

ANA HOLDINGS INC.

Financial Results for the Nine Months ended December 31, 2016

Yuji Hirako

Executive Vice President and CFO,
Member of the Board

January 27, 2017



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Effective from FY2016, International Cargo Agency Commission is abolished and offset by revenues.

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ディスクロージャー
2016年度 優良企業



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Highlights of FY2016 Third Quarter

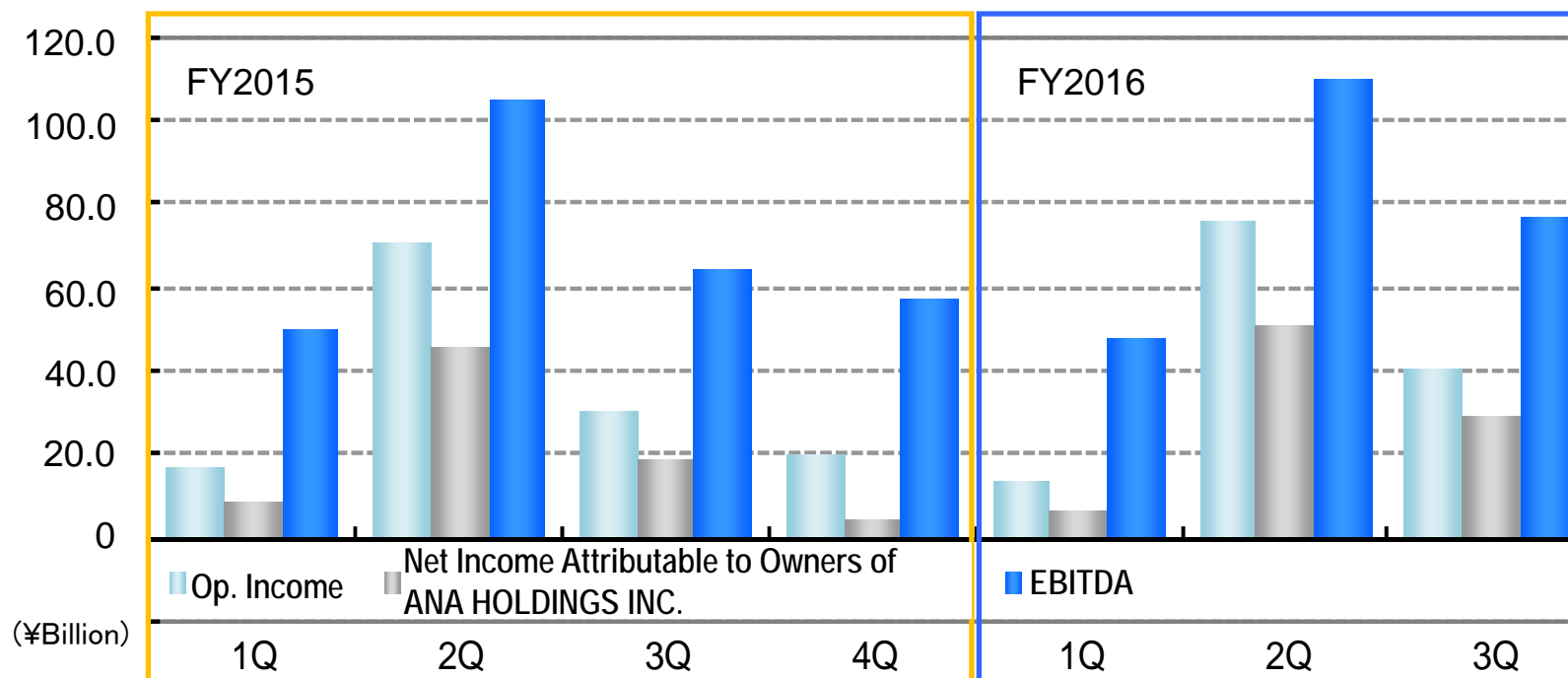
Comparison of Financial Results FY16 1-3Q and FY15

【 FY16 1-3Q Cumulative Results(Consolidated)】

- Op. Income : ¥130.2Bn (YoY ¥ +13.4Bn)
- Net Income Attributable to Owners of ANA HOLDINGS INC.
: ¥86.5Bn (YoY ¥ +13.2Bn)
- EBITDA : ¥234.1Bn (YoY ¥ +15.8Bn)

【 3Q [Oct.-Dec.] (Consolidated)】

- Op. Income : ¥40.6Bn
- Net Income Attributable to Owners of ANA HOLDINGS INC.
: ¥29.1Bn
- EBITDA : ¥76.2Bn



Consolidated Financial Summary

Income Statements	(¥Billion)	1-3Q/FY2015	1-3Q/FY2016	Difference	3Q/FY2016	Difference
Operating Revenues		1,369.0	1,331.7	- 37.2	446.7	- 11.0
Operating Expenses		1,252.2	1,201.5	- 50.7	406.1	- 21.7
Operating Income		116.7	130.2	+ 13.4	40.6	+ 10.6
Operating Income Margin (%)		8.5	9.8	+ 1.2pts	9.1	+ 2.6pts
Non-Operating Income/Losses		- 4.5	- 5.9	- 1.4	0.1	+ 0.8
Ordinary Income		112.1	124.2	+ 12.0	40.7	+ 11.5
Extraordinary Income/Losses		5.5	2.0	- 3.5	1.8	- 3.6
Net Income Attributable to Owners of ANA HOLDINGS INC.		73.3	86.5	+ 13.2	29.1	+ 9.7
Net Income Before Non-Controlling Interests		73.7	86.8	+ 13.0	29.1	+ 9.6
Other Comprehensive Income		- 34.0	56.8	+ 90.9	69.4	+ 81.0
Comprehensive Income		39.6	143.6	+ 104.0	98.5	+ 90.6

Consolidated Financial Summary

Financial Position	(¥Billion)		
	Mar 31, 2016	Dec 31, 2016	Difference
Assets	2,228.8	2,261.1	+ 32.3
Shareholders' Equity	789.8	917.3	+ 127.4
Ratio of Shareholders' Equity (%)	35.4	40.6	+ 5.1pts
Interest Bearing Debts	703.8	726.7	+ 22.8
Debt/Equity Ratio (times) *	0.9	0.8	- 0.1
Net Interest Bearing Debts**	426.2	441.6	+ 15.4

* D/E ratio when including off-balanced lease obligation of ¥51.2 billion (¥69.0 billion as of Mar 31, 2016) is 0.8 times (1.0 times as of Mar 31, 2016).

