

# ANA HOLDINGS INC.

- Financial Results for the Three Months ended June 30, 2017

**Ichiro Fukuzawa**  
Senior Vice President, CFO

August 2, 2017



## Contents

### Financial Results FY2017 First Quarter

Highlights of Financial Results	P. 3
Consolidated Financial Summary	
Income Statements	P. 4
Financial Position	P. 5
Statements of Cash Flow	P. 6
Results by Segment	P. 7
Air Transportation Business	
Operating Revenues and Expenses	P. 9
Changes in Operating Income	P. 10
Domestic Passenger Operations	P. 11-12
International Passenger Operations	P. 13-15
Domestic Cargo Operations	P. 17
International Cargo Operations	P. 19-21
LCC Operations	P. 23-24
Other Segments	P. 25
excluding Air Transportation Business	
Status of Fuel and Currency Hedging	P. 26

### Supplemental Reference

Aircraft in Service	P. 28
International Passengers Results	P. 29
by Destination	
International Cargo Results	P. 30
by Destination	

ディスクロージャー  
2016年度 優良企業



SAAJ 日本証券アナリスト協会  
The Securities Analysts Association of Japan

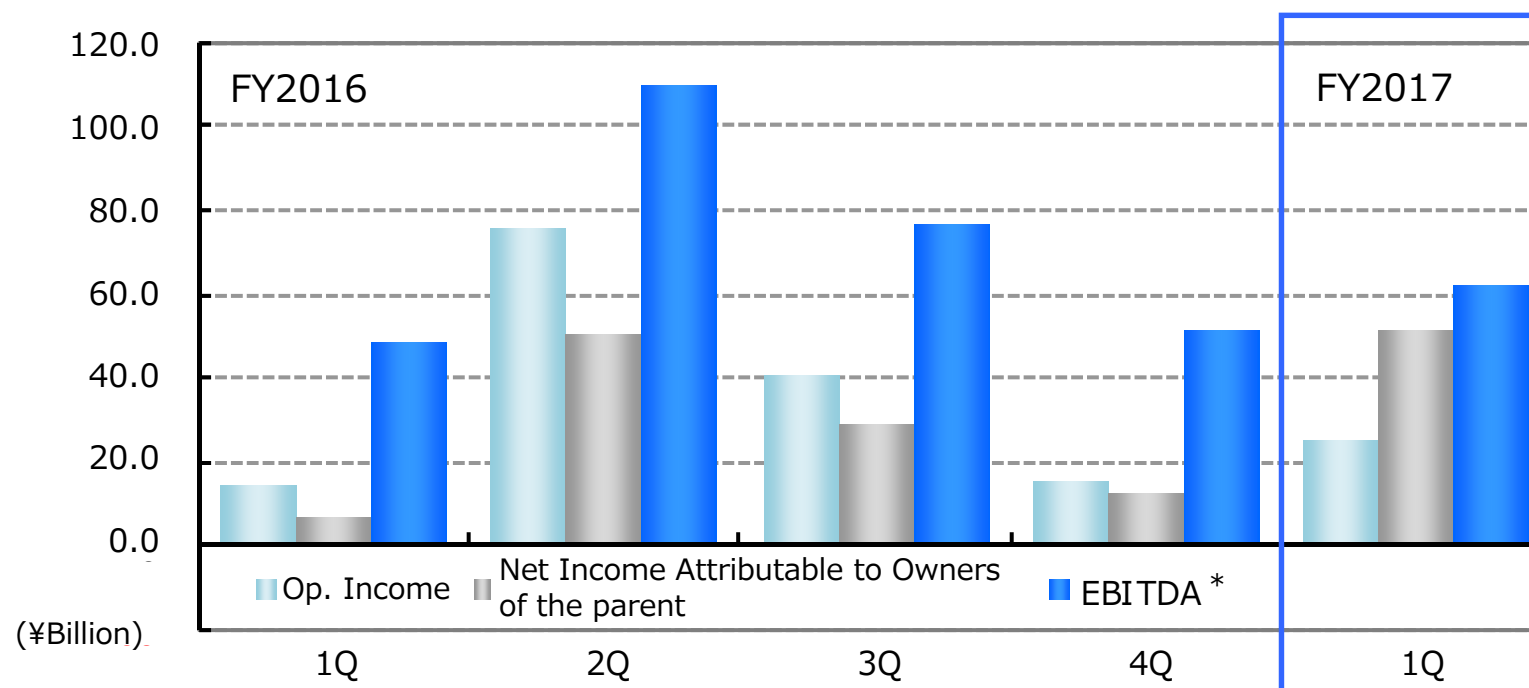
"2016 Awards for Excellence  
in Corporate Disclosure" from  
SAAJ, the Securities Analysts  
Association of Japan

## Highlights of Financial Results

### Comparison of Financial Results for FY2017 1<sup>st</sup> Quarter and FY2016

#### 【FY2017 1<sup>st</sup> Quarter (Consolidated Results)】

- Operating Income : ¥25.4Bn ( YoY + ¥11.3Bn )
- Net Income Attributable to Owners of the parent : ¥51.0Bn ( YoY + ¥44.4Bn )
- EBITDA \* : ¥62.0Bn ( YoY + ¥13.8Bn )



\* EBITDA : Op. Income + Depreciation and Amortization

## Consolidated Financial Summary

### Income Statements

(¥Billion)

	1Q/FY2016	1Q/FY2017	Difference
Operating Revenues	404.4	451.7	+ 47.2
Operating Expenses	390.2	426.2	+ 35.9
Operating Income	14.1	25.4	+ 11.3
Operating Income Margin (%)	3.5	5.6	+ 2.1pts
Non-Operating Income/Expenses	- 3.4	- 0.6	+ 2.8
Ordinary Income	10.6	24.7	+ 14.1
Special Gain/Losses	0.1	35.5	+ 35.4
Net Income Attributable to Owners of the parent	6.6	51.0	+ 44.4
Net Income	6.7	51.2	+ 44.5
Other Comprehensive Income	- 16.8	4.6	+ 21.5
Comprehensive Income	- 10.1	55.9	+ 66.0

## Consolidated Financial Summary

### Financial Position

(¥Billion)

	Mar 31, 2017	Jun 30, 2017	Difference
Assets	2,314.4	2,410.5	+ 96.1
Shareholders' Equity	919.1	954.5	+ 35.3
Ratio of Shareholders' Equity (%)	39.7	39.6	- 0.1pts
Interest Bearing Debts	729.8	749.3	+ 19.4
Debt/Equity Ratio (times) *	0.8	0.8	- 0.0
Net Interest Bearing Debts **	411.0	437.1	+ 26.0

\* D/E ratio in case of including off-balanced lease obligation of ¥37.8 billion (¥46.1 billion as of Mar 31, 2017) is 0.8 times (0.8 times as of Mar 31, 2017).

