

ANA HOLDINGS INC.

Financial Results for the Three Months ended June 30, 2015

Yuji Hirako

Senior Vice President and CFO,
Member of the Board

July 29, 2015



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Supplemental Reference

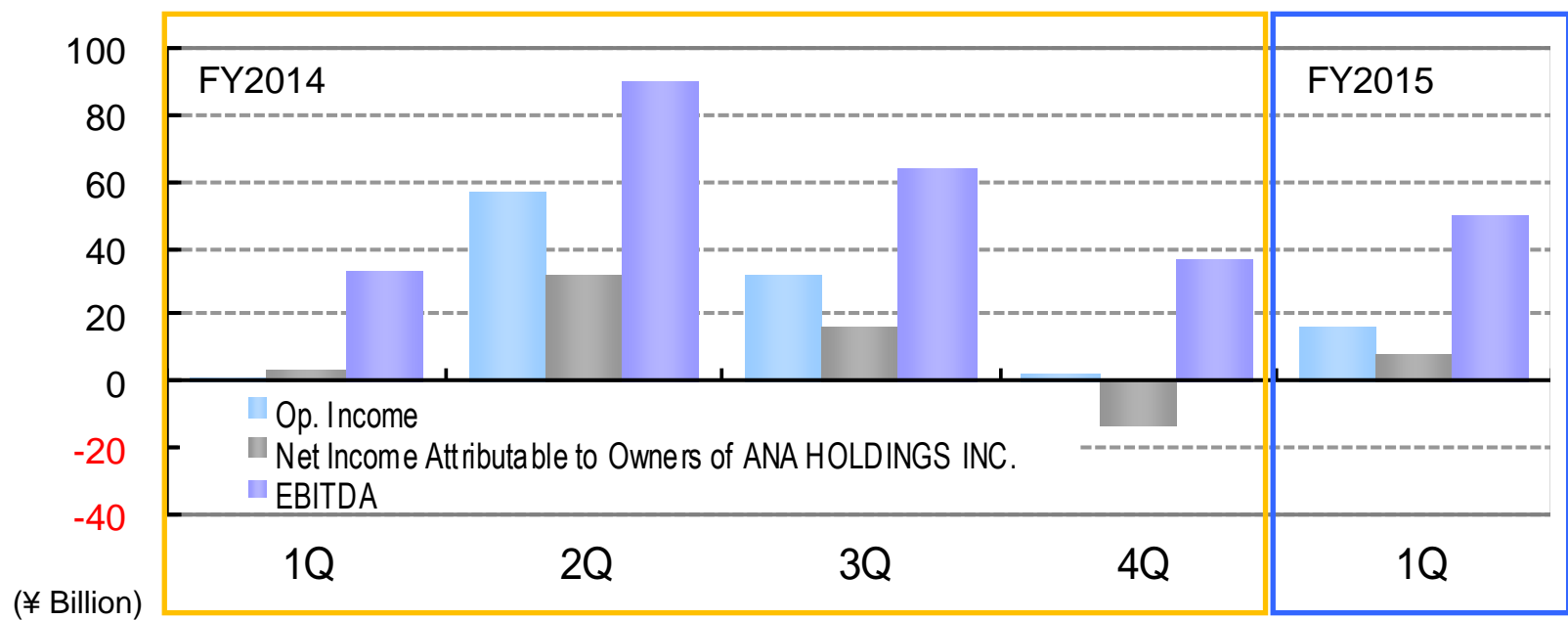
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Highlights of FY2015 First Quarter

Highlights of Financial Results FY15 1st Quarter and FY14

Achieved a significant profit increase from the same period last year

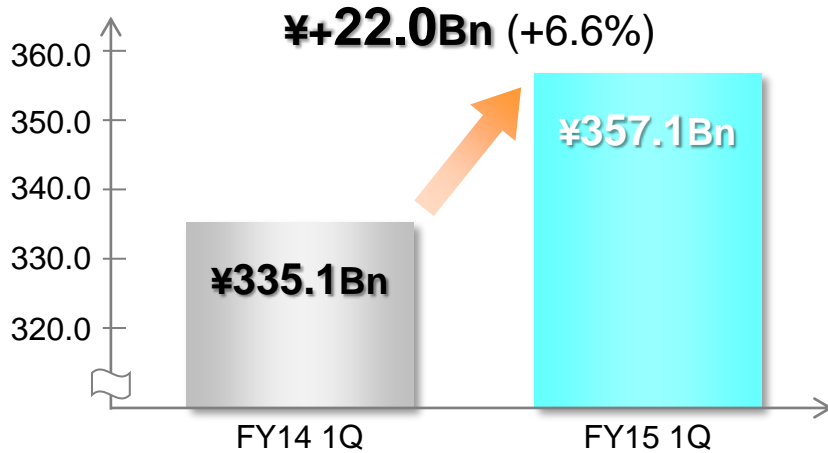
- 【FY15 1st Quarter (Consolidated Results)】**
- Op. Income : ¥ 16.7Bn (YoY ¥ + 16.3Bn)
 - Net Income Attributable to Owners of ANA HOLDINGS INC.
: ¥ 8.3Bn (YoY ¥ + 4.8Bn)
 - EBITDA : ¥ 49.4Bn (YoY ¥ + 16.6Bn)



Highlights of Air Transportation Business

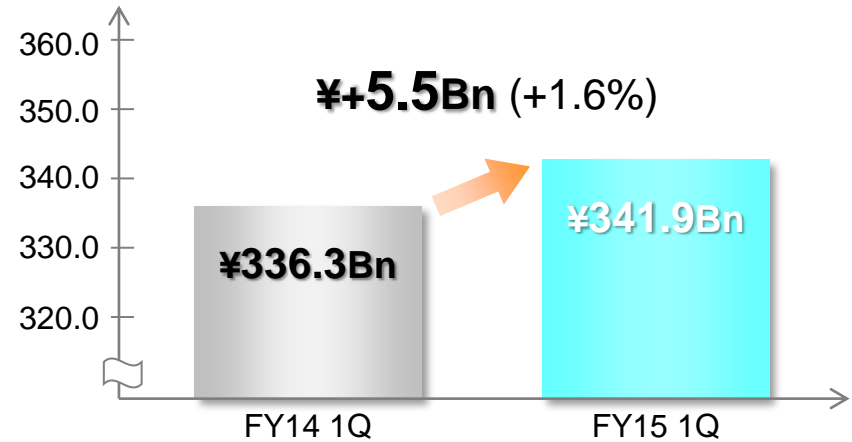
Increased profit by growing revenues mainly on passenger business and implementing cost management

