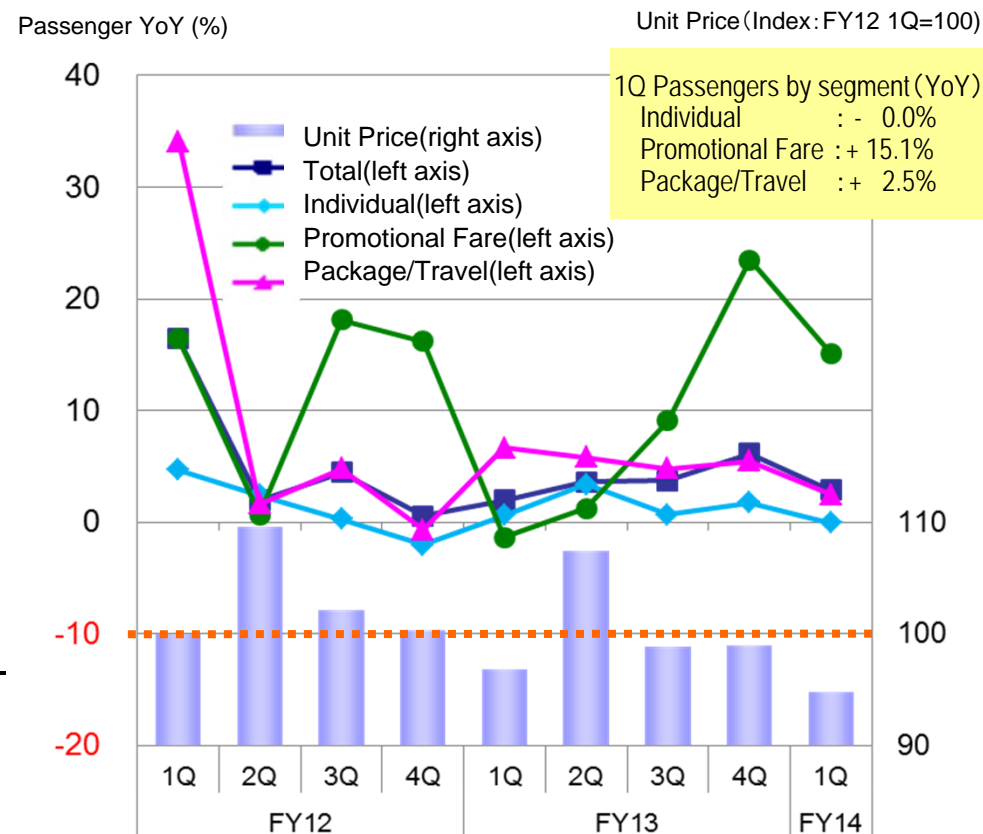
FY14 1Q Revenue Change Factors

✓ Exceeded revenues year-on-year by enhancing and capturing demand.



Trends of passengers by Segment and Unit Price

✓ Increased demand by proceeding of promotional fare successfully.



Air Transportation Business

International Passenger Operations

	1Q/FY13	1Q/FY14	% Y/Y
Available Seat Km (million)	9,805	12,273	+ 25.2
Revenue Passenger Km (million)	6,963	8,471	+ 21.7
Passengers (thousands)	1,436	1,689	+ 17.7
Load Factor (%)	71.0	69.0	- 2.0pts*
Passenger Revenues (¥Billion)	89.5	109.2	+ 22.1
Unit Revenue (¥/ASK)	9.1	8.9	- 2.5
Yield (¥/RPK)	12.9	12.9	+ 0.3
Unit Price (¥/Passenger)	62,334	64,663	+ 3.7

*Difference

(Not including Vanilla Air / ex-Air Asia Japan)

