

ANA HOLDINGS INC.

- Financial Results for the Six Months ended September 30, 2017

Toyoyuki Nagamine

Senior Executive Vice President
Representative Director

November 1, 2017



©ANAHD2017

1

Thank you for taking the time to participate in our meeting for “Financial Results for the Six Months ended September 30, 2017.”

I will be making the presentation as President & CEO Katanozaka is unavailable due to a previously scheduled business trip.

I will discuss the following four topics:

- 1) A summary of our financial results for the fiscal 2017 second quarter,
- 2) A revision of our fiscal 2017 earnings forecast,
- 3) Business Strategy: Current progress of the Air Transportation Business, and
- 4) Financial Strategy: About the Financial/Capital deal.

Please turn to page 4.

Contents

1. Financial Results for the Six Months ended September 30, 2017 《Outline》

Outline of Financial Results	P. 4
FY2017 Second Quarter	
FY2017 Earnings Forecast	P. 5
Business Strategy	P. 6
Financial Strategy	P. 7
The Issuance of Convertible Bonds and Share Buyback	P. 8

2. Financial Results for the Six Months ended September 30, 2017 《Details》

Highlights of FY2017 Second Quarter	P. 10
Consolidated Financial Summary	
Income Statements	P. 11
Financial Position	P. 12
Statements of Cash Flow	P. 13
Results by Segment	P. 14
Air Transportation Business	
Operating Revenues and Expenses	P. 15
Changes in Operating Income	P. 16
Domestic Passenger Operations	P. 17-18
International Passenger Operations	P. 19-22
Domestic Cargo Operations	P. 23
International Cargo Operations	P. 24-26
LCC Operations	P. 27-28

Other Segments	P. 29
excluding Air Transportation Business	
Status of Fuel and Currency Hedging	P. 30

3. FY2017 Earnings Forecast 《Details》

Consolidated Earnings Forecast	P. 32
Earnings Forecast by Segment	P. 33
Earnings Forecast of Air Transportation Business	P. 34

Supplemental Reference

Aircraft in Service	P. 36
International Passengers Results by Destination	P. 37
International Cargo Results by Destination	P. 38



2017 Award for Excellence
in Corporate Disclosure
— Industries —
SAAJ The Securities Analysts
Association of Japan

1. Financial Results for the Six Months ended September 30, 2017 《Outline》



Outline of Financial Results FY2017 Second Quarter

Steady progress of growth strategy and cost management
resulted in record highs on all of the profit categories

1. Financial Results of FY2017 1H (Consolidated)

(¥ billion)	1H/FY17 Results	Diff. vs. 1H/FY16	YoY
Op. Revenues	985.0	+100.0	+11.3%
Air Transportation	865.4	+96.2	+12.5%
Op. Income	115.0	+25.5	+28.5%
Air Transportation	109.2	+24.5	+28.9%
Op. Income Margin	11.7%	+1.6%	—
Ordinary Income	112.7	+29.2	+35.1%
Net Income Attributable to Owners of the Parent	118.3	+60.9	+106.1%
EBITDA	189.1	+31.2	+19.8%

2. Op. Income trends of 1H (Consolidated)



- Revenues performed firmly on Air Transportation business
- Op. Income exceeded ¥100 billion in 1H for the first time
(1Q) ¥25.4 billion, (2Q) ¥89.6 billion

©ANAHD2017

4

I will start with a summary of the financial results for the fiscal 2017 second quarter.

In the mainstay Air Transportation business, we promoted a growth strategy with a focus on International Passenger business.

The ANA brand, including Domestic Passenger and Cargo businesses, contributed significantly to increased revenues. LCC businesses are gradually expanding routes while maintaining a high load factor. Overall, the Group succeeded in expanding our airline business domains.

As a result, first half revenues increased significantly by over 11% year-on-year.

On the other hand, operating expenses increased by approximately 9%.

Although we have implemented cost management initiatives throughout our business expansion activities, mainly maintenance and personnel costs grew.

As a result, we recorded increased revenues and income with consolidated operating income of 115.0 billion yen, representing the first time we exceeded 100.0 billion yen during the first half.

In addition, we achieved record highs across all income categories, including ordinary income and net income attributable to owners of the parent.

The graph on the right shows transitions in first half operating income and operating income margin for the past five years.

As you can see, earnings have increased for four years consecutively thanks to the benefits of the growth strategies we have implemented thus far.

Please turn to page 5.