Operating Revenues



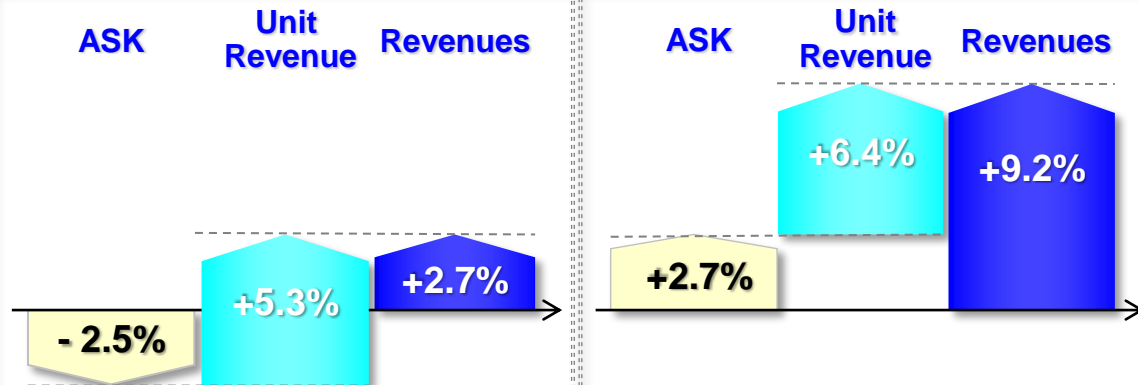
Operating Expenses

(YoY)

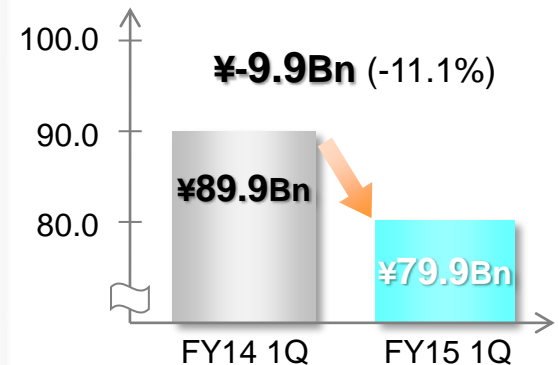


Domestic Passenger Operations

International Passenger Operations



Fuel and Fuel Tax



Consolidated Financial Summary

Income Statements

(¥Billion)

	1Q/FY14	1Q/FY15	Difference
Operating Revenues	386.8	413.8	+ 27.0
Operating Expenses	386.4	397.1	+ 10.6
Operating Income	0.3	16.7	+ 16.3
Op. Margin (%)	0.1	4.0	+ 4.0pts
Non-Op. Income/Losses	- 2.8	- 0.8	+ 2.0
Ordinary Income	- 2.5	15.9	+ 18.4
Extraordinary Income/Losses	10.0	- 0.0	- 10.0
Net Income Attributable to Owners of ANA HOLDINGS INC.	3.4	8.3	+ 4.8
Net Income Before Non-Controlling Interests	3.7	8.4	+ 4.7
Other Comprehensive Income	4.8	20.7	+ 15.8
Comprehensive Income	8.6	29.1	+ 20.5

Consolidated Financial Summary

Consolidated Financial Position

(¥Billion)

	Mar 31, 2015	Jun 30, 2015	Difference
Assets	2,302.4	2,283.1	- 19.2
Shareholders' Equity	798.2	813.7	+ 15.4
Ratio of Shareholders' Equity (%)	34.7	35.6	+ 1.0pts
Interest Bearing Debts	819.8	797.2	- 22.6
Debt/Equity Ratio (times) *	1.0	1.0	- 0.0
Net Interest Bearing Debts**	497.2	491.9	- 5.2

* D/E ratio when including off-balance lease obligation of ¥88.2 billion (¥96.3 billion as of end of March, 2015) is 1.1 times (1.1 times as of end of March, 2015).

** Net Interest Bearing Debts: Interest Bearing Debts – (Current Assets (Cash and Deposits + Marketable Securities))

Consolidated Financial Summary

Consolidated Statements of Cash Flow

(¥Billion)

	1Q/FY14	1Q/FY15	Difference
Cash Flow from Operating Activities	49.0	77.6	+ 28.5
Cash Flow from Investing Activities	- 29.7	9.0	+ 38.8
Cash Flow from Financing Activities	11.3	- 39.7	- 51.1
Net Increase/Decrease in Cash and Cash Equivalents	30.5	46.9	+ 16.4
Cash and Cash Equivalents at the beginning of the year	240.9	208.9	} + 46.9
Cash and Cash Equivalents at the end of the current period	273.0	255.9	
Depreciation and Amortization	32.4	32.6	+ 0.2
Capital Expenditures	52.9	58.9	+ 5.9
Substantial Free Cash Flow (excluding periodic/negotiable deposits of more than 3 months)	- 1.7	22.3	+ 24.0
EBITDA*	32.7	49.4	+ 16.6
EBITDA Margin (%)	8.5	11.9	+ 3.5pts

* EBITDA: Op. Income + Depreciation and Amortization

Consolidated Financial Summary

Results by Segment

(¥Billion)

	1Q/FY14	1Q/FY15	Difference	
Revenues	Air Transportation	335.1	357.1	+ 22.0
	Airline Related	53.6	57.8	+ 4.2
	Travel Services	36.7	36.3	- 0.4
	Trade and Retail	30.0	35.2	+ 5.2
	Total for Reporting Segments	455.5	486.5	+ 31.0
	Others	7.5	7.9	+ 0.4
	Adjustment	- 76.2	- 80.6	- 4.4
	Total	386.8	413.8	+ 27.0
	Operating Income	Air Transportation	- 1.1	15.2
Airline Related		2.7	1.9	- 0.8
Travel Services		0.7	0.5	- 0.2
Trade and Retail		0.5	1.4	+ 0.8
Total for Reporting Segments		2.8	19.1	+ 16.2
Others		0.1	0.3	+ 0.1
Adjustment		- 2.7	- 2.7	- 0.0
Total		0.3	16.7	+ 16.3

Air Transportation Business

Operating Revenues and Expenses

(¥Billion)