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

## Consolidated Financial Summary

### Statements of Cash Flow

(¥Billion)

	1Q/FY2016	1Q/FY2017	Difference
Cash Flow from Operating Activities	39.5	95.6	+ 56.1
Cash Flow from Investing Activities	- 38.8	- 120.4	- 81.5
Cash Flow from Financing Activities	19.4	- 7.2	- 26.6
Net Increase/Decrease in Cash and Cash Equivalents	20.0	- 32.3	- 52.4
Cash and Cash Equivalents at the beginning of the year	265.1	309.0	} - 32.3
Cash and Cash Equivalents at the end of the current period	285.1	276.6	
Depreciation and Amortization	34.0	36.6	+ 2.5
Capital Expenditures	36.3	87.2	+ 50.9
Substantial Free Cash Flow (excluding periodic/negotiable deposits of more than 3 months)	10.9	- 6.5	- 17.5
EBITDA *	48.1	62.0	+ 13.8
EBITDA Margin (%)	11.9	13.7	+ 1.8pts

\* EBITDA : Op. Income + Depreciation and Amortization

## Consolidated Financial Summary

### Results by Segment

(¥Billion)

		1Q/FY2016	1Q/FY2017	Difference
Operating Revenues	Air Transportation	350.8	396.8	+ 45.9
	Airline Related	61.3	65.8	+ 4.4
	Travel Services	34.1	36.3	+ 2.1
	Trade and Retail	34.4	33.5	- 0.8
	Total for Reporting Segments	480.7	532.4	+ 51.7
	Others	8.3	8.8	+ 0.4
	Adjustment	- 84.7	- 89.5	- 4.8
	<b>Total</b>	<b>404.4</b>	<b>451.7</b>	<b>+ 47.2</b>
Operating Income	Air Transportation	12.6	23.1	+ 10.5
	Airline Related	2.4	4.2	+ 1.7
	Travel Services	0.6	0.6	+ 0.0
	Trade and Retail	1.0	0.9	- 0.0
	Total for Reporting Segments	16.7	29.1	+ 12.3
	Others	0.4	0.5	+ 0.1
	Adjustment	- 3.0	- 4.2	- 1.1
	<b>Total</b>	<b>14.1</b>	<b>25.4</b>	<b>+ 11.3</b>