FY2017 Earnings Forecast

Upward revision of earnings forecast, based on 1H financial results

1. Revision of FY2017 Full Year Earnings Forecast (Consolidated)

(¥ billion)	Original Plan Disclosed in Apr. 28, 2017	Revised	Diff. vs. Original	
Op. Revenues	1,910.0	1,925.0	+ 15.0	reflected <u>1H Results</u>
Op. Expenses	1,760.0	1,765.0	+ 5.0	reflected <u>1H Results</u> & <u>2H Forecasts</u>
<hr/>				
Op. Income	150.0	160.0	+ 10.0	
Op. Income Margin	7.9%	8.3%	+ 0.5%	
Ordinary Income	140.0	150.0	+ 10.0	
Net Income Attributable to Owners of the Parent	125.0	132.0	+ 7.0	

Market assumptions : No change
(FX)
- JPY/USD ¥110/USD
(Fuel)
- Dubai Crude Oil \$55/bbl
- Singapore Kerosene \$68/bbl

The second point is the revisions to the fiscal 2017 earnings forecast.

For revenues and expenses, we reflected both first half results and second half forecasts of the fiscal year, including an increase in maintenance costs.

As a result, for the full year we made an upward revision of 10.0 billion yen for operating income and ordinary income, respectively, as well as that of 7.0 billion yen for net income attributable to owners of the parent.

There are no changes to the second half revenue plans and market assumptions outlined in the original plan.

We conducted a share consolidation effective October 1 that resulted in the trading unit change. We are planning on dividends of 60 yen per share, which is unchanged from our original plans for the fiscal year.

Please turn to page 6.

Business Strategy

Pursue further profitability with priority on solidifying management platform along with the major initiatives of current strategy

	FY2017 Major Initiatives	Current Progress
International Passenger	1) Expand network (cont.) 2) Enhance products and services	① Utilize Haneda slots during late night and early morning and Narita slots [Increase frequencies] Haneda – Jakarta, from Aug. 1 Narita – Los Angeles, from Oct. 29 ② Expand routes operated by B787-9 ; Introduce 7 in FY17
Domestic Passenger	1) Optimize supply to demand 2) Stabilize revenue platform	① Utilize A321 aggressively ; Introduce 6 in FY17 ② Maximize revenues by Promotional Fares
International Cargo	1) Improve profitability	① Capture steady demand, Improve yield ② Control freighter capacity, Restructure cargo network
LCC	1) Expand LCC demand	① Vanilla : Enhance yield management ② Peach : Start Sendai airport hub after consolidation
Expenses	1) Invest in “Safety” and “People” 2) Control Unit Cost	① Strengthen group maintenance structure, Secure human resources for the future ② Pursue business efficiency along with capacity expansion

©ANAHD2017

6

The third point is the progress of the Air Transportation business.

In the International Passenger business, we increased flights on Asia and North America routes. At the same time, we strengthened products and services by deploying new aircraft. We will continue to expand ASK and drive Group growth.

The Domestic Passenger business is utilizing narrow-body aircraft to promote demand and supply optimization while working to maximize revenues through our flexible fare strategy. We will continue strengthening our Group revenue platform.

The International Cargo business captured firm demand and improved yield thanks to such factors as the fare raises.

On the other hand, we are controlling freighter capacity as we expand our passenger aircraft network.

Through the restructuring of our freighter network, we will improve business profitability.

Looking at the LCC business, Vanilla Air strengthened yield management that resulted in improved revenues. Even on the mainstay Taiwan route, competitiveness recovered and performance is steadily improving.

Peach Aviation positioned Sendai Airport as a hub from last September and launched the operation of new routes.

Moving forward, we will continue to support both companies from the position of Group management for ensuring their ability to take advantage of their respective strengths so that they will operate successfully in Japan and throughout Asia.

Looking at costs, we will solidify the management platform for our future growth by enhancing investments in safety, quality services, and human resources.

We continue to position the safety as our highest priority and reinforce basic quality.