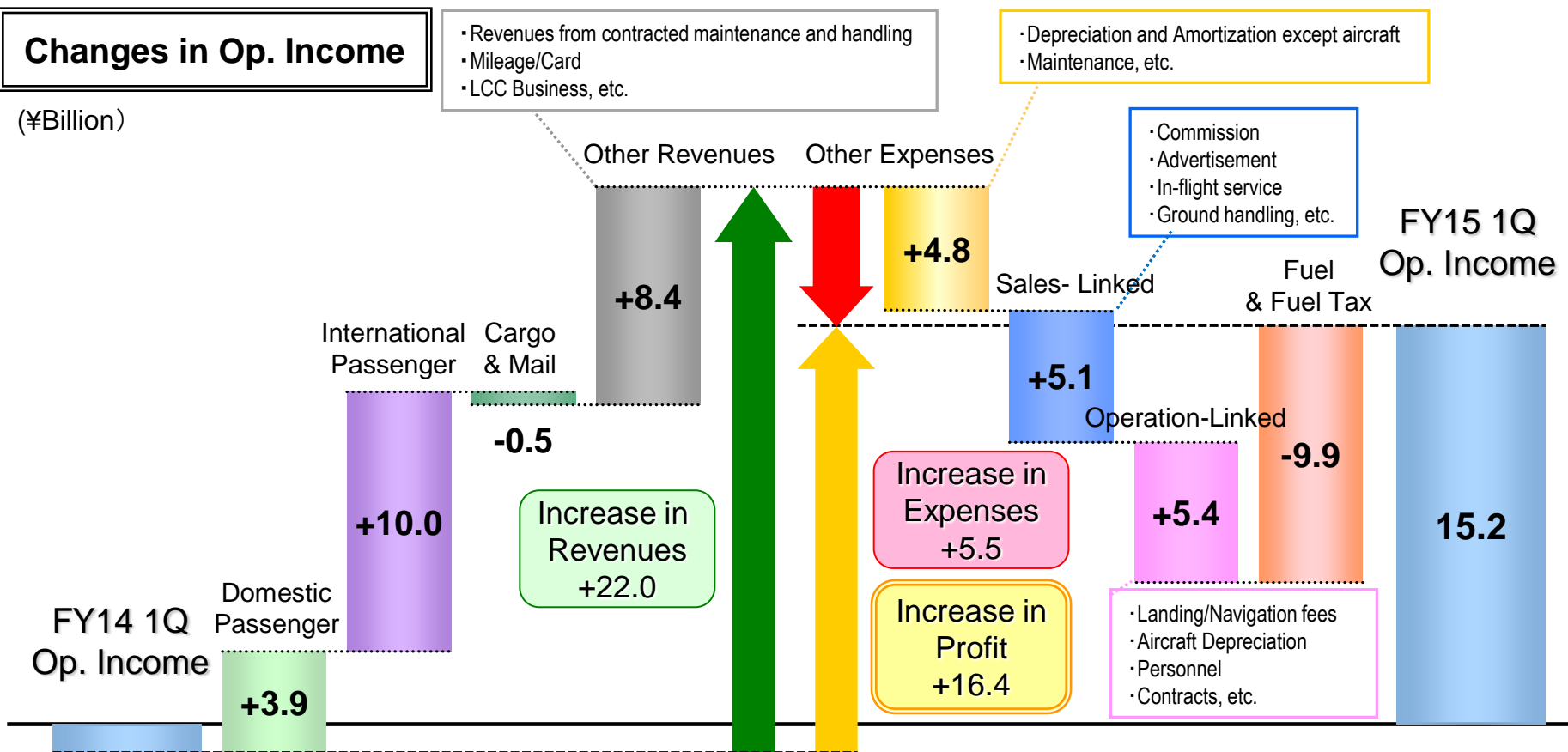
		1Q/FY14	1Q/FY15	Difference
Operating Revenues	Domestic Passenger	148.3	152.3	+ 3.9
	International Passenger	109.2	119.3	+ 10.0
	Cargo and Mail	39.2	38.7	- 0.5
	Others	38.2	46.7	+ 8.4
	Total	335.1	357.1	+ 22.0
Operating Expenses	Fuel and Fuel Tax	89.9	79.9	- 9.9
	Landing and Navigation Fees	27.8	28.1	+ 0.2
	Aircraft Leasing Fees	22.0	22.7	+ 0.6
	Depreciation and Amortization	31.0	31.0	+ 0.0
	Aircraft Maintenance	19.8	23.3	+ 3.5
	Personnel	41.5	41.8	+ 0.3
	Sales Commission and Promotion	23.6	26.6	+ 3.0
	Contracts	41.0	44.4	+ 3.4
	Others	39.4	43.7	+ 4.2
	Total	336.3	341.9	+ 5.5
	Op. Income	Operating Income	- 1.1	15.2
EBITDA*		29.8	46.3	+ 16.4
EBITDA Margin (%)		8.9	13.0	+ 4.1 pts

* EBITDA: Op. Income + Depreciation and Amortization

Air Transportation Business

Changes in Op. Income

(¥Billion)



-1.1

Progress of Cost Restructuring	Full Year Target	1Q Results	vs. Target
Productivity Improvement	8.0	2.0	25%
Appropriate Sales	1.0	0.5	50%
Operational Innovation etc.	16.0	3.5	22%
Total	25.0	6.0	24%

Air Transportation Business

Domestic Passenger Operations

	1Q/FY14	1Q/FY15	% Y/Y
(Not including Vanilla Air)			
Available Seat Km (million)	14,839	14,464	- 2.5
Revenue Passenger Km (million)	8,788	8,851	+ 0.7
Passengers (thousands)	9,970	9,911	- 0.6
Load Factor (%)	59.2	61.2	+ 2.0pts*
Passenger Revenues (¥Billion)	148.3	152.3	+ 2.7
Unit Revenue (¥/ASK)	10.0	10.5	+ 5.3
Yield (¥/RPK)	16.9	17.2	+ 2.0
Unit Price (¥/Passenger)	14,881	15,374	+ 3.3