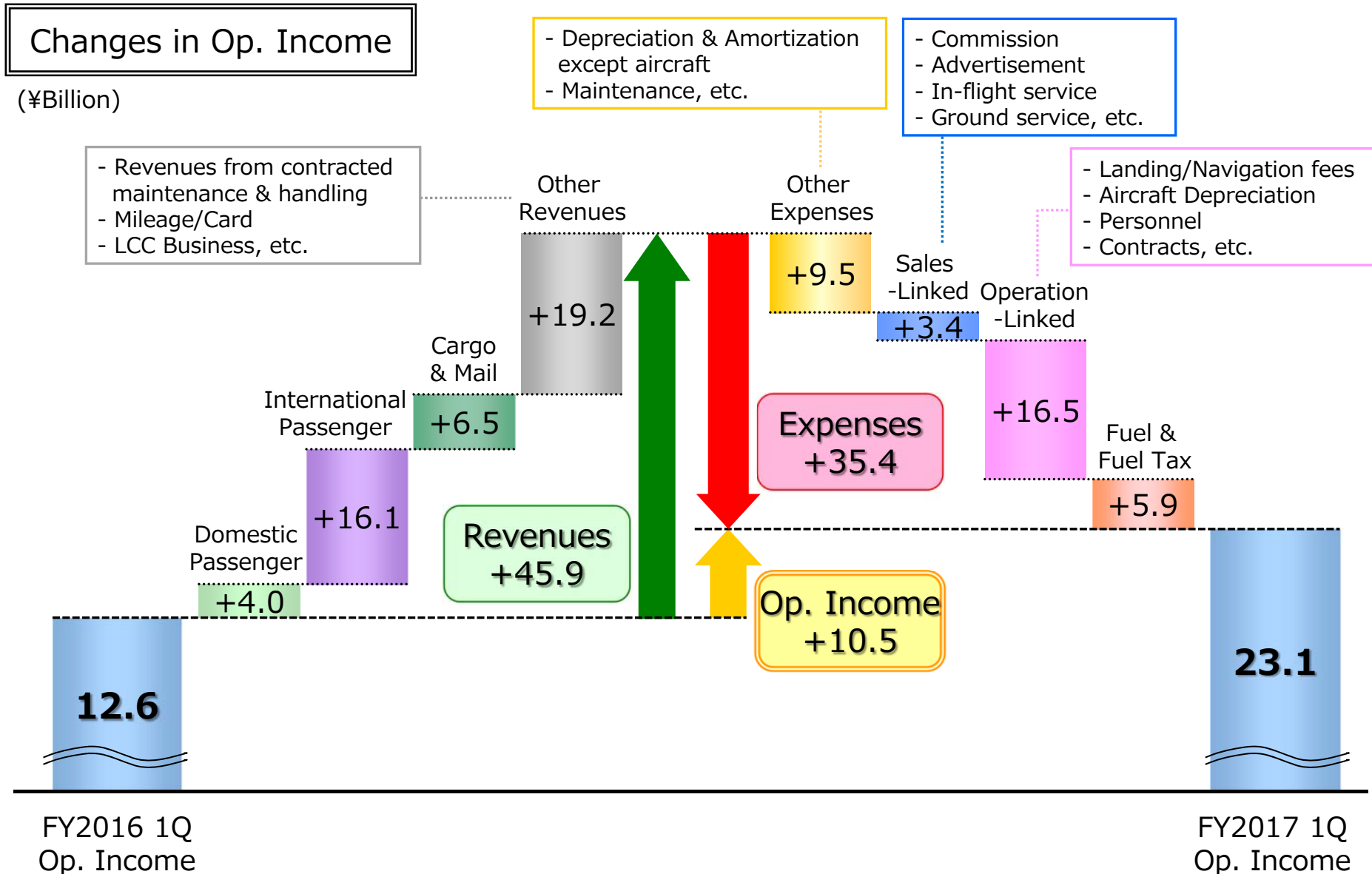
Intentionally Blank



## Air Transportation Business

Operating Revenues and Expenses		(¥Billion)	1Q/FY2016	1Q/FY2017	Difference
Operating Revenues	Domestic Passenger		150.5	154.6	+ 4.0
	International Passenger		123.3	139.4	+ 16.1
	Cargo and Mail		29.7	36.2	+ 6.5
	Others		47.2	66.4	+ 19.2
	<b>Total</b>		<b>350.8</b>	<b>396.8</b>	<b>+ 45.9</b>
Operating Expenses	Fuel and Fuel Tax		66.8	72.7	+ 5.9
	Landing and Navigation Fees		27.8	30.1	+ 2.3
	Aircraft Leasing Fees		25.0	27.5	+ 2.5
	Depreciation and Amortization		32.4	35.0	+ 2.6
	Aircraft Maintenance		24.6	32.7	+ 8.1
	Personnel		45.1	48.7	+ 3.6
	Sales Commission and Promotion		23.0	24.4	+ 1.4
	Contracts		48.7	54.1	+ 5.4
	Others		44.6	47.9	+ 3.3
	<b>Total</b>		<b>338.2</b>	<b>373.6</b>	<b>+ 35.4</b>
Op. Income	Operating Income		12.6	23.1	+ 10.5
	EBITDA*		45.0	58.2	+ 13.2
	EBITDA Margin (%)		12.8	14.7	+ 1.8pts

# Air Transportation Business



## Air Transportation Business

### Domestic Passenger Operations

	1Q/FY2016	1Q/FY2017	% YoY
Available Seat Km (million)	14,393	14,410	+ 0.1
Revenue Passenger Km (million)	8,792	9,296	+ 5.7
Passengers (thousands)	9,789	10,353	+ 5.8
Load Factor (%)	61.1	64.5	+ 3.4pts*
Passenger Revenues (¥Billion)	150.5	154.6	+ 2.7
Unit Revenue (¥/ASK)	10.5	10.7	+ 2.6
Yield (¥/RPK)	17.1	16.6	- 2.9
Unit Price (¥/Passenger)	15,378	14,934	- 2.9

\* Difference

(ANA brand only)

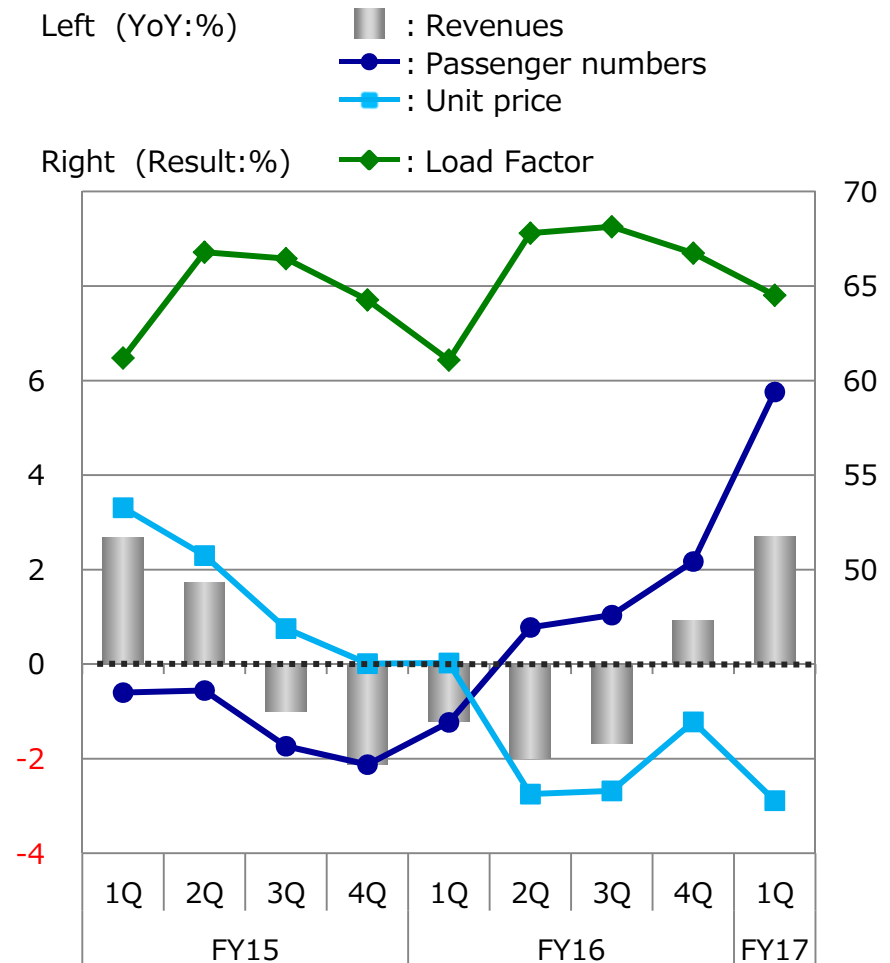
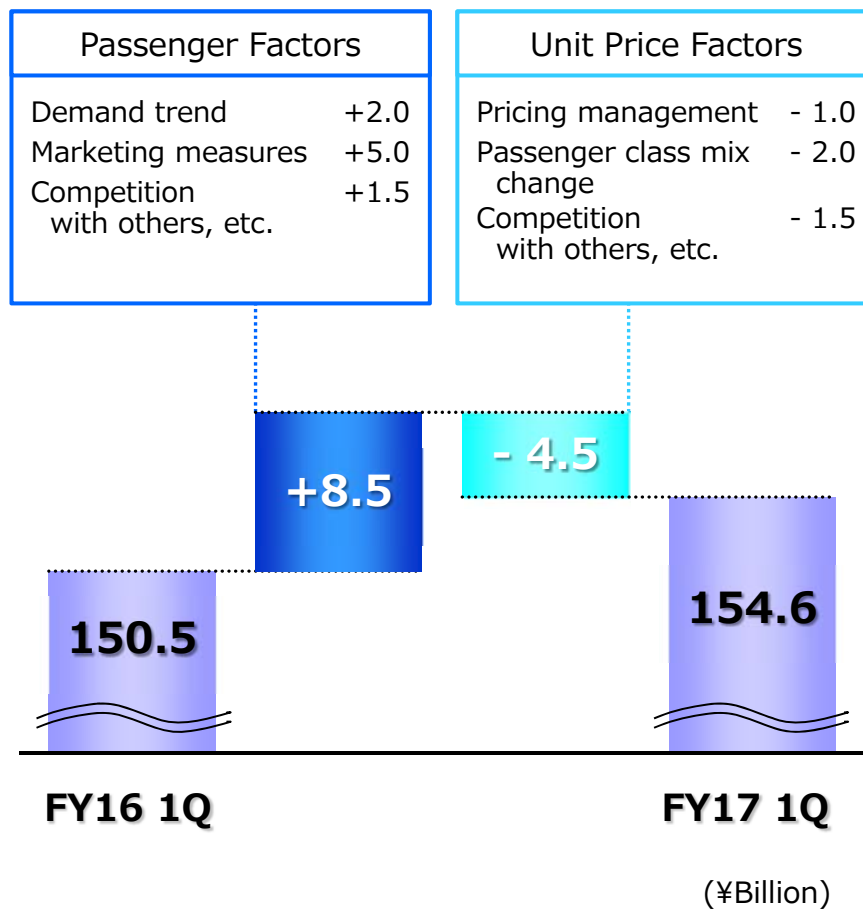
# Air Transportation Business