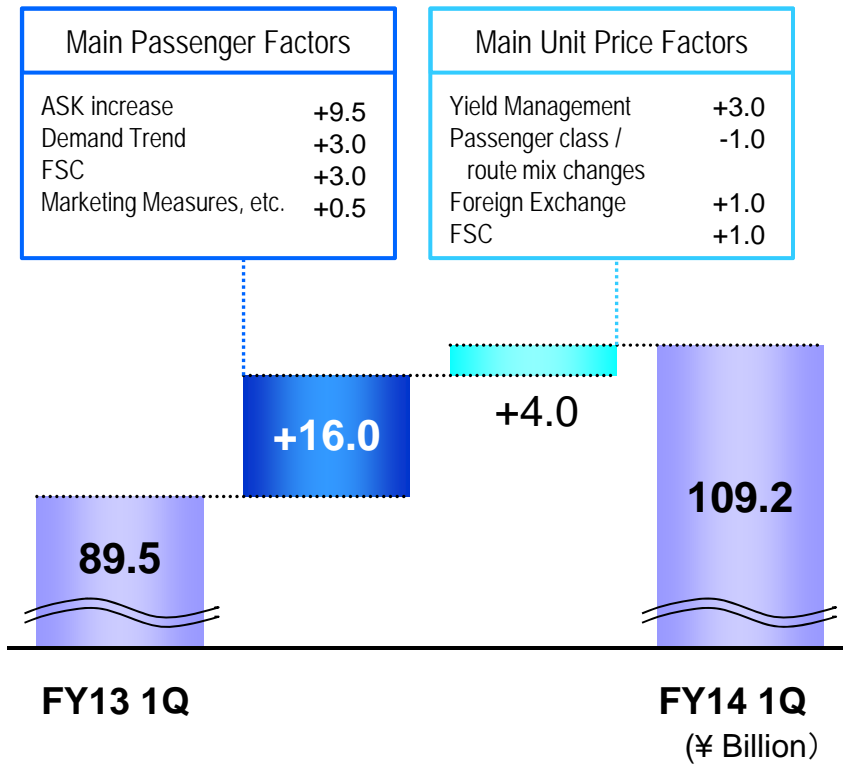
Air Transportation Business

Trends in International Passenger Operations

(Not including Vanilla Air / ex-AirAsia Japan)

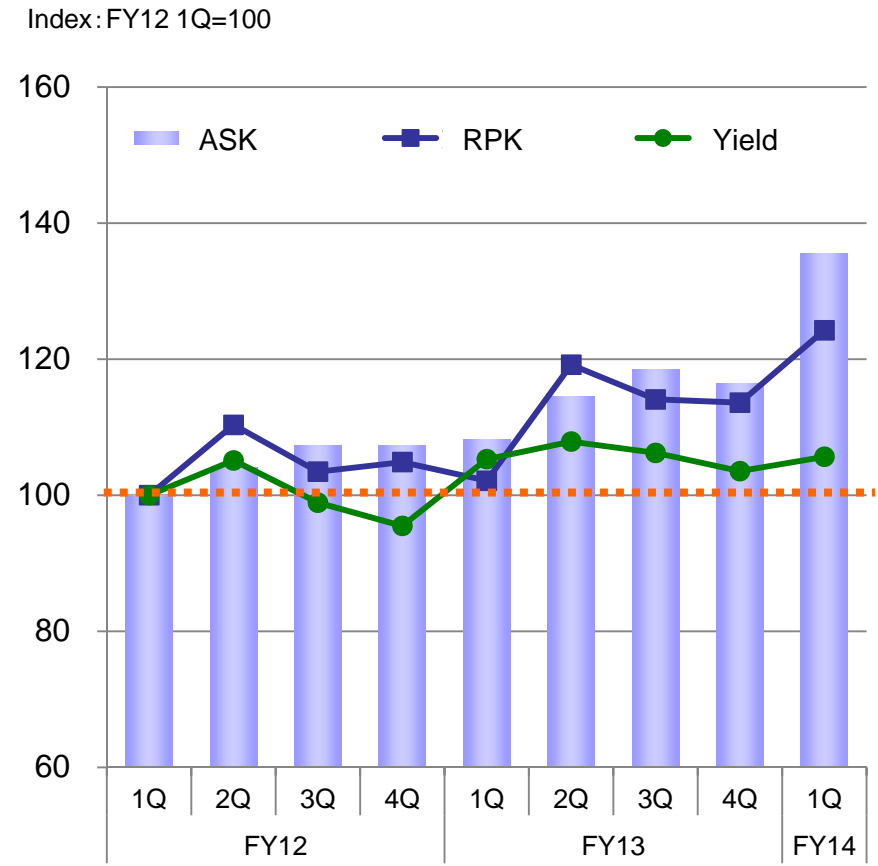
FY14 1Q Revenue Change Factors

✓ Increased revenues steadily with expansion of ASK.



Trends of ASK, RPK and Yield

✓ Enhanced both capturing demand and improving yield.