* Difference

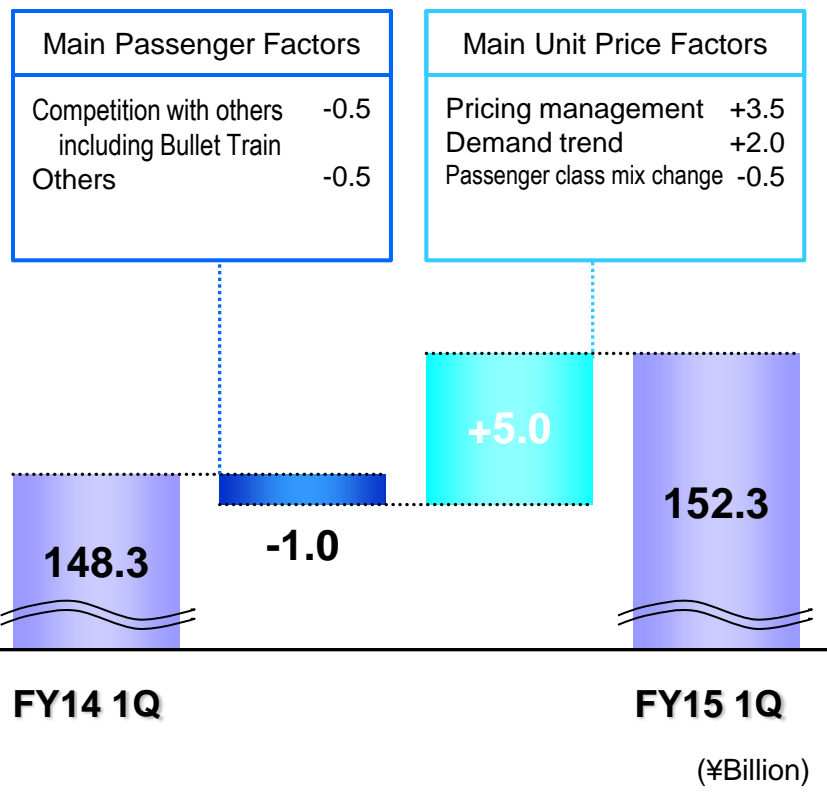
Air Transportation Business

Trends in Domestic Passenger Operations

(Not including Vanilla Air)

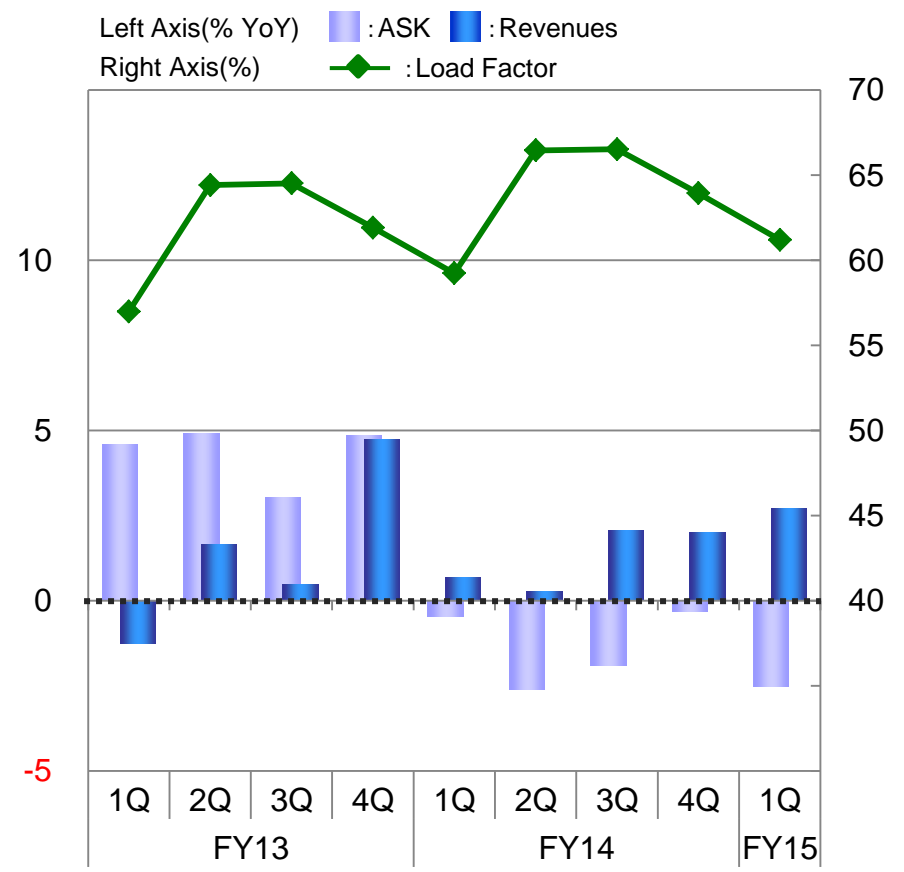
FY15 1Q Revenue Change Factors

✓ Increased revenues by pricing management with controlling ASK strategically



Trends of ASK, Revenues and Load Factor

✓ Improved Load Factor by optimizing demand and supply



Air Transportation Business

International Passenger Operations

	1Q/FY14	1Q/FY15	% Y/Y
(Not including Vanilla Air)			
Available Seat Km (million)	12,273	12,601	+ 2.7
Revenue Passenger Km (million)	8,471	9,194	+ 8.5
Passengers (thousands)	1,689	1,910	+ 13.1
Load Factor (%)	69.0	73.0	+ 3.9pts*
Passenger Revenues (¥Billion)	109.2	119.3	+ 9.2
Unit Revenue (¥/ASK)	8.9	9.5	+ 6.4
Yield (¥/RPK)	12.9	13.0	+ 0.7
Unit Price (¥/Passenger)	64,663	62,481	- 3.4