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

Consolidated Financial Summary

Statements of Cash Flow	(¥Billion)	1-3Q/FY2015	1-3Q/FY2016	Difference
Cash Flow from Operating Activities		215.8	171.3	- 44.5
Cash Flow from Investing Activities		- 147.2	- 172.5	- 25.2
Cash Flow from Financing Activities		- 83.2	3.1	+ 86.4
Net Increase/Decrease in Cash and Cash Equivalents		- 14.5	1.2	+ 15.7
Cash and Cash Equivalents at the beginning of the year		208.9	265.1	} + 1.2
Cash and Cash Equivalents at the end of the current period		194.4	266.4	
Depreciation and Amortization		101.5	103.9	+ 2.4
Capital Expenditures		240.8	201.6	- 39.2
Substantial Free Cash Flow (excluding periodic/negotiable deposits of more than 3 months)		67.6	5.2	- 62.3
EBITDA (Op. Income + Depreciation and Amortization)		218.3	234.1	+ 15.8
EBITDA Margin (%)		15.9	17.6	+ 1.6pts

Consolidated Financial Summary

Results by Segment		(¥Billion)				
		1-3Q/FY2015	1-3Q/FY2016	Difference	3Q/FY2016	Difference
Operating Revenues	Air Transportation	1,184.2	1,157.6	- 26.5	388.5	- 7.6
	Airline Related	173.0	192.5	+ 19.4	64.7	+ 6.1
	Travel Services	129.3	122.0	- 7.3	39.5	- 1.3
	Trade and Retail	108.4	103.3	- 5.0	34.4	- 2.3
	Total for Reporting Segments	1,595.0	1,575.5	- 19.4	527.2	- 5.0
	Others	24.5	25.1	+ 0.6	8.4	+ 0.1
	Adjustment	- 250.5	- 268.9	- 18.4	- 88.9	- 6.0
	Total	1,369.0	1,331.7	- 37.2	446.7	- 11.0
Operating Income	Air Transportation	118.6	121.6	+ 3.0	36.8	- 0.5
	Airline Related	- 3.8	9.0	+ 12.9	3.7	+ 11.9
	Travel Services	4.2	3.2	- 0.9	1.2	- 0.1
	Trade and Retail	4.4	3.8	- 0.5	1.2	- 0.1
	Total for Reporting Segments	123.4	137.8	+ 14.4	43.0	+ 10.9
	Others	1.1	1.1	- 0.0	0.3	- 0.1
	Adjustment	- 7.8	- 8.7	- 0.8	- 2.8	- 0.1
	Total	116.7	130.2	+ 13.4	40.6	+ 10.6

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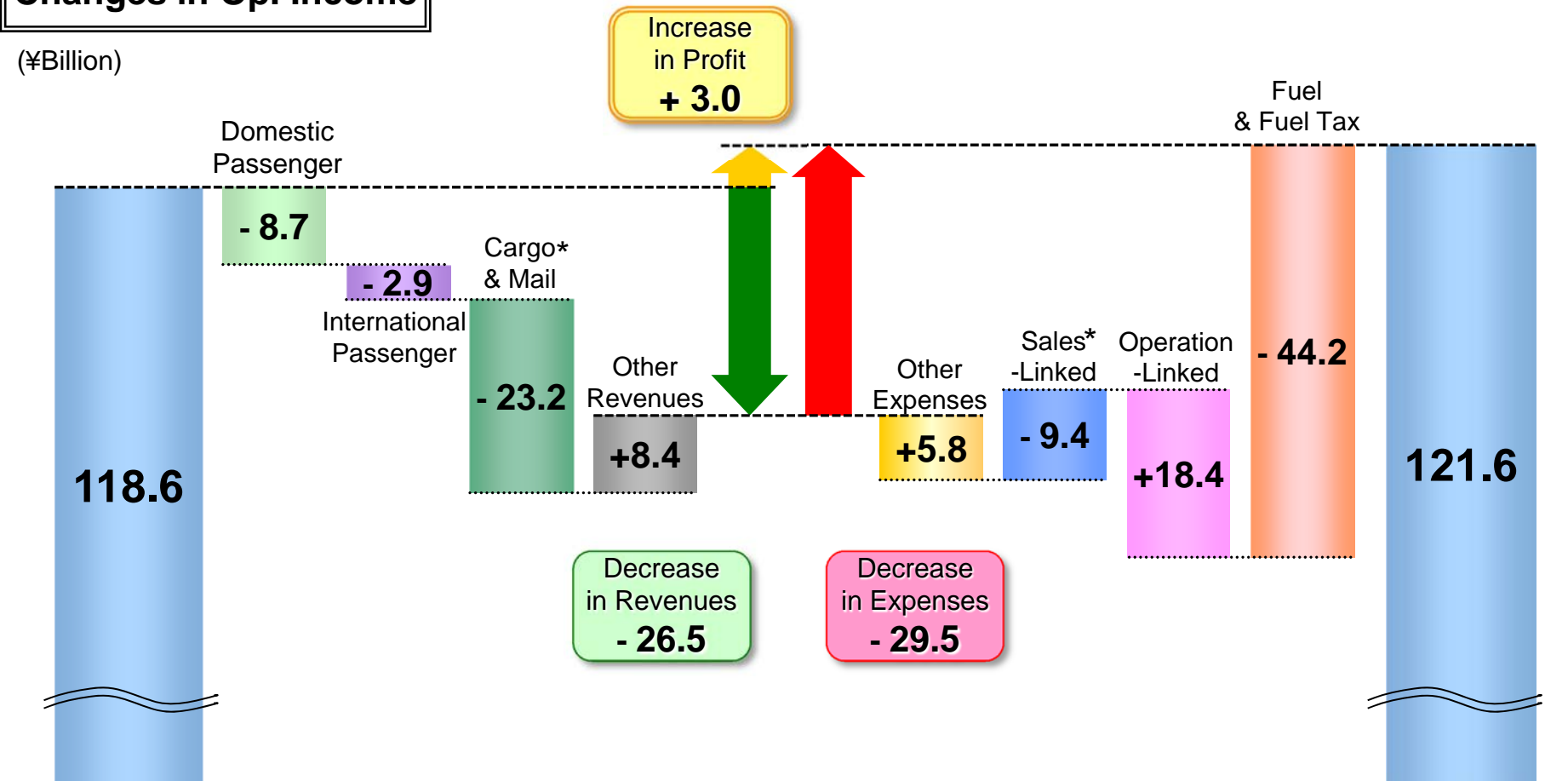
Air Transportation Business