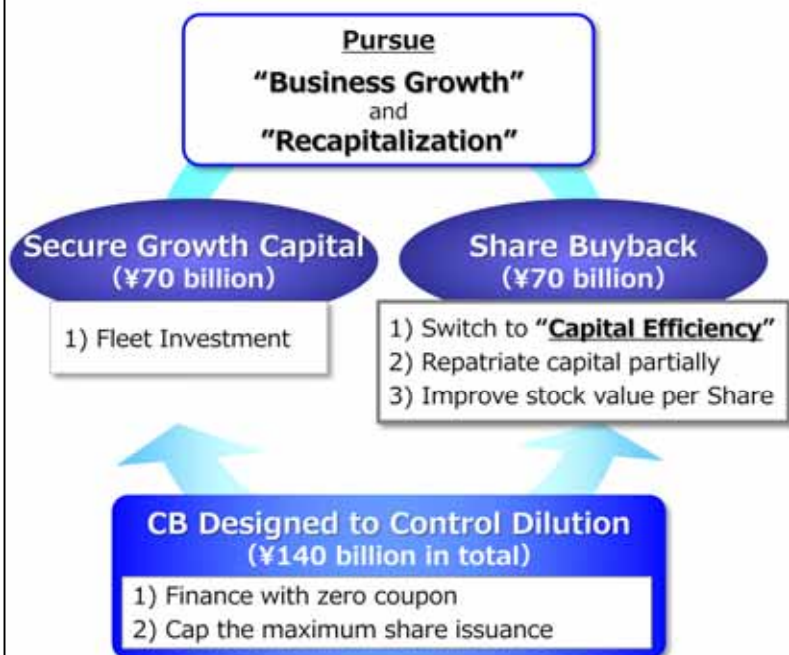
For human resources, we will carefully evaluate the supply and demand balance on the labor market while conducting stable hiring to meet future growth.

Please turn to page 7.

Financial Strategy

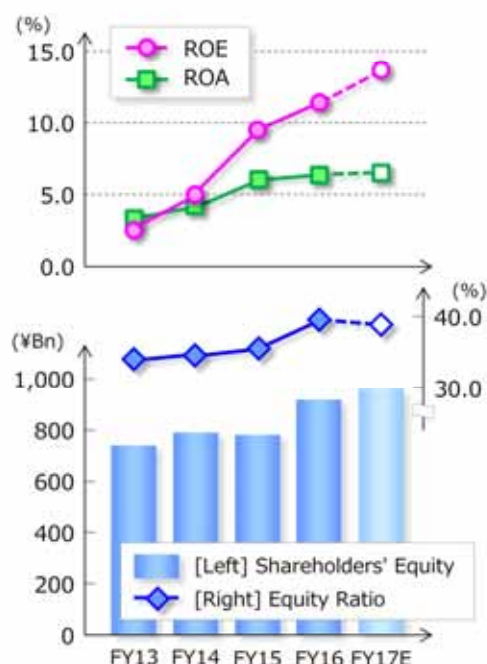
Continue growth while pursuing optimum financial platform, create sustainable value

1. Objectives of Financial/Capital deal



©ANAHD2017

2. Trends of management indices



Lastly, I will discuss the fourth theme shown here and explain the convertible bonds and share buyback that were the subject of timely disclosure on August 31.

As is shown on the left, the objectives of this financial and capital deal are the pursuit of both business growth and recapitalization.

First is securing growth capital.

We plan to allocate 70 billion yen towards fleet investments, which will be the source of future income growth. We will continue to prioritize growth investments and take advantage of future business chances.

Next is share buyback, up to 70 billion yen by the end of March next year.

Thus far, we have enhanced capital accumulation. However, moving forward we will shift our capital strategy to a focus on improving capital efficiency.

We will partially repatriate capital and control capital costs as well as increase a stock value per share.

We have selected CB with clauses for controlling conversion as the scheme to achieve this.

In addition to financing with zero coupon, this scheme is designed to be favorable to existing shareholders by constraining dilution to a minimum.

The graph on the right shows trends of management indices. Here we can confirm financial status after implementing this deal.

We are able to maintain financial soundness without major changes.

We will continue to accelerate business strategies based on an optimal financial platform as we pursue future growth in our corporate value.

An overview of this transaction is outlined on page 8 for your reference.

This concludes my presentation. Thank you for your attention.

The Issuance of Convertible Bonds and Share Buyback

[Ref 1] CB Issuance		Zero Coupon CB due 2022		Zero Coupon CB due 2024	
1) Closing Date & Issue Date		19 September 2017			
2) Maturity Date		16 September 2022		19 September 2024	
3) Aggregate Principal Amount		¥70 billion		¥70 billion	
4) Coupon		0.0%		0.0%	
5) Initial Conversion Price		¥5,180 (Conversion premium : 27.02%)		¥5,100 (Conversion premium : 25.06%)	
6) Scheme	Trigger Price (Conversion Clauses)	¥7,770 (*1)	¥6,734 (*2)	¥7,650 (*1)	¥6,630 (*2)
	Acquisition Clauses	[Combination of two types of Acquisition Clauses] “Automatic-acquisition-upon-exercise clause” & “One-time acquisition clause” i . Deliver the amount in cash equal to 100% of principal amount and in shares to the portion of the amount over 100% of principal amount of the relevant Bonds ii . Cap the number of shares to be delivered			
7) Maximum Dilution Ratio		3.89% (13.61 millions of stocks) in case for exercising two types of Acquisition Clauses			