* Difference

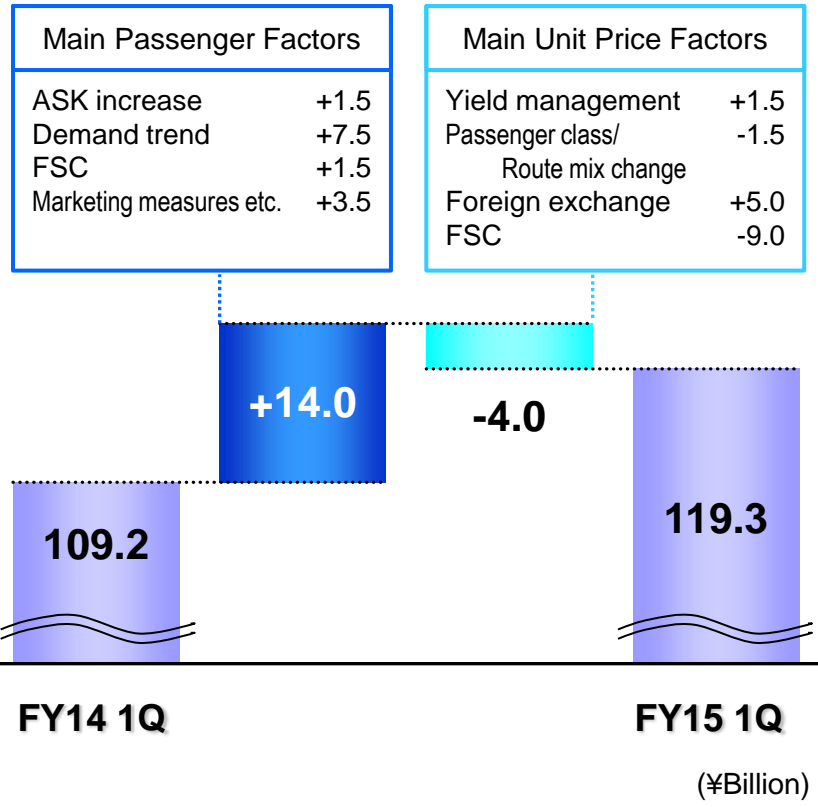
Air Transportation Business

Trends in International Passenger Operations

(Not including Vanilla Air)

FY15 1Q Revenue Change Factors

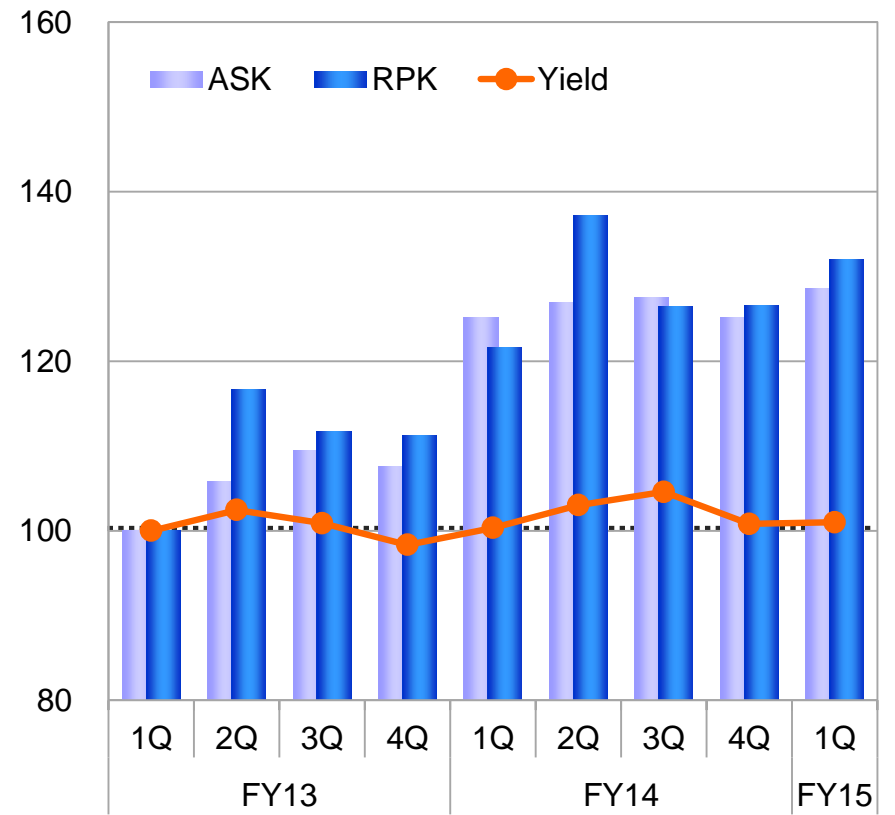
✓ Increased revenues significantly by capturing broad demand



Trends of ASK, RPK and Yield

✓ Maintained yield level firmly while fuel surcharge revenues declined

Index: FY13 1Q=100



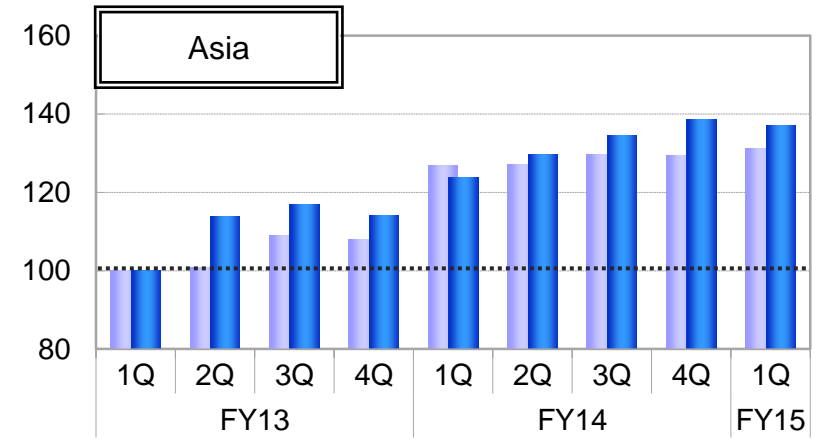
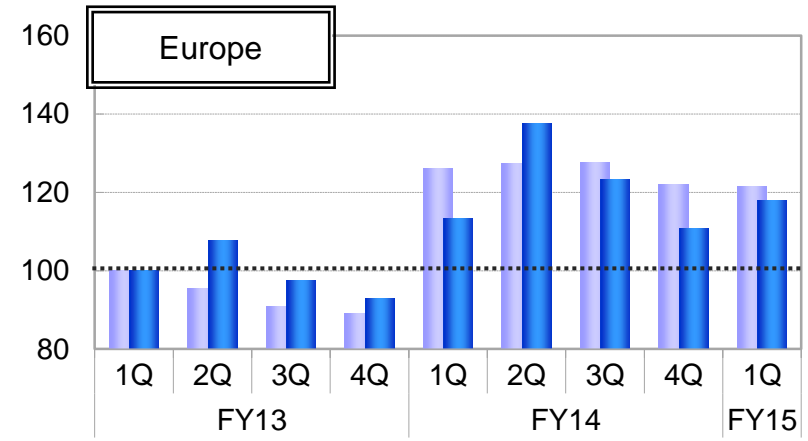
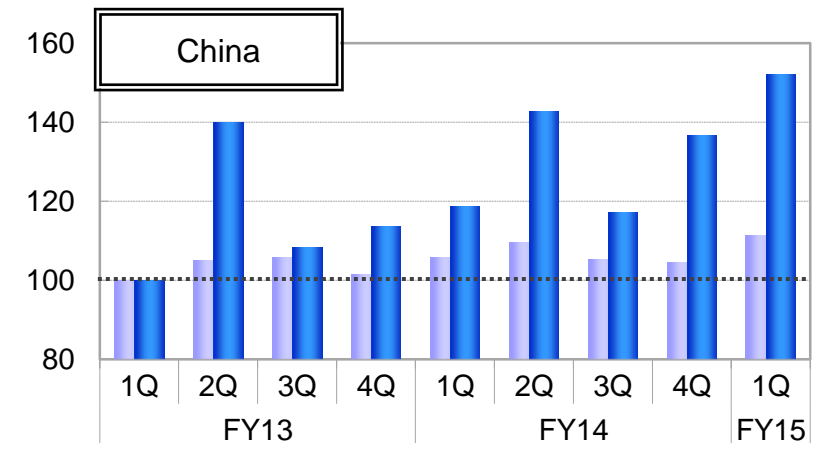
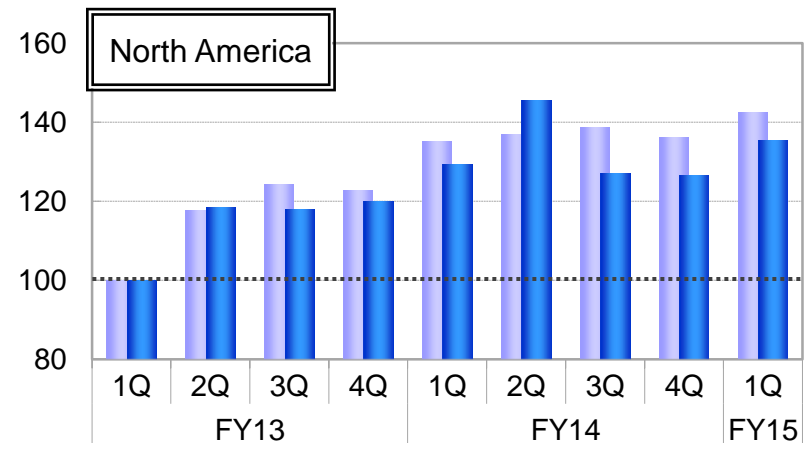
Air Transportation Business