Operating Revenues and Expenses		1-3Q/FY2015	1-3Q/FY2016	Difference	3Q/FY2016	Difference
(¥Billion)						
Operating Revenues	Domestic Passenger	528.9	520.1	- 8.7	172.7	- 2.9
	International Passenger	391.3	388.4	- 2.9	129.2	- 2.4
	Cargo and Mail	120.6	97.3	- 23.2	36.4	- 5.2
	Others	143.3	151.7	+ 8.4	50.0	+ 2.9
	Total	1,184.2	1,157.6	- 26.5	388.5	- 7.6
Operating Expenses	Fuel and Fuel Tax	248.5	204.2	- 44.2	68.0	- 12.4
	Landing and Navigation Fees	87.5	85.8	- 1.6	28.7	- 0.3
	Aircraft Leasing Fees	70.9	74.1	+ 3.2	24.6	- 0.0
	Depreciation and Amortization	96.5	99.1	+ 2.6	34.0	+ 1.3
	Aircraft Maintenance	76.6	82.1	+ 5.5	30.6	+ 4.2
	Personnel	133.5	137.4	+ 3.9	45.8	- 0.6
	Sales Commission and Promotion	80.0	68.4	- 11.5	23.3	- 3.7
	Contracts	138.8	149.2	+ 10.3	50.5	+ 3.2
	Others	132.8	135.1	+ 2.2	45.7	+ 1.2
	Total	1,065.5	1,035.9	- 29.5	351.6	- 7.0
Op. Income	Operating Income	118.6	121.6	+ 3.0	36.8	- 0.5
	EBITDA*	215.1	220.8	+ 5.6	70.9	+ 0.7
	EBITDA Margin (%)	18.2	19.1	+ 0.9pts	18.3	+ 0.6pts

Air Transportation Business

Changes in Op. Income

(¥Billion)



FY2015
1-3Q
Op. Income

* Effective from FY2016, International Cargo Agency Commission is abolished and offset by revenues.

FY2016
1-3Q
Op. Income

Air Transportation Business

Domestic Passenger Operations	1-3Q/FY2015	1-3Q/FY2016	% YoY	3Q/FY2016	% YoY
Available Seat Km (million)	45,207	44,958	- 0.5	14,733	- 1.1
Revenue Passenger Km (million)	29,334	29,566	+ 0.8	10,039	+ 1.4
Passengers (thousands)	32,562	32,645	+ 0.3	11,125	+ 1.0
Load Factor (%)	64.9	65.8	+ 0.9pts*	68.1	+ 1.7pts*
Passenger Revenues (¥Billion)	528.9	520.1	- 1.7	172.7	- 1.7
Unit Revenue (¥/ASK)	11.7	11.6	- 1.1	11.7	- 0.6
Yield (¥/RPK)	18.0	17.6	- 2.4	17.2	- 3.0
Unit Price (¥/Passenger)	16,244	15,934	- 1.9	15,524	- 2.7

* Difference

(Not including Vanilla Air)

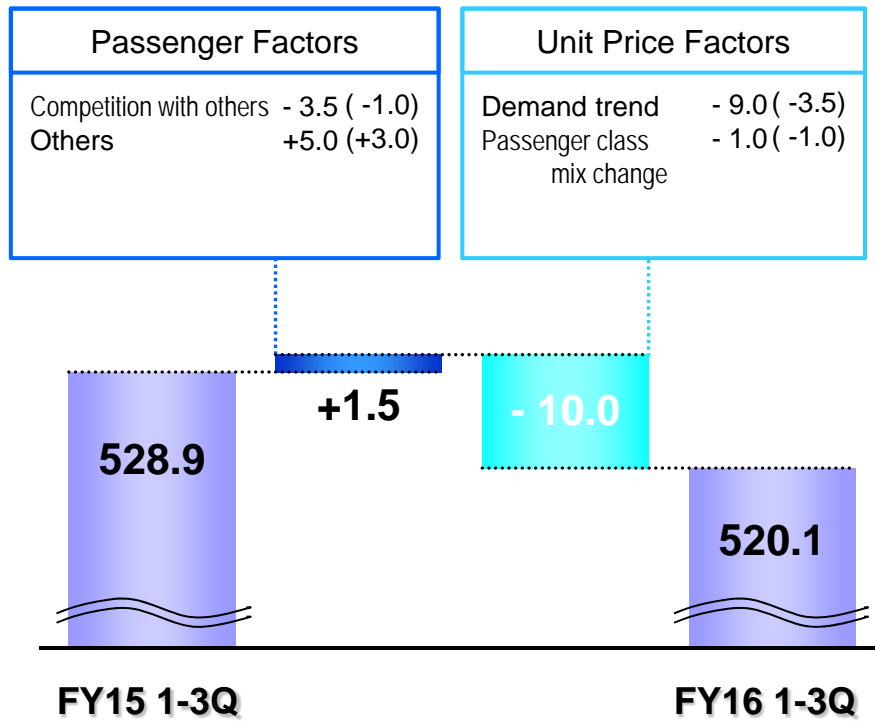
Air Transportation Business

Trends in Domestic Passenger Operations

(Not including Vanilla Air)

Revenue Change Factors

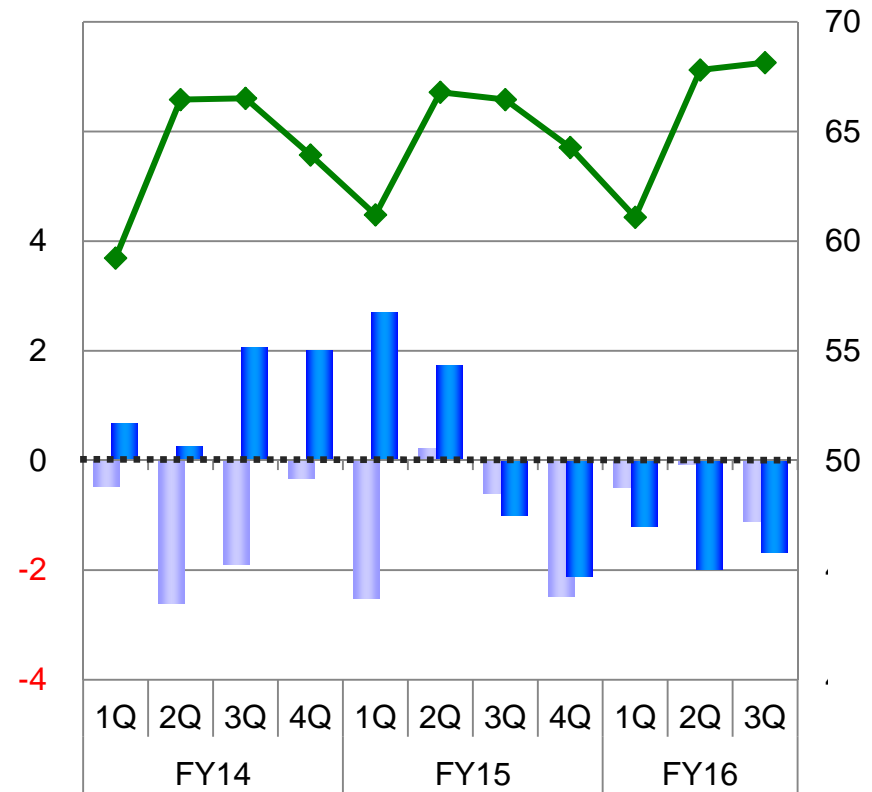
✓ Although passengers increased, unit price decline resulted in revenue decrease