## Domestic Passenger Operations

(ANA brand only)

### FY17 1Q Revenue Change Factors

### Trends of Quarterly Results



## Air Transportation Business

### International Passenger Operations

	1Q/FY2016	1Q/FY2017	% YoY
Available Seat Km (million)	14,612	15,759	+ 7.8
Revenue Passenger Km (million)	10,663	11,608	+ 8.9
Passengers (thousands)	2,131	2,246	+ 5.4
Load Factor (%)	73.0	73.7	+ 0.7pts*
Passenger Revenues (¥Billion)	123.3	139.4	+ 13.1
Unit Revenue (¥/ASK)	8.4	8.9	+ 4.8
Yield (¥/RPK)	11.6	12.0	+ 3.9
Unit Price (¥/Passenger)	57,868	62,073	+ 7.3

\* Difference

(ANA brand only)

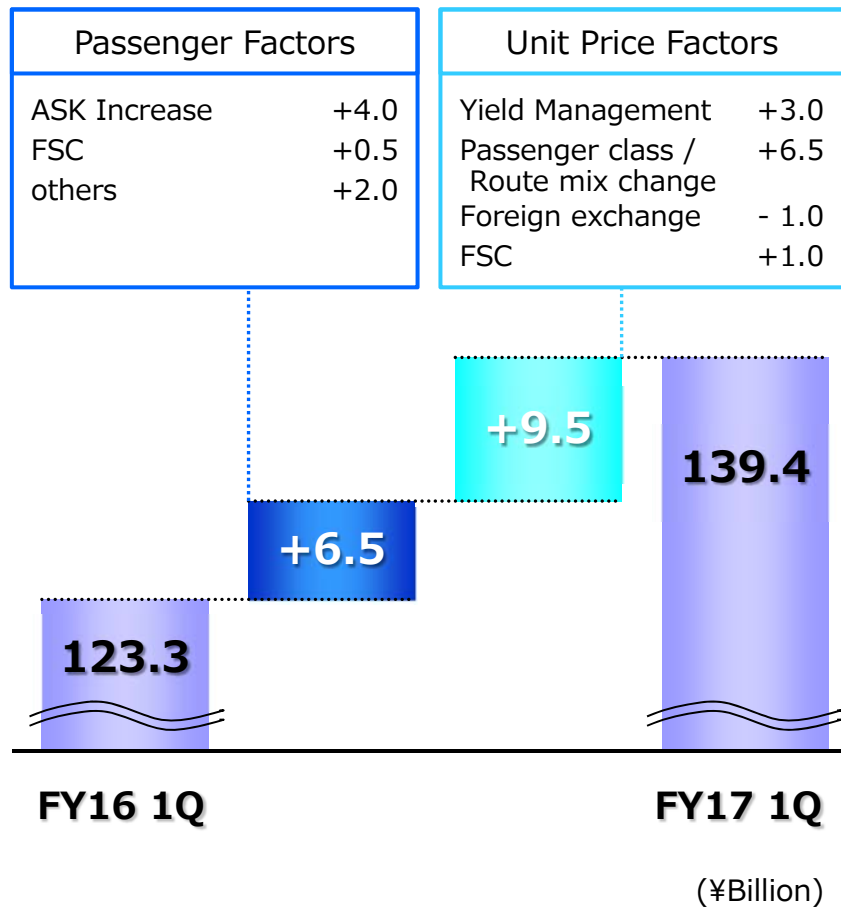
# Air Transportation Business

## International Passenger Operations

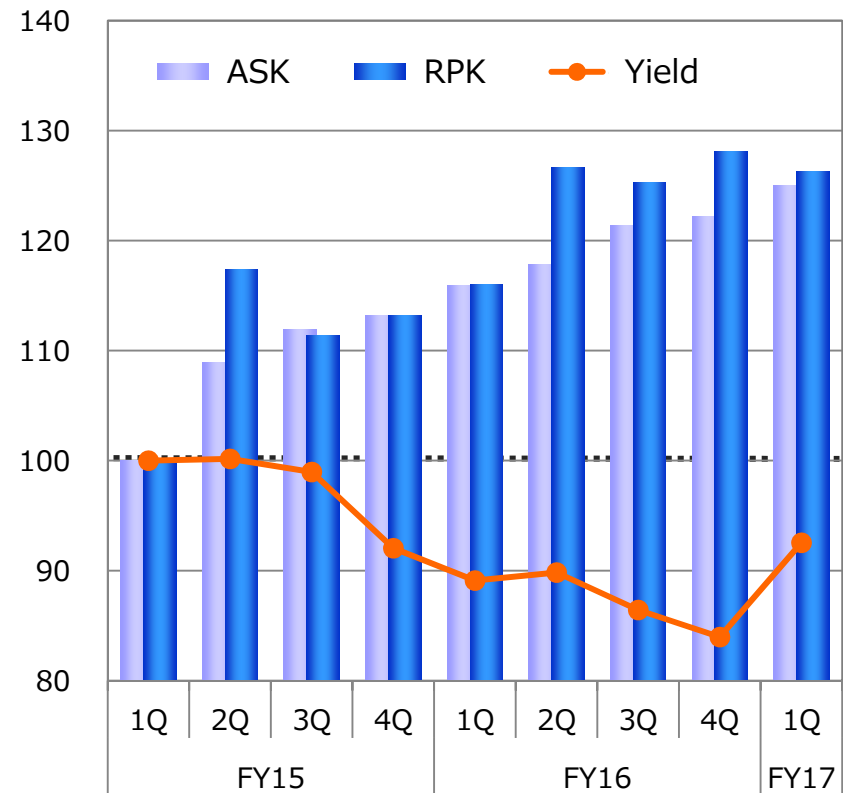
(ANA brand only)