Trends in International Passenger Operations

(Not including Vanilla Air)

Trends of ASK and RPK by Destination

(Index FY13 1Q=100) ASK : RPK



Air Transportation Business

Domestic Cargo Operations

	1Q/FY14	1Q/FY15	% Y/Y
Available Ton Km (million)	462	441	- 4.6
Revenue Ton Km (million)	111	106	- 5.0
Revenue Ton (thousand tons)	110	104	- 5.1
Load Factor (%)	24.2	24.1	- 0.1pts*
Cargo Revenues (¥Billion)	7.6	7.2	- 5.4
Unit Revenue (¥/ATK)	16.6	16.5	- 0.8
Unit Price (¥/kg)	70	69	- 0.3

* Difference

Air Transportation Business

International Cargo Operations

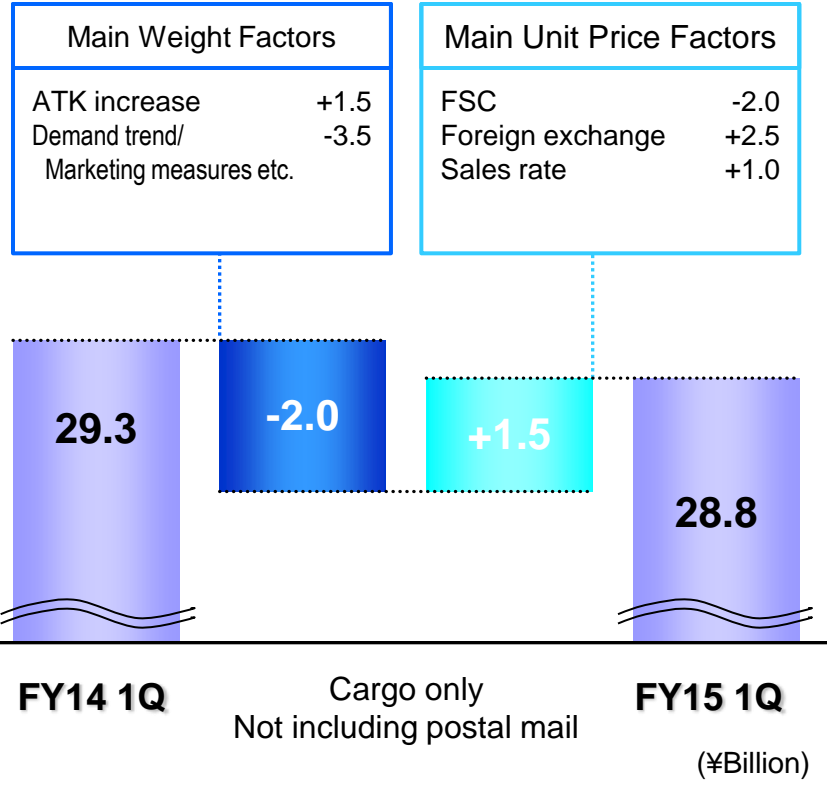
		1Q/FY14	1Q/FY15	% Y/Y
International Cargo	Available Ton Km (million)	1,343	1,420	+ 5.7
	Revenue Ton Km (million)	891	828	- 7.1
	Revenue Ton (thousand tons)	212	191	- 9.8
	Load Factor (%)	66.4	58.3	- 8.0pts*
	Cargo Revenues (¥Billion)	29.3	28.8	- 1.6
	Unit Revenue (¥/ATK)	21.8	20.3	- 6.9
	Unit Price (¥/kg)	138	151	+ 9.1
International Freighter 【Included above】	Available Ton Km (million)	296	311	+ 4.9
	Revenue Ton Km (million)	186	170	- 8.5
	Revenue Ton (thousand tons)	96	86	- 10.5
	Load Factor (%)	62.9	54.9	- 8.0pts*
	Cargo Revenues (¥Billion)	11.1	10.4	- 5.8
	Unit Revenue (¥/ATK)	37.6	33.7	- 10.2
	Unit Price (¥/kg)	116	122	+ 5.2