Figures in parentheses represent results for 3Q only (¥Billion)

ASK / Revenues / Load Factor

Left Axis (YoY:%) ASK : Revenues
 Right Axis (Unit:%) Load Factor



Air Transportation Business

International Passenger Operations	1-3Q/FY2015	1-3Q/FY2016	% YoY	3Q/FY2016	% YoY
Available Seat Km (million)	40,441	44,751	+ 10.7	15,292	+ 8.4
Revenue Passenger Km (million)	30,228	33,825	+ 11.9	11,516	+ 12.4
Passengers (thousands)	6,054	6,751	+ 11.5	2,271	+ 14.0
Load Factor (%)	74.7	75.6	+ 0.8pts*	75.3	+ 2.7pts*
Passenger Revenues (¥Billion)	391.3	388.4	- 0.7	129.2	- 1.8
Unit Revenue (¥/ASK)	9.7	8.7	- 10.3	8.4	- 9.4
Yield (¥/RPK)	12.9	11.5	- 11.3	11.2	- 12.7
Unit Price (¥/Passenger)	64,637	57,531	- 11.0	56,896	- 13.9

* Difference

(Not including Vanilla Air)

Air Transportation Business

Trends in International Passenger Operations

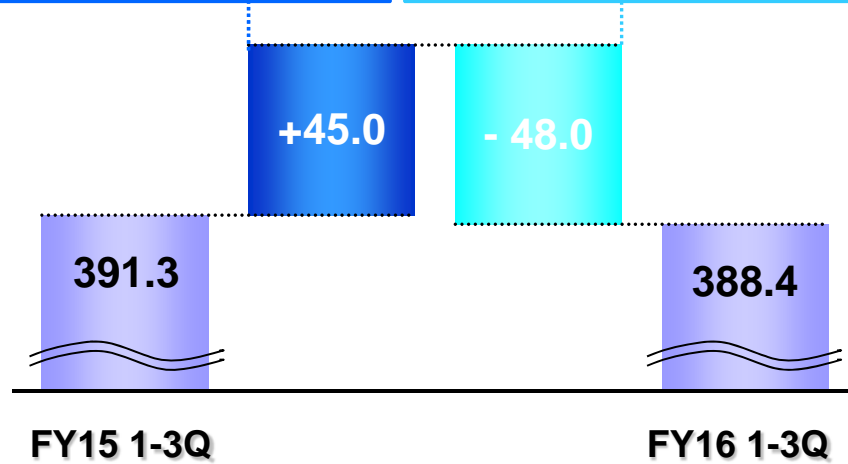
(Not including Vanilla Air)

Revenue Change Factors

ASK / RPK / Yield

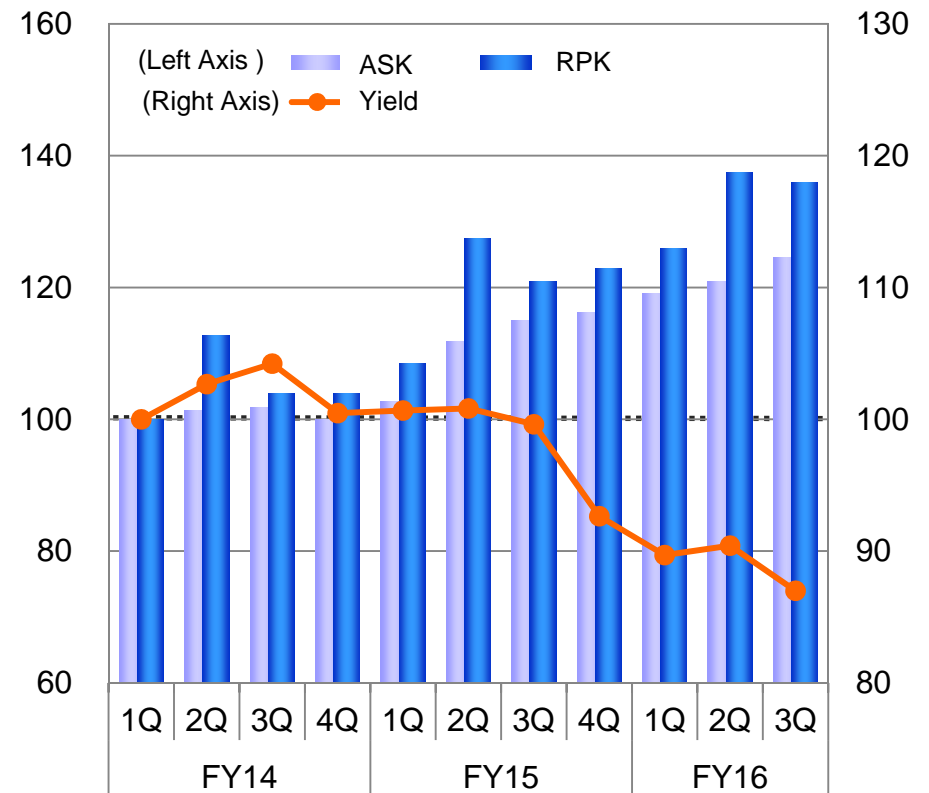
✓ Captured further demand while unit price decreased due to market fluctuations

Passenger Factors		Unit Price Factors	
ASK increase	+12.5 (+3.5)	Yield management	+11.5 (+2.0)
Demand trend	+12.0 (+8.0)	Passenger class/ Route mix change	- 12.5 (-6.0)
FSC	+1.0 (+0.5)	Foreign exchange	- 18.0 (-7.5)
Marketing measures etc.	+19.5 (+6.5)	FSC	- 29.0 (-9.5)



Figures in parentheses represent results for 3Q only (¥Billion)