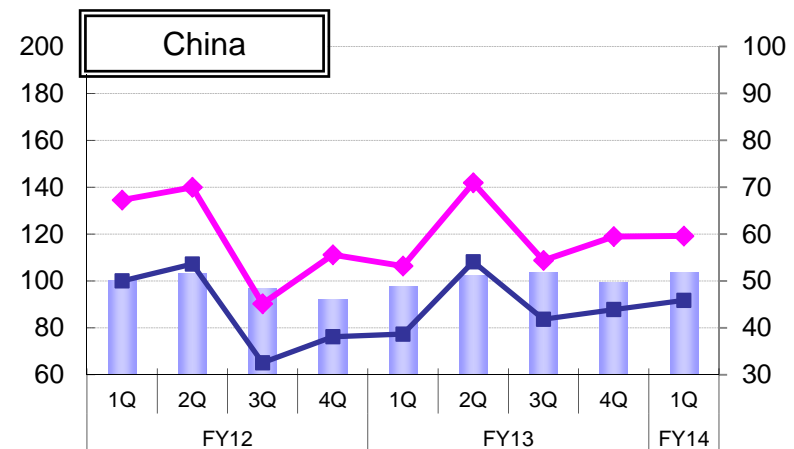
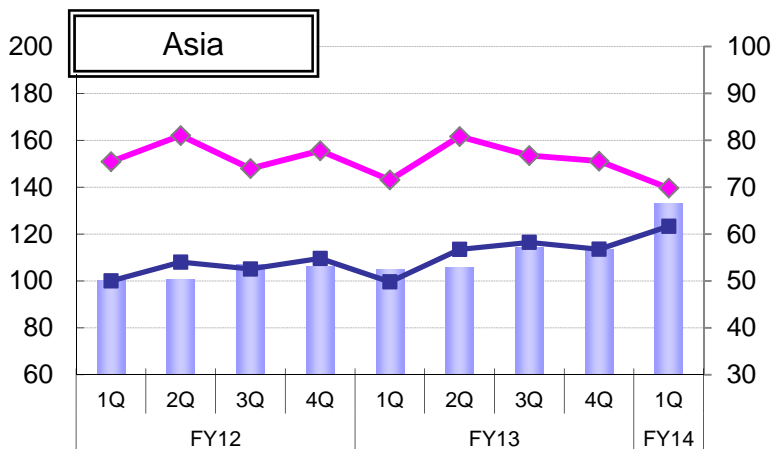
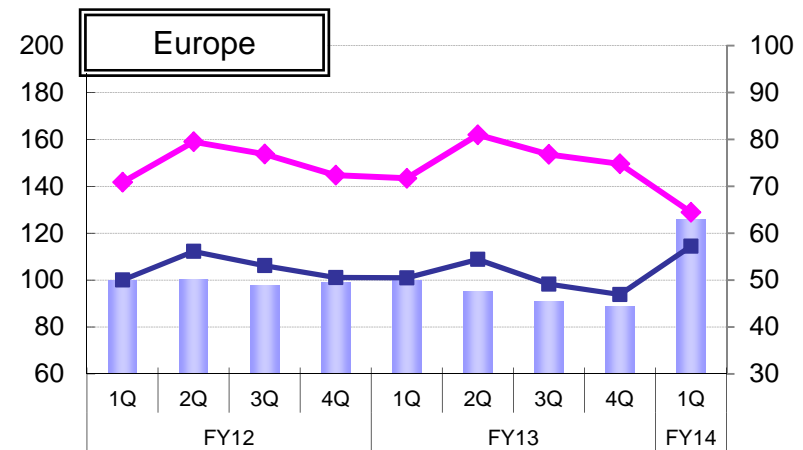
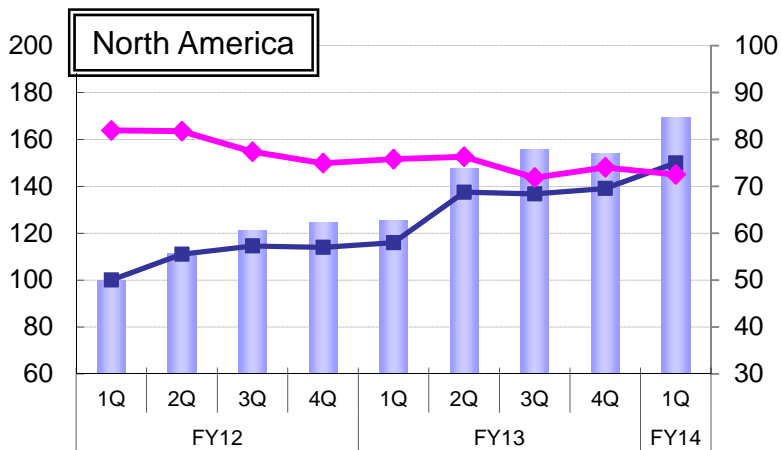