Air Transportation Business

Trends in International Cargo Operations

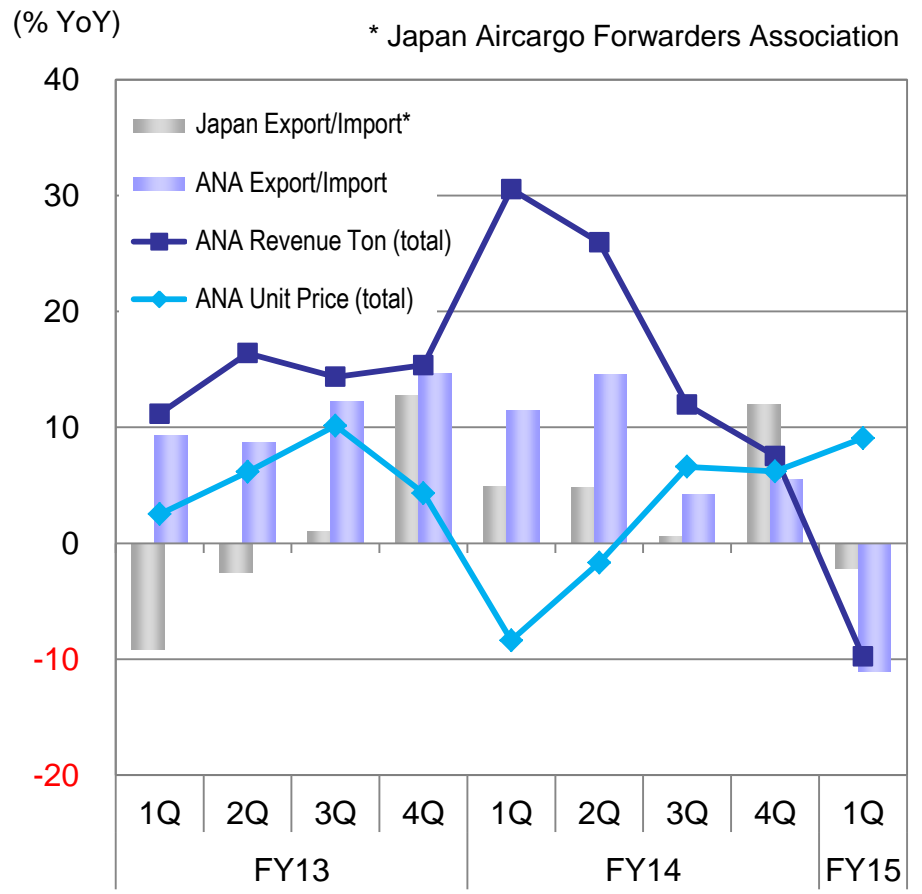
FY15 1Q Revenue Change Factors

✓ Decreased revenues due to weight factors



Trends of Traffic Results and Unit Price

✓ Improved unit price by fare raise in addition to Yen depreciation



Air Transportation Business

LCC Operations

Domestic and International Passenger Operations in Total	1Q/FY14	1Q/FY15	% Y/Y
Available Seat Km (million)	495	796	+ 60.8
Revenue Passenger Km (million)	296	668	+ 125.6
Passengers (thousands)	198	392	+ 98.0
Load Factor (%)	59.7	83.8	+ 24.1pts*

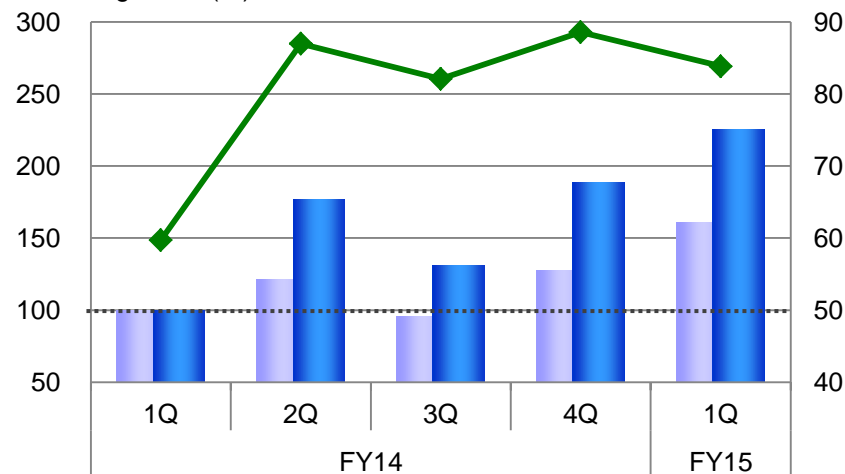
*Difference

Aircraft
in Service

Airbus A320-200 : 8 aircraft
(as of June 30, 2015)

→ Moved to Terminal 3 at Narita Airport (April 8, 2015~)

Left Axis(Index FY14 1Q=100) ASK : RPK
Right Axis(%) Load Factor



Other Segments excluding Air Transportation Business

Results by Segment

(¥Billion)

	Airline Related			Travel Services		
	1Q/FY14	1Q/FY15	Difference	1Q/FY14	1Q/FY15	Difference
Revenues	53.6	57.8	+ 4.2	36.7	36.3	- 0.4
Op. Income	2.7	1.9	- 0.8	0.7	0.5	- 0.2
Depreciation and Amortization	1.0	1.2	+ 0.2	0.0	0.0	+ 0.0
EBITDA*	3.8	3.2	- 0.6	0.7	0.5	- 0.2
EBITDA Margin (%)	7.2	5.6	- 1.6pts	2.1	1.6	- 0.6pts

	Trade and Retail			Others		
	1Q/FY14	1Q/FY15	Difference	1Q/FY14	1Q/FY15	Difference
Revenues	30.0	35.2	+ 5.2	7.5	7.9	+ 0.4
Op. Income	0.5	1.4	+ 0.8	0.1	0.3	+ 0.1
Depreciation and Amortization	0.2	0.2	+ 0.0	0.0	0.0	- 0.0
EBITDA*	0.7	1.6	+ 0.8	0.2	0.4	+ 0.1
EBITDA Margin (%)	2.5	4.6	+ 2.2pts	3.1	5.1	+ 2.0pts