Index: FY14 1Q=100



Air Transportation Business

Trends in International Passenger Operations

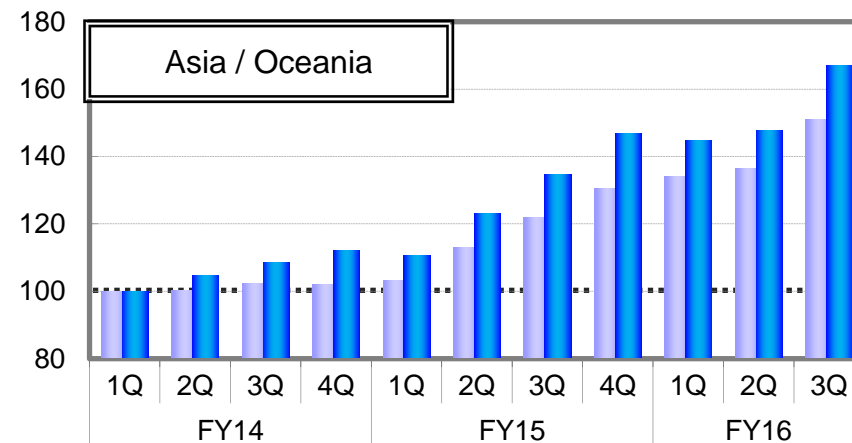
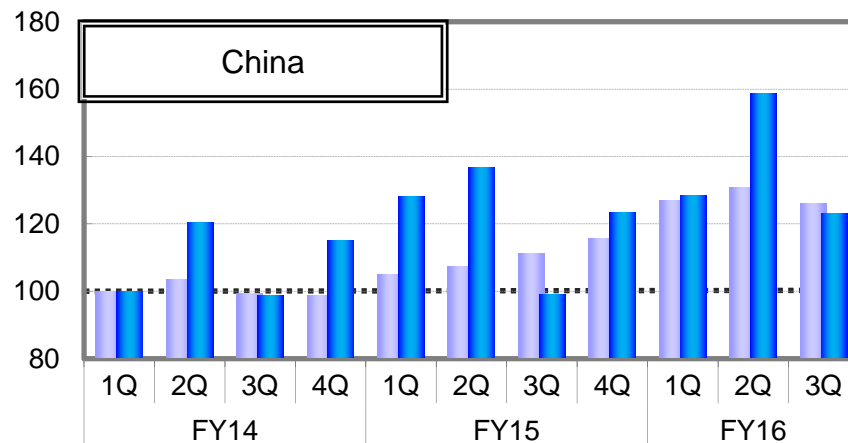
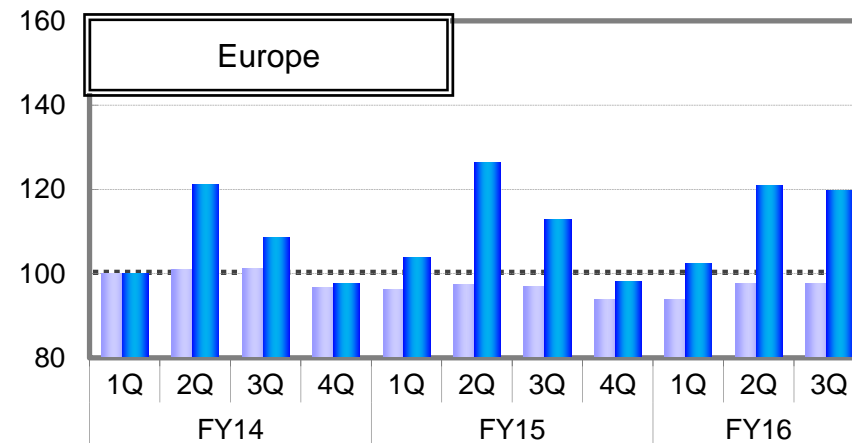
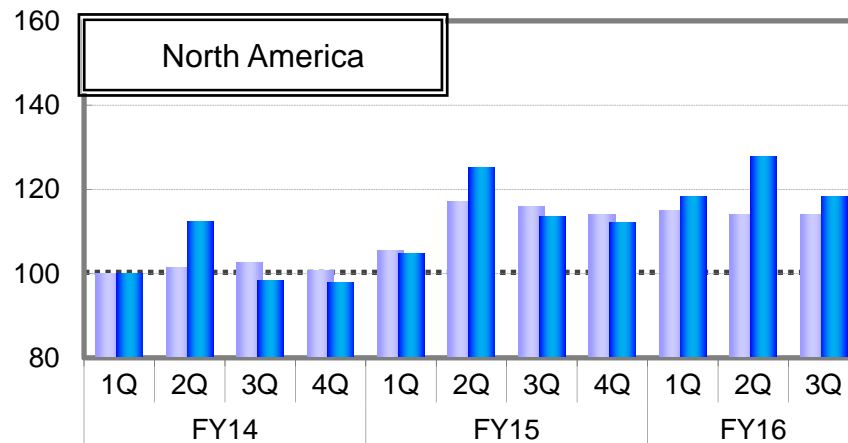
(Not including Vanilla Air)

ASK / RPK by Destination

(Index: FY14 1Q=100)

ASK

RPK



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Air Transportation Business

Domestic Cargo Operations	1-3Q/FY2015	1-3Q/FY2016	% YoY	3Q/FY2016	% YoY
Available Ton Km (million)	1,421	1,366	- 3.9	444	- 5.0
Revenue Ton Km (million)	363	353	- 2.8	127	- 4.1
Revenue Ton (thousand tons)	360	347	- 3.5	125	- 4.8
Load Factor (%)	25.6	25.9	+ 0.3pts*	28.7	+ 0.3pts*
Cargo Revenues (¥Billion)**	24.4	23.6	- 3.2 (- 2.0)	8.5	- 3.5 (- 2.4)
Unit Revenue (¥/ATK)**	17.2	17.3	+ 0.7 (+ 2.0)	19.2	+ 1.5 (+ 2.7)
Yield(¥/RTK)**	67.2	66.9	- 0.4 (+ 0.9)	66.9	+ 0.6 (+ 1.8)
Unit Price (¥/kg)**	68	68	+ 0.3 (+ 1.6)	68	+ 1.4 (+ 2.6)