Air Transportation Business

Trends in International Passenger Operations

(Not including Vanilla Air / ex-AirAsia Japan)

Trends of ASK, RPK and L/F by Destination

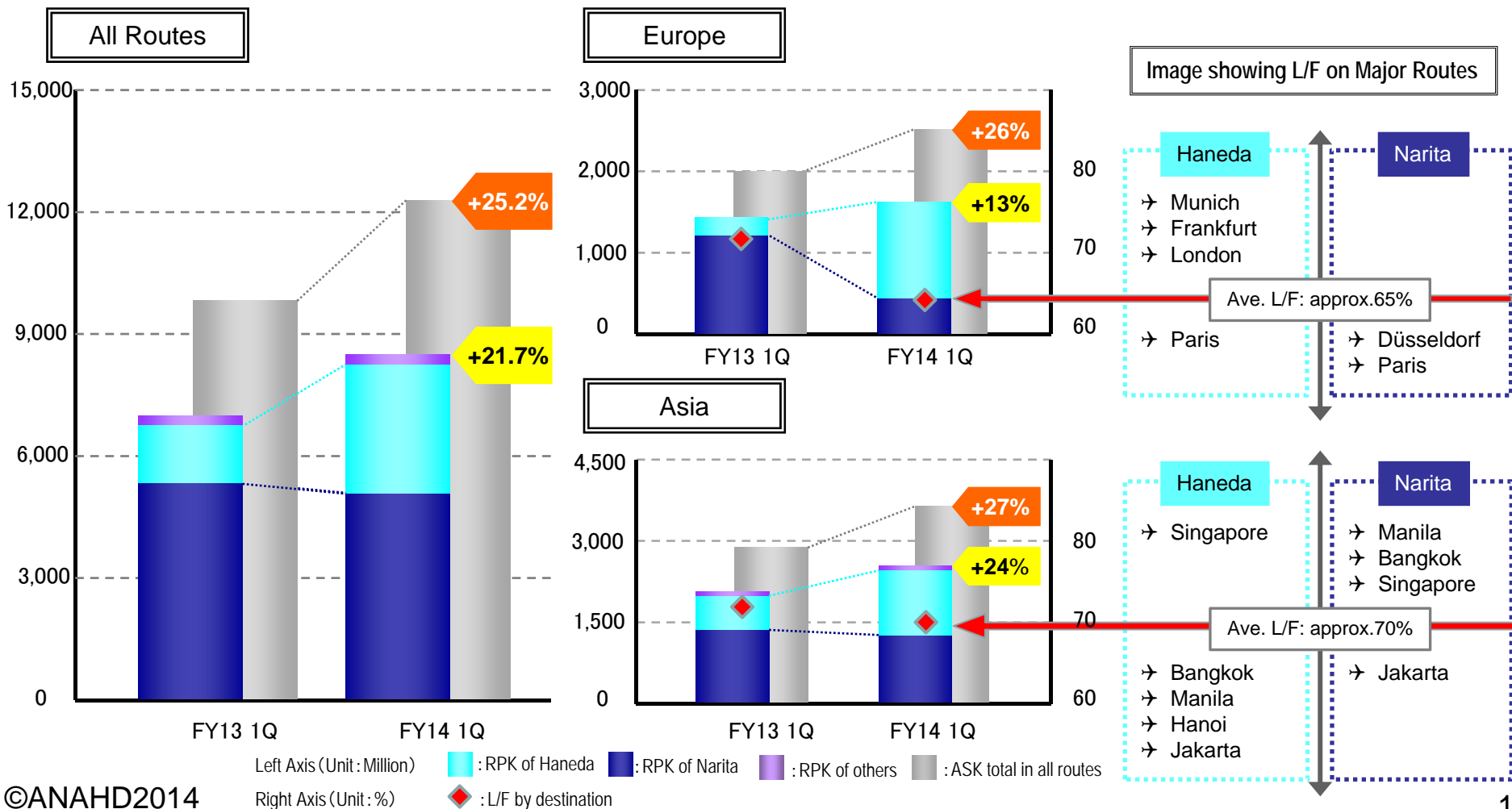


Air Transportation Business

Trends in International Passenger Operations

(Not including Vanilla Air / ex-AirAsia Japan)