### FY17 1Q Revenue Change Factors

### Trends of Quarterly Results



(Index : FY15 1Q=100)



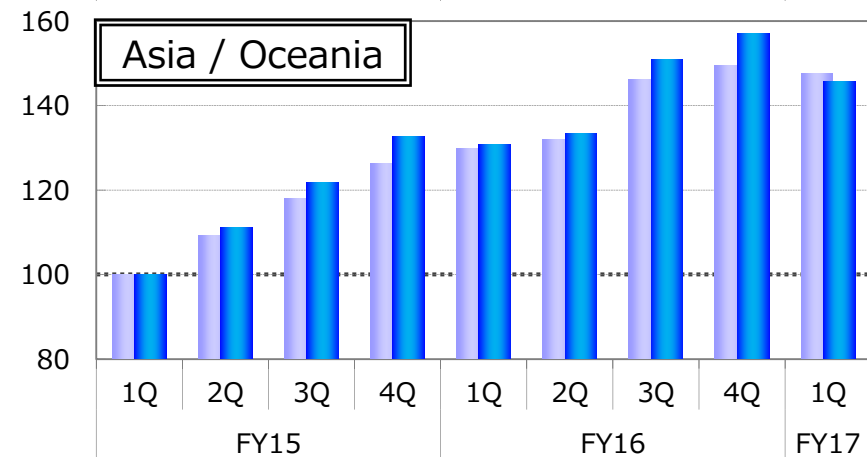
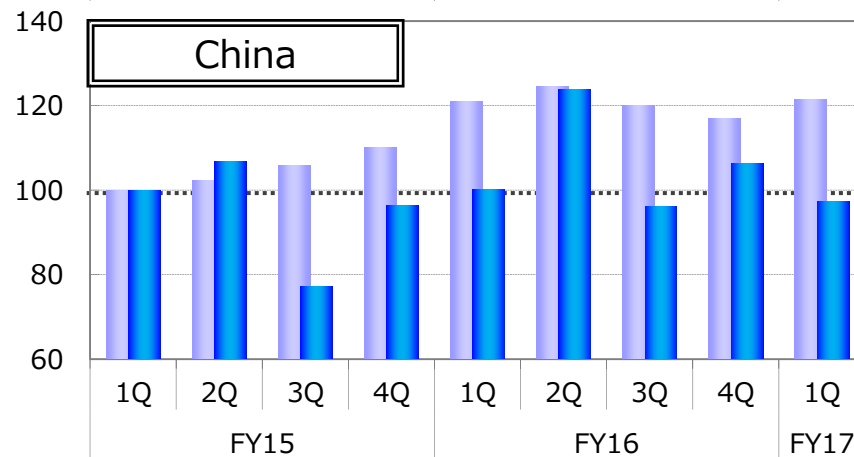
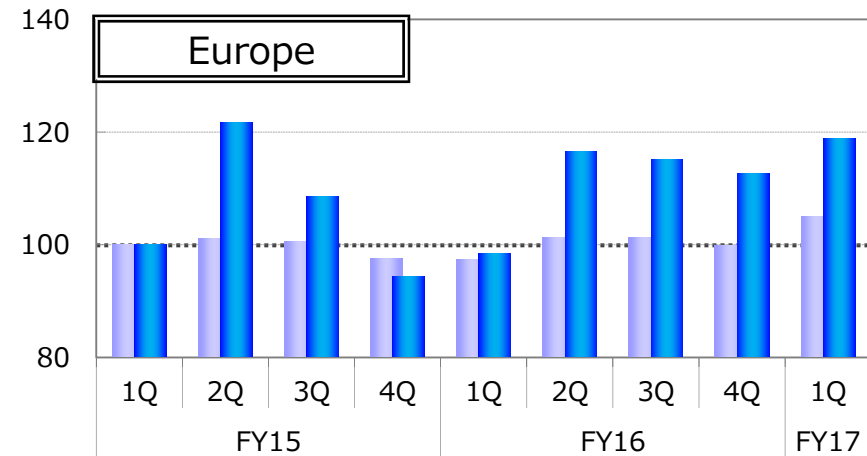
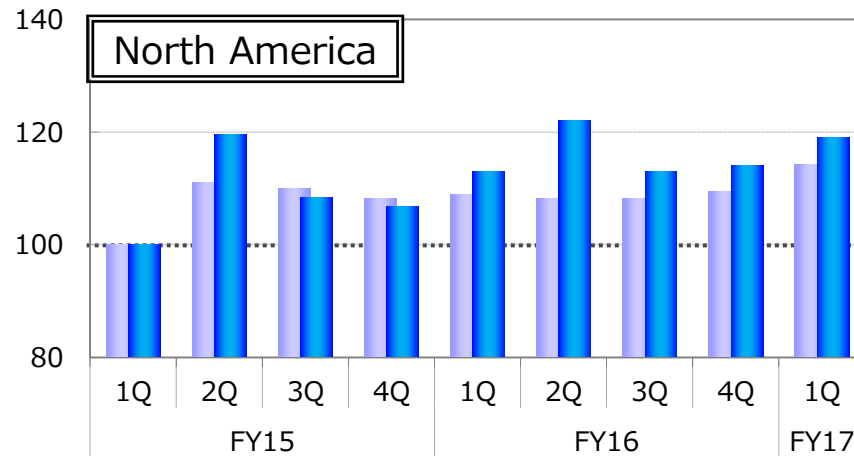
# Air Transportation Business