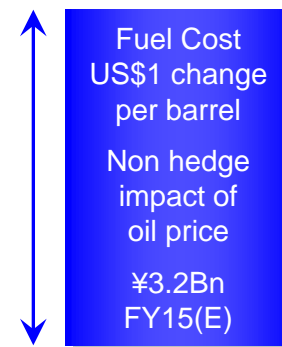
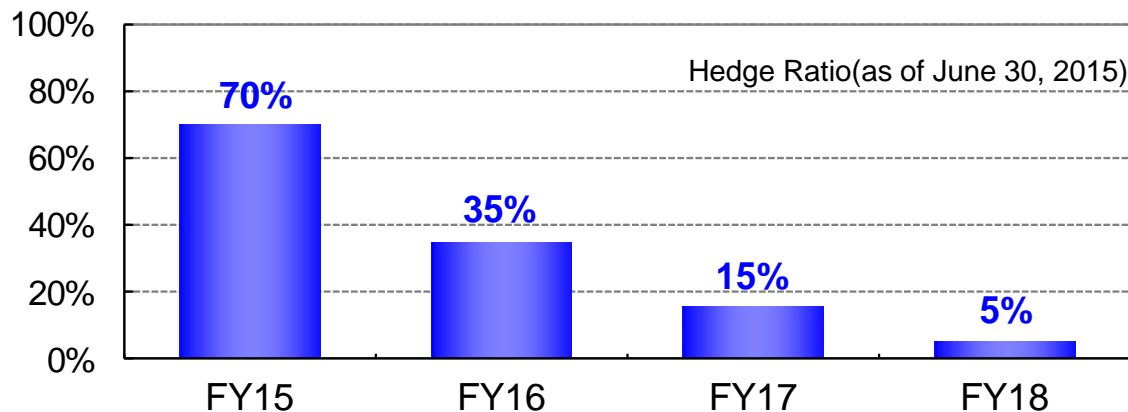
Status of Fuel and Currency Hedging

Fuel Hedge

«FY2015 Earnings Forecast Assumptions»

Dubai Crude Oil: US\$67/bbl, Kerosene: US\$85/bbl

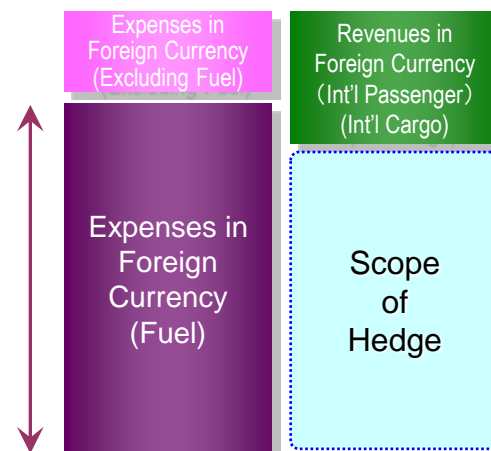
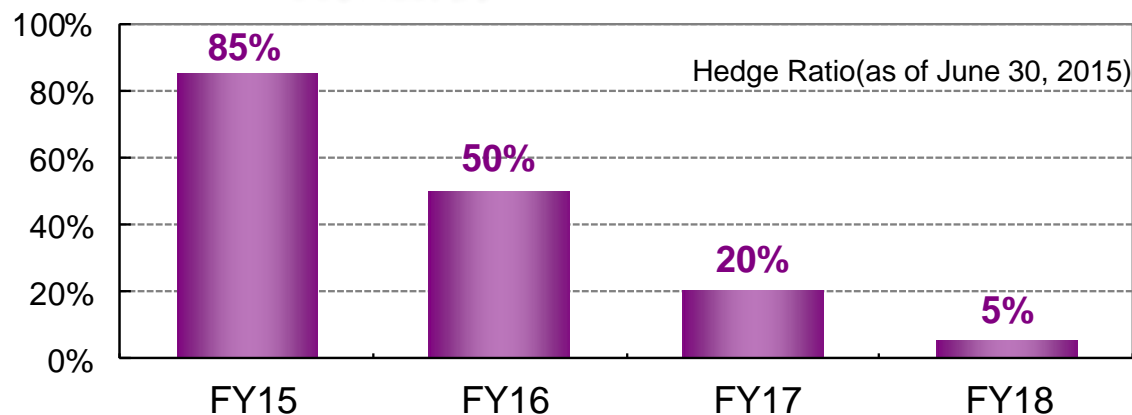
(Not including hedge impact)



Currency Hedge

«FY2015 Earnings Forecast Assumptions»

US\$: 120円/\$



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Supplemental Reference



Supplemental Reference

Aircraft in Service	Mar 31, 2015	Jun 30, 2015	Change	Owned	Leased
Boeing 777-300ER	20	22	+ 2	19	3
Boeing 777-300	7	7	—	7	0
Boeing 777-200ER	12	12	—	6	6
Boeing 777-200	16	16	—	14	2
Boeing 787-9	2	4	+ 2	4	0
Boeing 787-8	32	33	+ 1	31	2
Boeing 767-300ER	26	25	- 1	10	15
Boeing 767-300	16	16	—	16	0
Boeing 767-300F	3	3	—	0	3
Boeing 767-300BCF	7	8	+ 1	8	0
Airbus A320-200	20	20	—	12	8
Boeing 737-800	31	31	—	24	7
Boeing 737-700ER	2	2	—	2	0
Boeing 737-700	10	10	—	7	3
Boeing 737-500	17	18	+ 1	18	0
Bombardier DHC-8-400 (Q400)	21	21	—	16	5
Total	242	248	+ 6	194	54

Including aircraft of A320-200 operated by Vanilla Air(8 as of end of FY15 1Q, 8 as of end of FY14)
 Excluding leased aircraft outside group(13 as of end of FY15 1Q, 12 as of end of FY14)

Supplemental Reference

International Passenger Results by Destination

		1Q/FY15 Composition	Difference
Revenues	North America	32.2	- 1.1
	Europe	19.4	- 1.3
	China	17.2	+ 2.5
	Asia	27.9	+ 0.2
	Resort	3.2	- 0.3
ASK	North America	35.9	+ 0.9
	Europe	19.2	- 1.3
	China	11.5	+ 0.3
	Asia	29.6	+ 0.2
	Resort	3.8	- 0.1
RPK	North America	35.5	- 1.3
	Europe	18.3	- 0.8
	China	11.4	+ 1.7
	Asia	30.4	+ 0.6
	Resort	4.4	- 0.3

(Not including Vanilla Air)

Supplemental Reference

International Cargo Results by Destination

		1Q/FY15 Composition	Difference
Revenues	North America	25.9	+ 4.4
	Europe	13.5	- 1.5
	China	32.6	- 1.9
	Asia	22.1	+ 0.2
	Others	5.9	- 1.3
ATK	North America	35.7	+ 0.5
	Europe	19.0	- 2.1
	China	17.3	+ 0.9
	Asia	23.9	+ 0.5
	Others	4.2	+ 0.2
RTK	North America	39.7	+ 0.9
	Europe	22.6	- 1.1
	China	12.5	- 1.1
	Asia	21.0	+ 1.3
	Others	4.2	- 0.0

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.

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