* Difference

** Figures in parentheses represent substantial values excluding International Cargo Agency Commission

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Air Transportation Business

International Cargo Operations	1-3Q/FY2015	1-3Q/FY2016	% YoY	3Q/FY2016	% YoY
Available Ton Km (million)	4,536	4,937	+ 8.8	1,669	+ 5.8
Revenue Ton Km (million)	2,642	3,101	+ 17.4	1,101	+ 17.2
Revenue Ton (thousand tons)	611	715	+ 17.1	258	+ 20.3
Load Factor (%)	58.2	62.8	+ 4.6pts*	66.0	+ 6.4pts*
Cargo Revenues (¥Billion)**	88.3	67.5	- 23.6 (-10.4)	25.7	- 14.4 (+ 0.9)
Unit Revenue (¥/ATK)**	19.5	13.7	- 29.8 (-17.7)	15.4	-19.0 (- 4.6)
Yield(¥/RTK)**	33.5	21.8	- 34.9 (-23.6)	23.4	- 26.9 (-13.9)
Unit Price (¥/kg)**	145	94	- 34.7 (-23.5)	100	- 28.8 (-16.1)

* Difference

** Figures in parentheses represent substantial values excluding International Cargo Agency Commission

Air Transportation Business

【Ref.】International Freighter Operations

	1-3Q/FY2015	1-3Q/FY2016	% YoY	3Q/FY2016	% YoY
Available Ton Km (million)	953	923	- 3.1	295	- 9.7
Revenue Ton Km (million)	534	553	+ 3.4	189	+ 1.1
Revenue Ton (thousand tons)	269	290	+ 7.7	102	+ 9.4
Load Factor (%)	56.1	59.9	+ 3.8pts*	63.9	+ 6.9pts*
Cargo Revenues (¥Billion)	32.1	20.3	- 36.6	7.0	- 33.2
Unit Revenue (¥/ATK)	33.7	22.1	- 34.5	24.0	- 26.0
Yield(¥/RTK)	60.1	36.9	- 38.7	37.5	- 34.0
Unit Price (¥/kg)	119	70	- 41.1	69	- 39.0

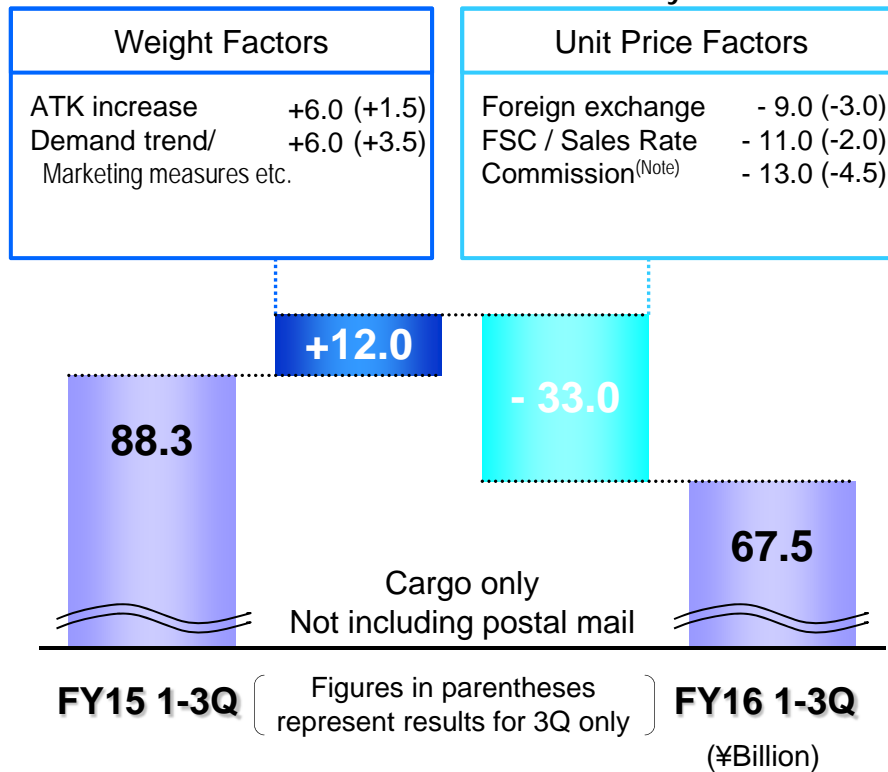
* Difference

Air Transportation Business

Trends in International Cargo Operations

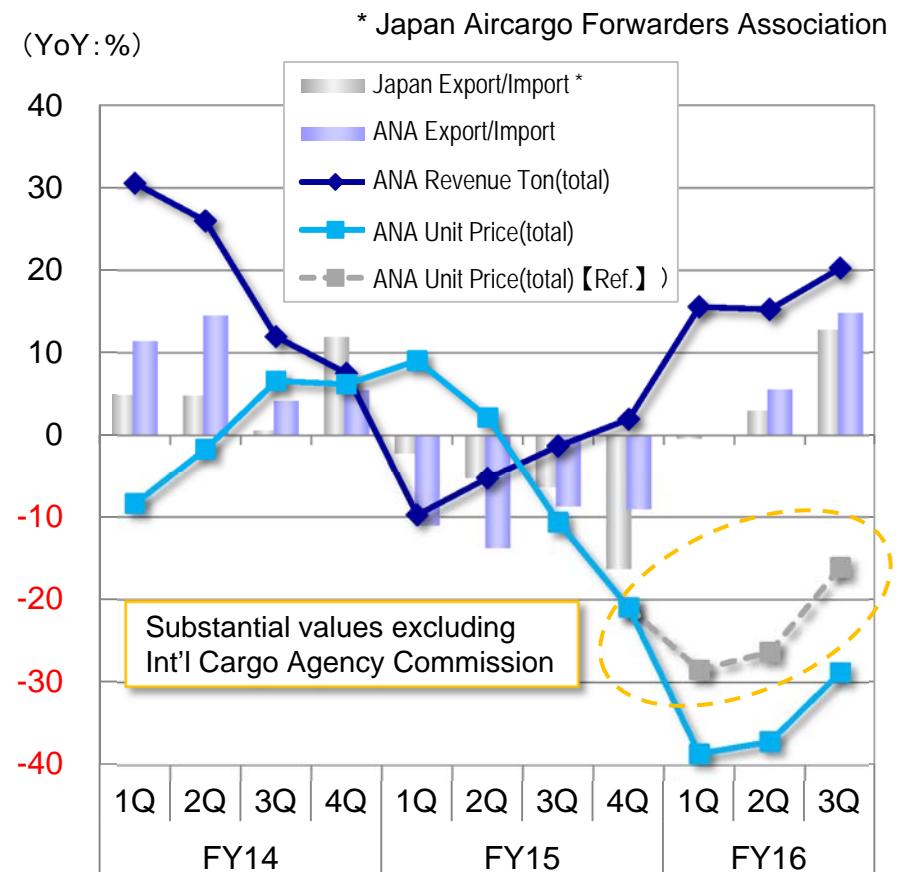
Revenue Change Factors

- ✓ Captured demand steadily
- ✓ Although unit price was below the last year, the trend has been in recovery



(Note) Effective from FY2016, International Cargo Agency Commission is abolished and offset by revenues.