## International Passenger Operations

(ANA brand only)

### Trends of ASK & RPK by Destination

(Index : FY15 1Q=100)    ■ : ASK    ■ : RPK



Intentionally Blank



## Air Transportation Business

## Domestic Cargo Operations

	1Q/FY2016	1Q/FY2017	% YoY
Available Ton Km (million)	424	425	+ 0.2
Revenue Ton Km (million)	105	104	- 0.6
Revenue Ton (thousand tons)	103	101	- 1.9
Load Factor (%)	24.9	24.7	- 0.2pts*
Cargo Revenues (¥Billion)	7.1	7.2	+ 0.9
Unit Revenue (¥/ATK)	16.9	17.0	+ 0.7
Yield (¥/RTK)	67.8	68.8	+ 1.5
Unit Price (¥/kg)	69	71	+ 2.9

\* Difference

Intentionally Blank

## Air Transportation Business

### International Cargo Operations

	1Q/FY2016	1Q/FY2017	% YoY
Available Ton Km (million)	1,612	1,674	+ 3.8
Revenue Ton Km (million)	980	1,098	+ 12.0
Revenue Ton (thousand tons)	221	243	+ 10.2
Load Factor (%)	60.8	65.6	+ 4.8pts*
Cargo Revenues (¥Billion)	20.4	26.8	+ 31.3
Unit Revenue (¥/ATK)	12.7	16.1	+ 26.5
Yield (¥/RTK)	20.9	24.5	+ 17.2
Unit Price (¥/kg)	93	110	+ 19.2

\* Difference

( Figures on this page include results on P.20 )

## Air Transportation Business

【Ref.】 International Freighter Operations

	1Q/FY2016	1Q/FY2017	% YoY
Available Ton Km (million)	305	266	- 12.8
Revenue Ton Km (million)	176	168	- 4.4
Revenue Ton (thousand tons)	90	90	+ 0.7
Load Factor (%)	57.7	63.2	+ 5.5pts*
Cargo Revenues (¥Billion)	6.9	6.6	- 3.8
Unit Revenue (¥/ATK)	22.7	25.0	+ 10.3
Yield (¥/RTK)	39.3	39.6	+ 0.7
Unit Price (¥/kg)	77	73	- 4.4

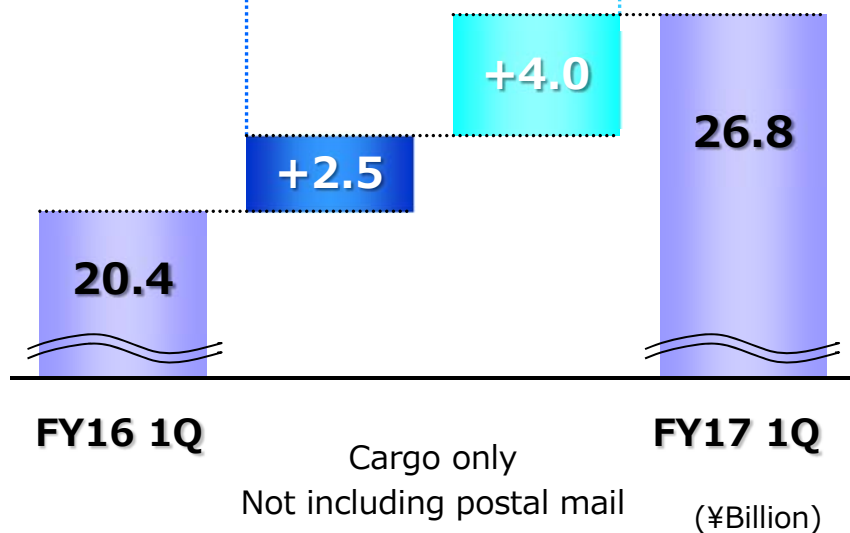
\* Difference

# Air Transportation Business

## International Cargo Operations

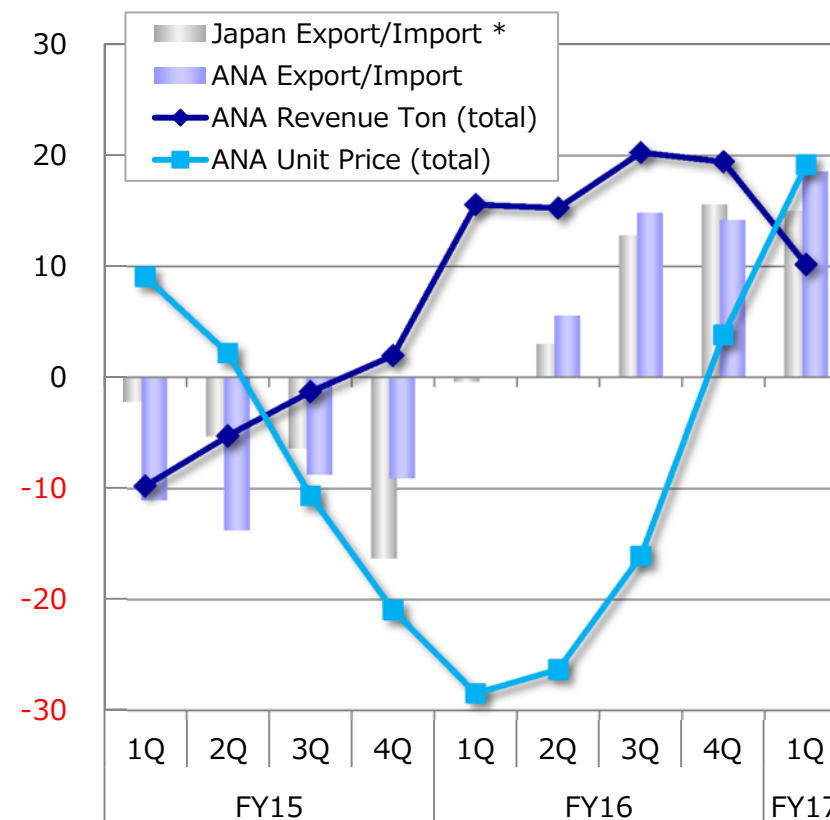
### FY17 1Q Revenue Change Factors

Weight Factors		Unit Price Factors	
ATK Increase	+1.0	Sales rate/FSC	+3.0
Demand trend / Marketing measures, etc.	+1.5	Foreign exchange	- 0.5
		Cargo mix change, etc.	+1.5