Comparison of Traffic Results year-on-year by Airport



Air Transportation Business

Domestic Cargo Operations

		1Q/FY13	1Q/FY14	% Y/Y
Domestic Cargo	Available Ton Km (million)	472	462	- 2.1
	Revenue Ton Km (million)	101	111	+ 10.1
	Revenue Ton (thousand tons)	101	110	+ 8.6
	Load Factor (%)	21.5	24.2	+ 2.7pts*
	Cargo Revenues (¥Billion)	7.1	7.6	+ 7.4
	Unit Revenue (¥/ATK)	15.1	16.6	+ 9.6
	Unit Price (¥/kg)	70	70	- 1.2
Domestic Freighter Included Above	Available Ton Km (million)	7	—	—
	Revenue Ton Km (million)	2	—	—
	Revenue Ton (thousand tons)	2	—	—
	Load Factor (%)	31.2	—	—
	Cargo Revenues (¥Billion)	0.3	—	—
	Unit Revenue (¥/ATK)	42.4	—	—
	Unit Price (¥/kg)	129	—	—

*Difference

Air Transportation Business

International Cargo Operations

		1Q/FY13	1Q/FY14	% Y/Y
International Cargo	Available Ton Km (million)	1,025	1,343	+ 31.1
	Revenue Ton Km (million)	666	891	+ 33.8
	Revenue Ton (thousand tons)	162	212	+ 30.6
	Load Factor (%)	65.0	66.4	+ 1.3pts*
	Cargo Revenues (¥Billion)	24.5	29.3	+ 19.6
	Unit Revenue (¥/ATK)	23.9	21.8	- 8.8
	Unit Price (¥/kg)	151	138	- 8.4
International Freighter Included Above	Available Ton Km (million)	215	296	+ 37.7
	Revenue Ton Km (million)	131	186	+ 41.4
	Revenue Ton (thousand tons)	74	96	+ 29.5
	Load Factor (%)	61.2	62.9	+ 1.7pts*
	Cargo Revenues (¥Billion)	9.0	11.1	+ 22.8
	Unit Revenue (¥/ATK)	42.1	37.6	- 10.8
	Unit Price (¥/kg)	122	116	- 5.1