Traffic Results and Unit Price



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Air Transportation Business

Vanilla Air

Domestic and International
Passenger Operations in Total

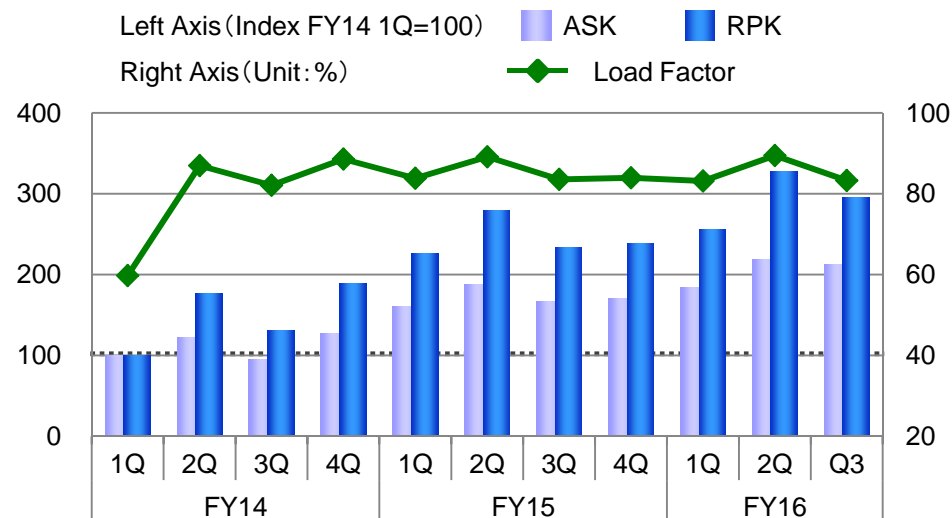
	1-3Q/FY2015	1-3Q/FY2016	% YoY	3Q/FY2016	% YoY
Available Seat Km (million)	2,551	3,045	+ 19.4	1,051	+ 27.2
Revenue Passenger Km (million)	2,185	2,602	+ 19.1	876	+ 26.8
Passengers (thousands)	1,297	1,532	+ 18.1	515	+ 28.8
Load Factor (%)	85.7	85.4	- 0.2pts*	83.3	- 0.3pts*

*Difference

Aircraft in Service	Airbus A320-200 : 11 aircraft (As of Dec 31, 2016)
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【New Routes (After Dec, 2016)】

- Tokyo(Narita) — Cebu from Dec 25
- Tokyo(Narita) — Osaka(Kansai) from Feb 18
- Tokyo(Narita) — Hakodate from Feb 19
- Osaka(Kansai) — Hakodate from Mar 18
- Osaka(Kansai) — Amami from Mar 26



Other Segments excluding Air Transportation Business

Results by Segment

(¥Billion)

	Airline Related			Travel Services		
	1-3Q/FY2015	1-3Q/FY2016	Difference	1-3Q/FY2015	1-3Q/FY2016	Difference
Operating Revenues	173.0	192.5	+ 19.4	129.3	122.0	- 7.3
Operating Income	- 3.8	9.0	+ 12.9	4.2	3.2	- 0.9
Depreciation and Amortization	4.0	3.6	- 0.3	0.0	0.1	+ 0.0
EBITDA*	0.1	12.7	+ 12.5	4.3	3.3	- 0.9
EBITDA Margin (%)	0.1	6.6	+ 6.5pts	3.3	2.7	- 0.6pts

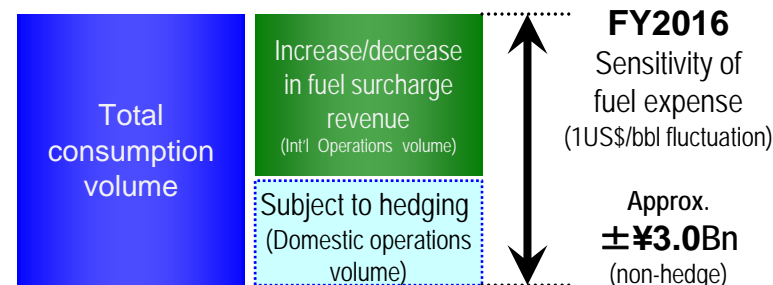
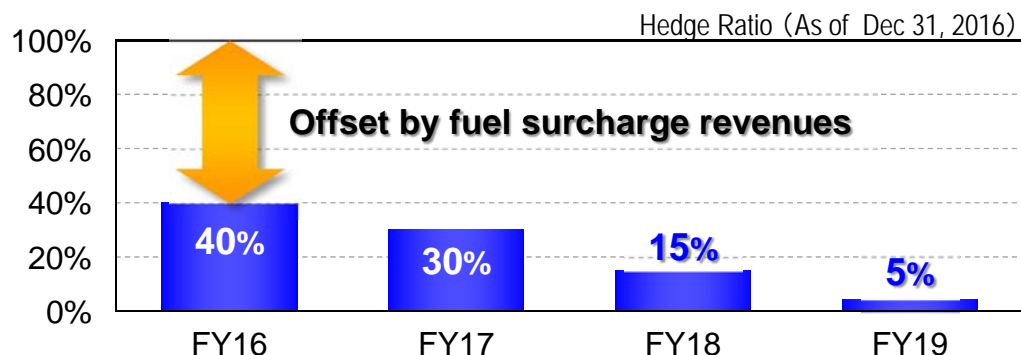
	Trade and Retail			Others		
	1-3Q/FY2015	1-3Q/FY2016	Difference	1-3Q/FY2015	1-3Q/FY2016	Difference
Operating Revenues	108.4	103.3	- 5.0	24.5	25.1	+ 0.6
Operating Income	4.4	3.8	- 0.5	1.1	1.1	- 0.0
Depreciation and Amortization	0.7	0.8	+ 0.1	0.1	0.1	- 0.0
EBITDA*	5.1	4.7	- 0.4	1.3	1.2	- 0.0
EBITDA Margin (%)	4.8	4.6	- 0.2pts	5.3	5.0	- 0.3pts

Status of Fuel and Currency Hedging

【 Fuel hedging policy 】

- Hedging for consumption volume in Domestic Operations
(Transaction starts three years ahead)
- No hedging for consumption volume in International Operations
(Covered by fuel surcharge revenues)