*1 : 150% of Conversion Price ; up to approx. one year prior to redemption

*2 : 130% of Conversion Price ; from approx. one year to three months prior to redemption

[Ref 2] Repurchase of Shares

8) Repurchase Period	From 1 September 2017 to 31 March 2018
9) Total Volume of Repurchase	Number of shares : Up to 25 million / Cost amount : Up to ¥70 billion
10) Repurchase Ratio (*3)	4.90% (17.16 millions of stocks) Calculated by share price of ¥4,078 on pricing date

*3 : Maximum number of repurchased shares vs total issued shares as of Jun. 30, 2017

A Key Point

7) Maximum Dilution Ratio

<

10) Repurchase Ratio



Non-Dilutive

2. Financial Results for the Six Months ended September 30, 2017 《Details》



©ANAHD2017

9

I will provide a detailed explanation of our financial results for the six months ended September 30, 2017 and our revised full-year earnings forecast for this fiscal year.

Please see page 10.

Highlights of Financial Results

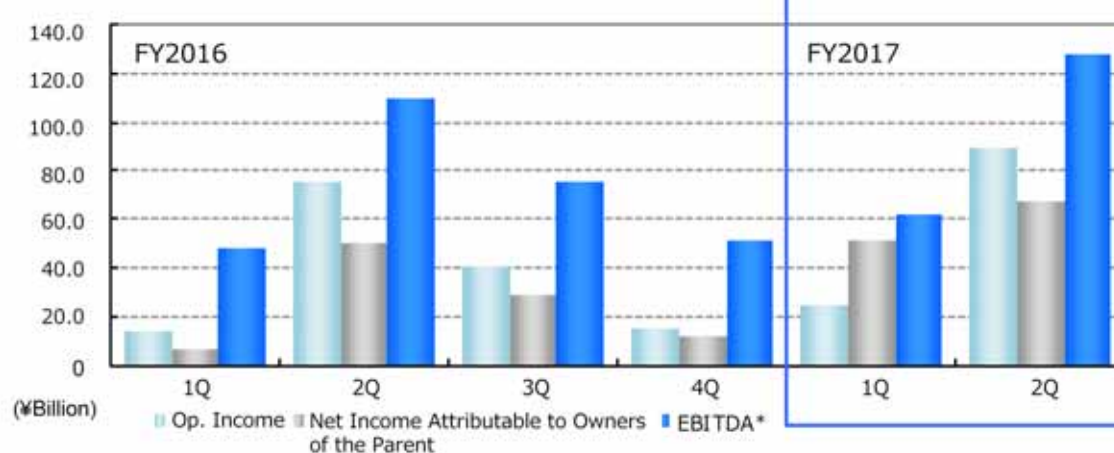
Comparison of Financial Results for FY2017 1-2Q and FY2016

【FY2017 1-2Q Cumulative Results(Consolidated)】

- Op. Income : ¥115.0Bn (YoY + ¥25.5Bn)
- Net Income Attributable to Owners of the Parent : ¥118.3Bn (YoY + ¥60.9Bn)
- EBITDA* : ¥189.1Bn (YoY + ¥31.2Bn)

【2Q [Jul.-Sep.] (Consolidated)】

- Op. Income : ¥89.6Bn
- Net Income Attributable to Owners of the Parent : ¥67.3Bn
- EBITDA* : ¥127.0Bn



* EBITDA : Op. Income + Depreciation and Amortization

©ANAHD2017

10

Highlights for second quarter earnings are shown together with earnings transitions for each quarter.

As shown in the upper right, earnings for the 3-month period during the second quarter resulted in operating income of 89.6 billion yen, net income of 67.3 billion yen, and EBITDA of 127.0 billion yen, all of which were record highs.

Please see page 11.

Consolidated Financial Summary

Income Statements	(¥Billion)				
	1H/FY2016	1H/FY2017	Difference	2Q/FY2017	Difference
Operating Revenues	884.9	985.0	+ 100.0	533.3	+ 52.7
Operating Expenses	795.4	869.9	+ 74.5	443.6	+ 38.5
Operating Income	89.5	115.0	+ 25.5	89.6	+ 14.2
Operating Income Margin (%)	10.1	11.7	+ 1.6pts	16.8	+ 1.1pts
Non-Operating Income/Expenses	- 6.1	- 2.3	+ 3.7	- 1.6	+ 0.9
Ordinary Income	83.4	112.7	+ 29.2	87.9	+ 15.1
Special Gain/Losses	0.1	43.9	+ 43.8	8.4	+ 8.4
Net Income Attributable to Owners of the Parent	57.4	118.3	+ 60.9	67.3	+ 16.5
Net Income	57.6	119.7	+ 62.1	68.5	+ 17.6
Other Comprehensive Income	- 12.5	16.6	+ 29.2	11.9	+ 7.6
Comprehensive Income	45.1	136.4	+ 91.3	80.5	+ 25.2

©ANAHD2017

11

This slide shows an overview of our consolidated income statements.