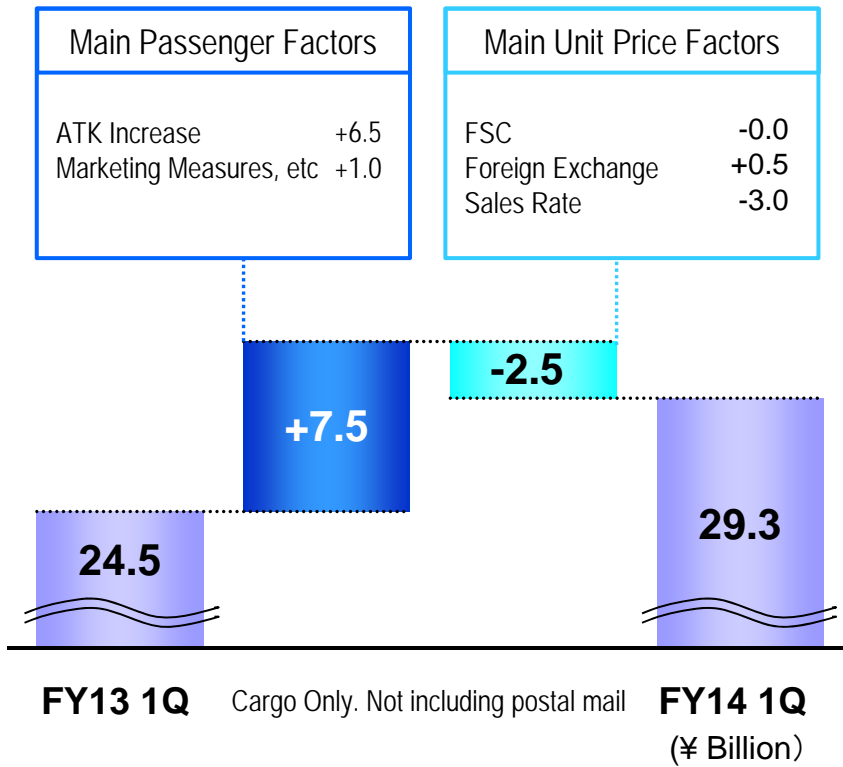
*Difference

Air Transportation Business

Trends in International Cargo Operations

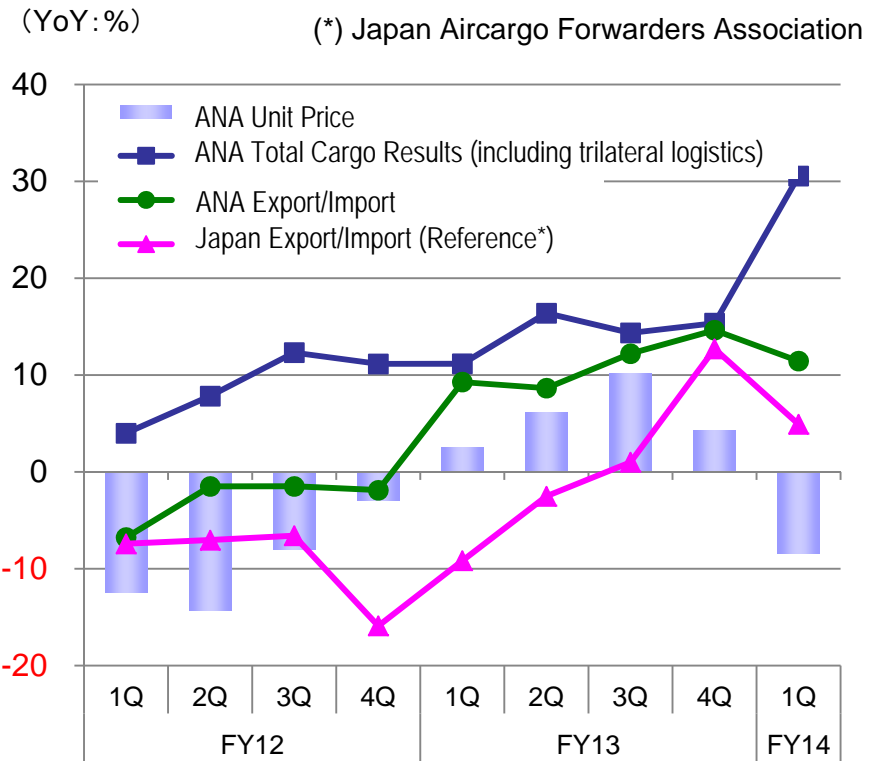
FY14 1Q Revenue Change Factors

✓ Revenues increased by capturing demand of trilateral cargo traffic.



Trends of Traffic Results and Unit Price

✓ Exceeded market trend continuously by capturing demand.



Air Transportation Business

LCC Operations

Domestic and International Passenger Operations in Total

	1Q/FY13*	1Q/FY14	% Y/Y
Available Seat Km (million)	360	495	+ 37.5
Revenue Passenger Km (million)	197	296	+ 50.3
Passengers (thousands)	184	198	+ 7.3
Load Factor (%)	54.7	59.7	+ 5.1pts**

* Results of ex-Air Asia Japan

**Difference

Aircraft Procurement Plan

Aircraft in Service : 6 aircraft
 (as of end of June, 2014)
 End of FY14 : 8 aircraft
 During FY15 : Approx. 10 aircraft

- New destination: Narita=Amami Oshima (from 1 July, 2014)
- Flight awards of Vanilla Air is in service for ANA Mileage Club Members (from 1 July, 2014)



Other Segments excluding Air Transportation Business

Results by Segment

(¥Billion)	Airline Related			Travel Services		
	1Q/FY13	1Q/FY14	Difference	1Q/FY13	1Q/FY14	Difference
Revenues	45.7	53.6	+ 7.8	36.3	36.7	+ 0.3
Op. Income	1.2	2.7	+ 1.5	0.6	0.7	+ 0.1
Depreciation and Amortization	0.7	1.0	+ 0.3	0.0	0.0	-0.0
EBITDA*	1.9	3.8	+ 1.8	0.6	0.7	+ 0.1
EBITDA Margin (%)	4.3	7.2	+ 2.9pts	1.7	2.1	+ 0.4pts

(¥Billion)	Trade and Retail			Others		
	1Q/FY13	1Q/FY14	Difference	1Q/FY13	1Q/FY14	Difference
Revenues	26.4	30.0	+ 3.5	7.0	7.5	+ 0.5
Op. Income	0.7	0.5	-0.2	0.1	0.1	+ 0.0
Depreciation and Amortization	0.1	0.2	+ 0.0	0.0	0.0	- 0.0
EBITDA*	0.9	0.7	-0.1	0.1	0.2	+ 0.0
EBITDA Margin (%)	3.6	2.5	-1.1pts	2.6	3.1	+ 0.5pts