### Trends of Quarterly Results

(YoY : %) \* Japan Aircargo Forwarders Association



FY16 figures are calculated on substantial unit price excluding impact from abolishment of International Cargo Agency Commission

Intentionally Blank

# Air Transportation Business

## LCC Operations (Vanilla Air)

Domestic and International Operations in Total

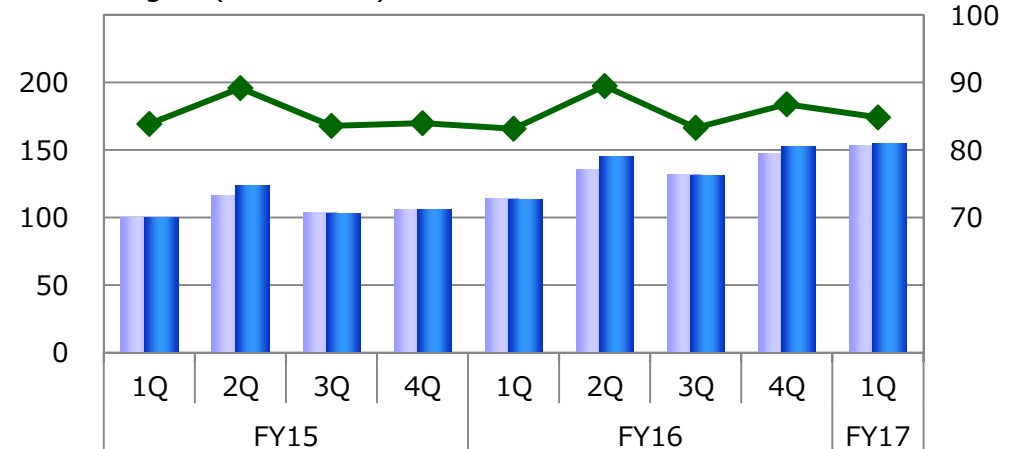
	1Q/FY2016	1Q/FY2017	% YoY
Available Seat Km (million)	911	1,221	+ 34.0
Revenue Passenger Km (million)	757	1,035	+ 36.7
Passengers (thousands)	446	651	+ 45.9
Load Factor (%)	83.1	84.8	+ 1.7pts*

\* Difference

### Aircraft in Service

Airbus A320-200 : 12 aircraft  
(as of Jun 30, 2017)

Left (Index : FY15 1Q=100)    ■ : ASK    ■ : RPK  
Right (Result : %)                    ◆ : Load Factor



## Air Transportation Business

### LCC Operations (Peach Aviation)

Domestic and International Operations in Total

	1Q/FY2017
Available Seat Km (million)	1,611
Revenue Passenger Km (million)	1,382
Passengers (thousands)	1,186
Load Factor (%)	85.8

#### Aircraft in Service

Airbus A320-200 : 19 aircraft  
(as of Jun 30, 2017)

#### 【New Routes in 2<sup>nd</sup> quarter】

- Sendai – Sapporo (New Chitose)
  - Sapporo (New Chitose) – Fukuoka
  - Sapporo (New Chitose) – Taipei (Taoyuan)
  - Sendai – Taipei (Taoyuan)
- } from Sep 24

} from Sep 25



## Other Segments excluding Air Transportation Business

Results by Segment (¥Billion)	Airline Related			Travel Services		
	1Q/FY2016	1Q/FY2017	Difference	1Q/FY2016	1Q/FY2017	Difference
Operating Revenues	61.3	65.8	+ 4.4	34.1	36.3	+ 2.1
Operating Income	2.4	4.2	+ 1.7	0.6	0.6	+ 0.0
Depreciation and Amortization	1.3	1.1	- 0.1	0.0	0.0	+ 0.0
EBITDA*	3.7	5.4	+ 1.6	0.6	0.7	+ 0.1
EBITDA Margin (%)	6.2	8.2	+ 2.1pts	1.9	2.1	+ 0.2pts

	Trade and Retail			Others		
	1Q/FY2016	1Q/FY2017	Difference	1Q/FY2016	1Q/FY2017	Difference
Operating Revenues	34.4	33.5	- 0.8	8.3	8.8	+ 0.4
Operating Income	1.0	0.9	- 0.0	0.4	0.5	+ 0.1
Depreciation and Amortization	0.2	0.3	+ 0.0	0.0	0.0	+ 0.0
EBITDA*	1.3	1.2	- 0.0	0.4	0.6	+ 0.1
EBITDA Margin (%)	3.9	3.8	- 0.1pts	5.6	7.2	+ 1.6pts

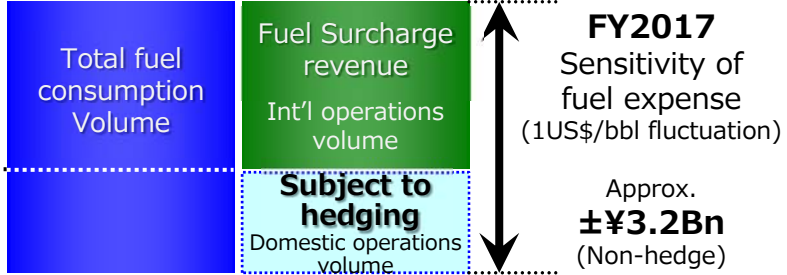
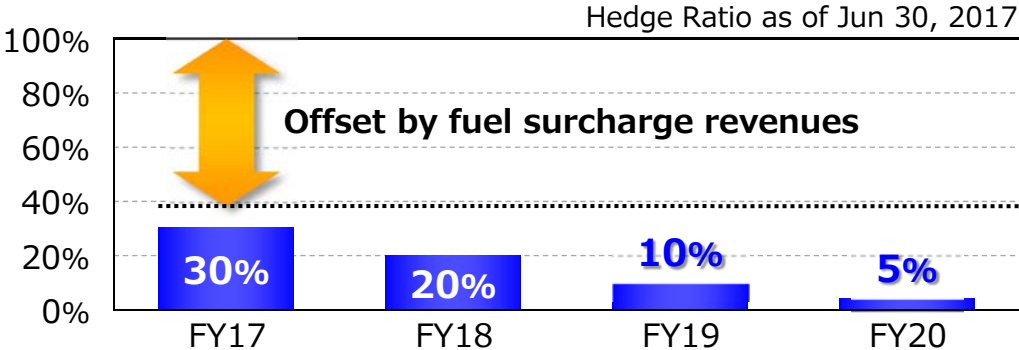
\* EBITDA : Op. Income + Depreciation and Amortization