(US\$/bbl)	FY16 1-3Q (Results)	FY16 4Q (Assumptions)
Dubai Crude Oil	44.9	45
Singapore Kerosene	56.4	58

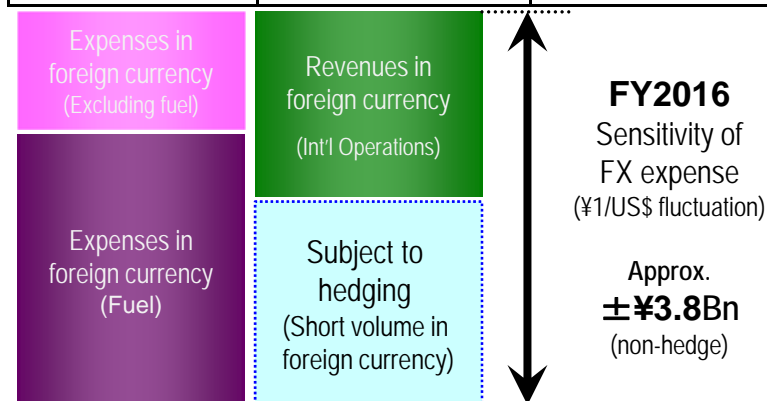
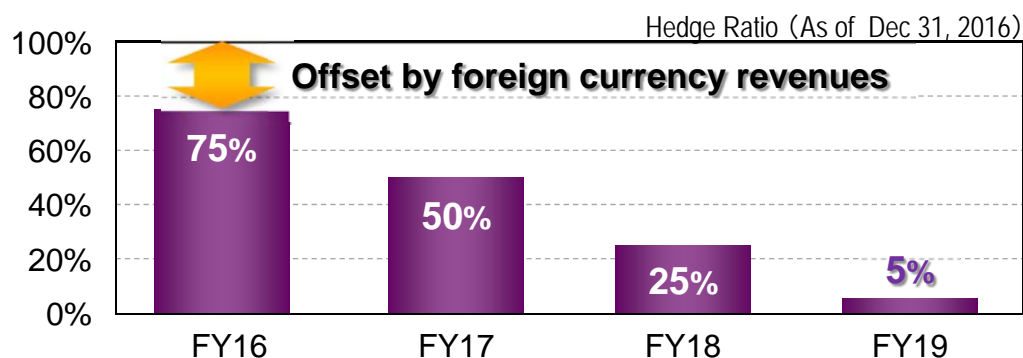


【 Currency hedging policy 】

- Hedging for short volume in foreign currency
(Transaction starts three years ahead)

(¥/US\$)	FY16 1-3Q (Results)	FY16 4Q (Assumptions)
USD	106.6	100

※Hedge ratio shows progress of hedging on expenses in foreign currency (fuel)



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Supplemental Reference



Supplemental Reference

Aircraft in Service	Mar 31, 2016	Dec 31, 2016	Difference	Owned	Leased
Boeing 777-300ER	22	22	—	16	6
Boeing 777-300	7	7	—	7	—
Boeing 777-200ER	12	12	—	6	6
Boeing 777-200	16	14	- 2	12	2
Boeing 787-9	11	21	+ 10	21	—
Boeing 787-8	35	36	+ 1	31	5
Boeing 767-300ER	25	25	—	13	12
Boeing 767-300	13	12	- 1	12	—
Boeing 767-300F	4	4	—	—	4
Boeing 767-300BCF	8	8	—	8	—
Airbus A321-200	0	3	+ 3	—	3
Airbus A320-200neo	0	1	+ 1	1	—
Airbus A320-200	18	21	+ 3	10	11
Boeing 737-800	36	36	—	24	12
Boeing 737-700ER	2	0	- 2	—	—
Boeing 737-700	7	7	—	7	—
Boeing 737-500	20	18	- 2	18	—
Bombardier DHC-8-400 (Q400)	21	21	—	20	1
Total	257	268	+ 11	206	62

Including aircraft of A320-200 operated by Vanilla Air (11 as of Dec 31, 2016, 8 as of Mar 31, 2016)

Excluding leased aircraft outside group (18 as of Dec 31, 2016, 16 as of Mar 31, 2016)

Supplemental Reference

International Passenger Results by Destination		1-3Q/FY2016 Composition	Difference	3Q/FY2016 Composition	Difference
Revenues	North America	31.6	- 1.0	30.7	- 2.1
	Europe	19.0	- 0.4	18.7	- 0.3
	China	13.9	- 1.5	12.4	- 0.2
	Asia/Oceania	30.6	+ 2.3	33.2	+ 2.3
	Resort	5.0	+ 0.7	4.9	+ 0.2
ASK	North America	32.9	- 3.0	32.0	- 3.3
	Europe	16.2	- 1.8	16.0	- 1.2
	China	11.8	+ 0.8	11.3	+ 0.5
	Asia/Oceania	34.0	+ 3.8	35.7	+ 4.4
	Resort	5.0	+ 0.3	5.0	- 0.4
RPK	North America	33.5	- 1.8	32.0	- 2.5
	Europe	16.4	- 2.0	16.8	- 1.0
	China	9.9	+ 0.1	8.8	+ 0.8
	Asia/Oceania	34.3	+ 3.5	36.6	+ 3.4
	Resort	5.8	+ 0.2	5.8	- 0.8

Supplemental Reference

International Cargo Results by Destination		1-3Q/FY2016 Composition	Difference	3Q/FY2016 Composition	Difference
Revenues	North America	26.7	+ 2.5	28.9	+ 4.9
	Europe	15.6	+ 1.6	16.6	+ 1.9
	China	28.9	- 5.7	26.6	- 8.7
	Asia/Oceania	23.1	+ 1.6	22.2	+ 1.5
	Others	5.7	- 0.0	5.6	+ 0.3
ATK	North America	36.4	- 0.9	36.2	- 1.4
	Europe	16.2	- 1.5	16.0	- 1.0
	China	16.7	- 0.1	16.3	- 0.5
	Asia/Oceania	27.2	+ 2.8	28.2	+ 3.3
	Others	3.6	- 0.4	3.3	- 0.5
RTK	North America	37.4	- 1.5	36.5	- 1.9
	Europe	20.8	- 1.9	21.0	- 2.0
	China	14.2	+ 0.9	14.8	+ 1.0
	Asia/Oceania	24.2	+ 3.2	24.4	+ 3.5
	Others	3.4	- 0.7	3.2	- 0.6

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.

This material is available on our website.

<http://www.ana.co.jp/group/en/investors/>

Investor Relations  Presentations

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