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Supplemental Reference

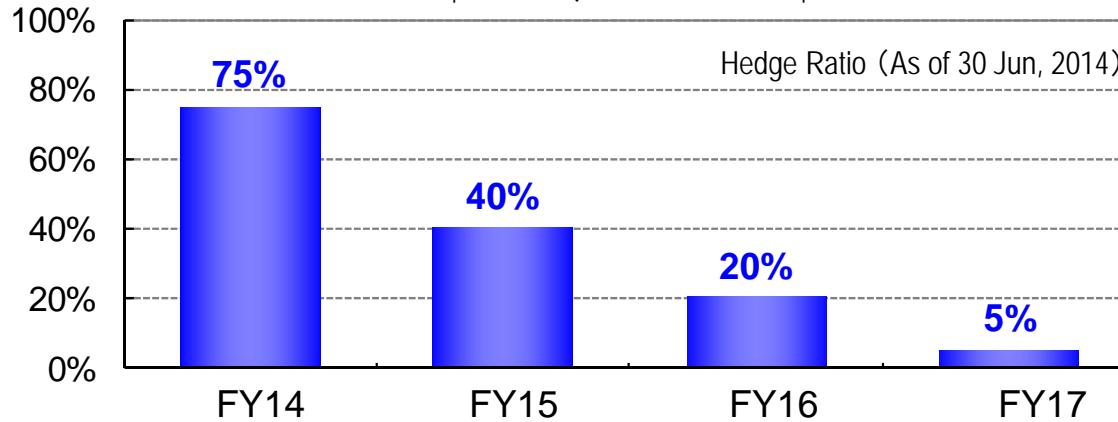


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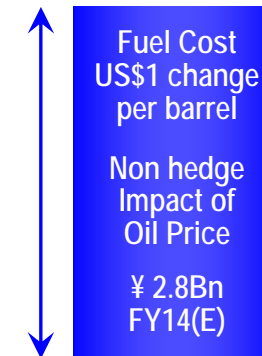
Fuel hedge

«FY2014 Earnings Forecast Assumptions»

Dubai Crude Oil :US\$107/bbl, Kerosene:US\$125/bbl

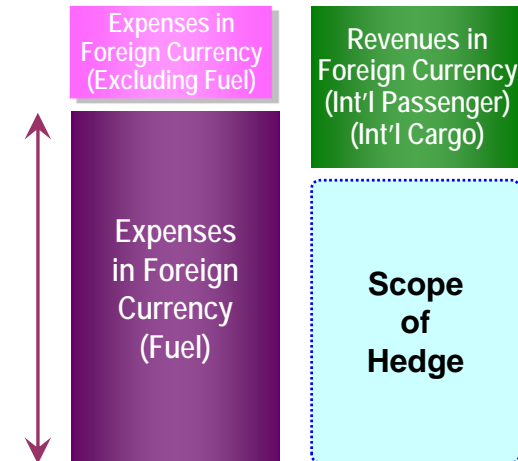
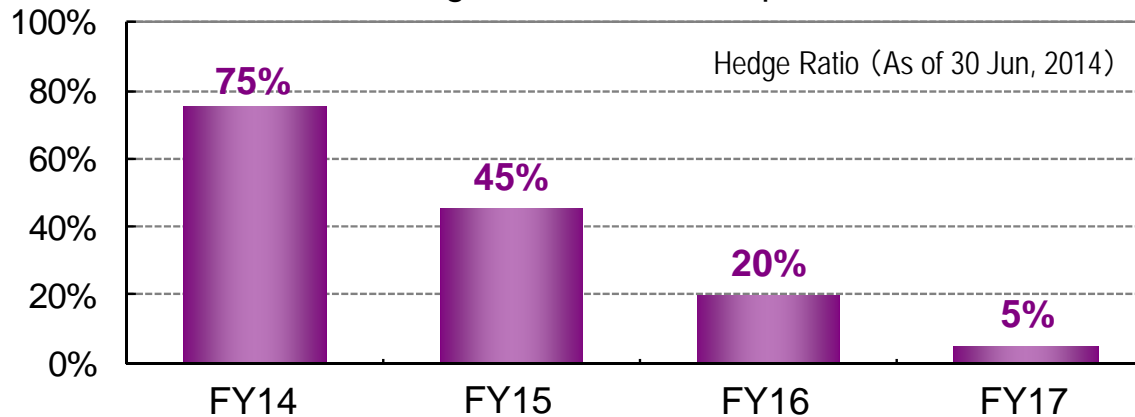