# Status of Fuel and Currency Hedging (ANA brand only)

**Fuel hedging policy**

- Hedging for consumption volume in Domestic Operations (Transaction starts 3 years ahead)
- No hedging for consumption volume in International Operations (Covered by fuel surcharge revenues)

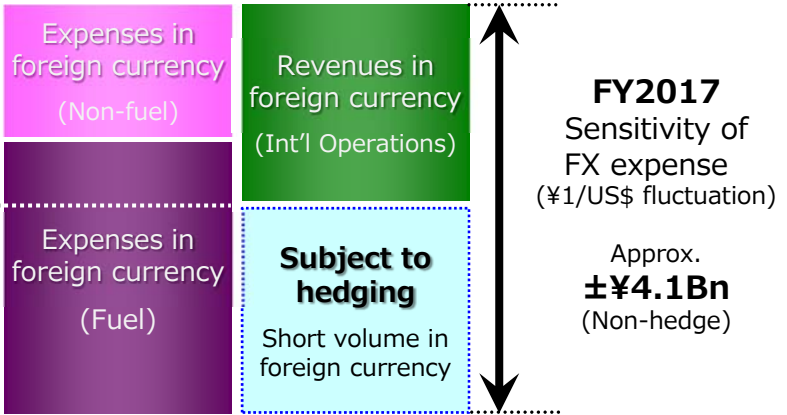
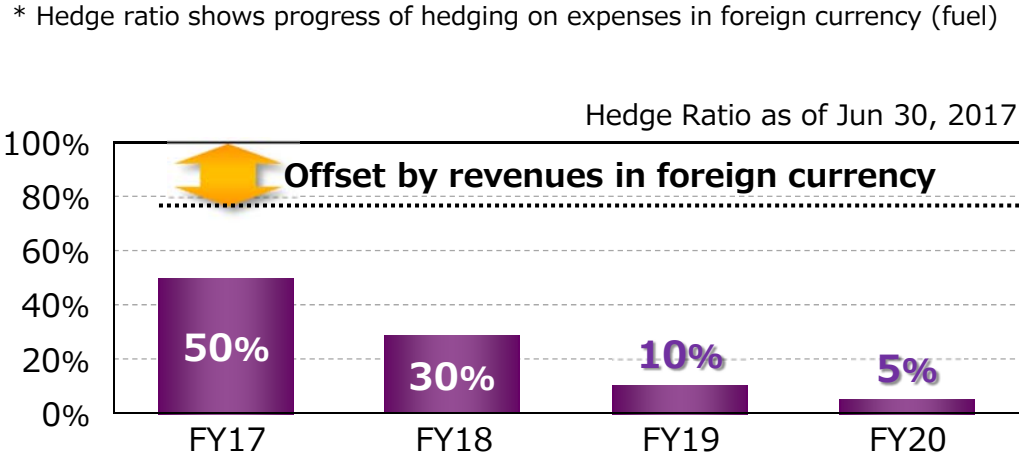
US\$/bbl	1Q/FY2017 Results	FY2017 Assumptions
Dubai Crude Oil	49.7	55.0
Singapore Kerosene	60.5	68.0



**Currency hedging policy**

- Hedging for short volume in foreign currency (Transaction starts 3 years ahead)

JPY/US\$	1Q/FY2017 Results	FY2017 Assumptions
USD	111.1	110



## Supplemental Reference



## Supplemental Reference

Aircraft in Service		Mar 31, 2017	Jun 30, 2017	Difference	Owned	Leased
Boeing 777-300/-300ER	29	29	-	24	5	
Boeing 777-200/-200ER	24	23	- 1	16	7	
Boeing 787-9	21	23	+ 2	22	1	
Boeing 787-8	36	36	-	31	5	
Boeing 767-300/-300ER	37	37	-	26	11	
Boeing 767-300F/-300BCF	12	12	-	8	4	
Airbus A321-200	4	4	-	-	4	
Airbus A320-200neo	2	2	-	2	-	
Airbus A320-200	10	8	- 2	8	-	
Boeing 737-800	36	36	-	24	12	
Boeing 737-700	7	7	-	7	-	
Boeing 737-500	17	16	- 1	16	-	
Bombardier DHC-8-400	21	21	-	21	-	
<b>ANA Total</b>	<b>256</b>	<b>254</b>	<b>- 2</b>	<b>205</b>	<b>49</b>	
Airbus A320-200	12	12	-	-	12	
Airbus A320-200	-	19	+ 19	-	19	
<b>ANA Group Total</b>	<b>268</b>	<b>285</b>	<b>+ 17</b>	<b>205</b>	<b>80</b>	

## Supplemental Reference

International Passenger Results by Destination		1Q/FY2017 Composition	Difference
Revenues	North America	32.1	- 0.4
	Europe	20.5	+ 1.6
	China	12.4	- 1.5
	Asia/Oceania	30.6	+ 0.1
	Resort	4.5	+ 0.1
ASK	North America	32.8	- 0.9
	Europe	16.1	- 0.0
	China	11.1	- 0.8
	Asia/Oceania	35.0	+ 1.8
	Resort	4.9	- 0.1
RPK	North America	33.5	- 1.1
	Europe	17.3	+ 1.7
	China	8.8	- 1.1
	Asia/Oceania	35.0	+ 0.8
	Resort	5.5	- 0.3

## Supplemental Reference

International Cargo Results by Destination		1Q/FY2017 Composition	Difference
Revenues	North America	31.6	+ 8.9
	Europe	16.2	+ 2.0
	China	24.4	- 9.7
	Asia/Oceania	23.3	- 0.4
	Others	4.5	- 0.7
ATK	North America	37.2	+ 0.4
	Europe	16.1	- 0.1
	China	16.3	- 0.2
	Asia/Oceania	27.7	+ 1.0
	Others	2.7	- 1.0
RTK	North America	38.0	+ 0.1
	Europe	20.5	- 0.5
	China	13.9	+ 0.6
	Asia/Oceania	24.8	+ 0.3
	Others	2.8	- 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

Investor Relations, ANA HOLDINGS INC.

E-Mail : [ir@anahd.co.jp](mailto:ir@anahd.co.jp)