(Not including hedge impact)



Currency Hedge

«FY2014 Earnings Forecast Assumptions» US\$:¥105/\$



Supplemental Reference

Composition of International Passenger Results by Destination		1Q/FY14 Composition	Difference
Revenue	North America	33.3	+ 2.3
	Europe	20.7	- 0.5
	China	14.7	- 0.8
	Asia	27.7	- 0.4
	Resort	3.5	- 0.7
ASK	North America	35.0	+ 2.6
	Europe	20.5	+ 0.2
	China	11.2	- 2.0
	Asia	29.4	+ 0.4
	Resort	3.9	- 1.1
RPK	North America	36.7	+ 2.2
	Europe	19.1	- 1.4
	China	9.7	- 0.2
	Asia	29.8	+ 0.5
	Resort	4.7	- 1.0

Supplemental Reference

Composition of International Cargo Results by Destination		1Q/FY14 Composition	Difference
Revenue	North America	21.4	+ 0.4
	Europe	15.0	+ 0.2
	China	34.4	- 2.5
	Asia	21.9	+ 2.0
	Others	7.2	- 0.2
ATK	North America	35.2	- 0.6
	Europe	21.0	- 2.1
	China	16.4	- 1.4
	Asia	23.4	+ 4.2
	Others	4.0	- 0.2
RTK	North America	38.8	+ 1.2
	Europe	23.7	- 0.9
	China	13.6	- 2.4
	Asia	19.6	+ 2.0
	Others	4.3	+ 0.1

Supplemental Reference

Aircraft in Service		Mar 31, 2014	Jun 30, 2014	Change	Owned	Leased
Wide-Body	Boeing 747-400 (Domestic)	1	0	-1	0	0
	Boeing 777-300ER	19	19	—	16	3
	Boeing 777-300	7	7	—	7	0
	Boeing 777-200ER	12	12	—	6	6
	Boeing 777-200	16	16	—	14	2
Mid-Body	Boeing 787-8	27	28	+ 1	28	0
	Boeing 767-300ER	26	26	—	7	19
	Boeing 767-300	21	21	—	21	0
	Boeing 767-300F	2	3	+ 1	0	3
	Boeing 767-300BCF	7	7	—	7	0
Narrow-Body	Airbus A320-200	19	19	—	16	3
	Boeing 737-800	24	26	+ 2	23	3
	Boeing 737-700ER	2	2	—	2	0
	Boeing 737-700	11	11	—	8	3
	Boeing 737-500	15	16	+ 1	16	0
Regional	Bombardier DHC-8-400 (Q400)	21	21	—	12	9
	Bombardier DHC-8-300 (Q300)	1	0	- 1	0	0
Total		231	234	+ 3	183	51

* Including 6 aircraft of A320-200 operated by Vanilla Air .

** As of June 30, 2014, excluding leased aircraft outside group (13 as of end of FY14 1Q, 14 as of end of FY13)

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ANA Group Corporate Philosophy

Mission Statement

Built on a foundation of security and trust,
“the wings within ourselves”
help to fulfill the hopes
and dreams of an interconnected world.

ANA Group Safety Principles

- ✓ Safety is our promise to the public and is the foundation of our business
- ✓ Safety is assured by an integrated management system and mutual respect.
- ✓ Safety is enhanced through individual performance and dedication

Management Vision

It is our goal to be
the world's leading airline group
in customer satisfaction and value creation.

Cautionary Statement

Forward-Looking Statements. This material contains forward-looking statements based on ANA Holdings Inc.'s current plans, estimates, strategies, assumptions and beliefs. These statements represent the judgments and hypotheses of the Company's management based on currently available information. Air transportation, the Company's core business, involves government-mandated costs that are beyond the Company's control, such as airport utilization fees and Fuel taxes. In additions, conditions in the markets served by the Company are subject to significant fluctuations.

It is possible that these conditions will change dramatically due to a number of factors, such as trends in the economic environment, aviation fuel tax, technologies, demand, competition, foreign exchange rate fluctuations, and others. Due to these risks and uncertainties, it is possible that the Company's future performance will differ significantly from the contents of this material.

Accordingly, there is no assurance that the forward-looking statements in this material will prove to be accurate.

Thank you.

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<http://www.anahd.co.jp/en>

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