Operating revenues increased by 100.0 billion yen, 11% up year-on-year to 985.0 billion yen. Operating expenses increased by 74.5 billion yen, 9% up to 869.9 billion yen.

As a result, operating income increased by 28% year-on-year to 115.0 billion yen and ordinary income increased by 35% to 112.7 billion yen.

Net income attributable to owners of the parent increased by 60.9 billion yen year-on-year to 118.3 billion yen.

We recorded special gain of approx. 34.0 billion yen as valuation of shares resulting from the consolidation of Peach Aviation.

Please see page 12.

Consolidated Financial Summary

Financial Position

(¥Billion)

	Mar 31, 2017	Sep 30, 2017	Difference
Assets	2,314.4	2,582.9	+ 268.5
Shareholders' Equity	919.1	1,013.9	+ 94.8
Ratio of Shareholders' Equity (%)	39.7	39.3	- 0.5pts
Interest Bearing Debts	729.8	843.8	+ 113.9
Debt/Equity Ratio (times) *	0.8	0.8	+ 0.0
Net Interest Bearing Debts **	411.0	410.1	- 0.9

* D/E ratio in case of including off-balanced lease obligation of ¥29.5 billion (¥46.1 billion as of Mar 31, 2017) is 0.9 times (0.8 times as of Mar 31, 2017).

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

This page shows our consolidated financial position.

Total assets increased by 268.5 billion yen to 2,582.9 billion yen compared to the end of the previous fiscal year.

This includes 140.0 billion yen financing through the issuance of convertible bonds and goodwill incidental to the consolidation of Peach Aviation.

Shareholders' equity increased by 94.8 billion yen to 1,013.9 billion yen.

we have conducted share buybacks in the amount of 21.6 billion yen until the end of September. However Shareholders' equity increased due to building up of the profit during the period, and the shareholders' equity ratio was 39.3%.

Interest bearing debt increased by 113.9 billion yen to 843.8 billion yen, resulting in a debt/equity ratio of 0.8 times, which is on par with the end of the previous fiscal year.

Please see page 13.

Consolidated Financial Summary

Statements of Cash Flow

(¥Billion)

	1H/FY2016	1H/FY2017	Difference
Cash Flow from Operating Activities	113.7	206.5	+ 92.7
Cash Flow from Investing Activities	- 115.3	- 210.8	- 95.5
Cash Flow from Financing Activities	14.5	67.1	+ 52.6
Net Increase/Decrease in Cash and Cash Equivalents	8.4	63.1	+ 54.7
Cash and Cash Equivalents at the beginning of the year	265.1	309.0	+ 63.1
Cash and Cash Equivalents at the end of the current period	273.5	372.2	
Depreciation and Amortization	68.3	74.0	+ 5.7
Capital Expenditures	115.0	196.8	+ 81.7
Substantial Free Cash Flow (excluding periodic/negotiable deposits of more than 3 months)	- 1.1	+ 39.8	+ 40.9
EBITDA *	157.9	189.1	+ 31.2
EBITDA Margin (%)	17.8	19.2	+ 1.4pts

* EBITDA : Op. Income + Depreciation and Amortization

©ANAHD2017

13

This page indicates the consolidated statement of cash flow.

Cash flow from operating activities resulted in revenues of 206.5 billion yen, an increase of 92.7 billion yen compared to the previous fiscal year, thanks to increased income as well as decreased corporate tax payments during the first half.

Cash flow from investing activities resulted in expenditures of 210.8 billion yen due to capital expenditures, mainly for aircraft, and the additional acquisition of Peach Aviation stock.

Cash flow from financing activities resulted in revenues of 67.1 billion yen. While we issued convertible bonds, we conducted straight bonds redemption, loan repayments, dividends payout, and share buyback.

Substantial free cash flow, which is based on excluding capital transfers for periodic and negotiable deposits of more than three months from investing activities, increased by 40.9 billion yen to 39.8 billion yen.

EBITDA was 189.1 billion yen and the EBITDA margin was 19.2%, both record highs.

Please see page 14.

Consolidated Financial Summary

Results by Segment

(¥Billion)

Results by Segment		(¥Billion)	1H/FY2016	1H/FY2017	Difference	2Q/FY2017	Difference
Operating Revenues	Air Transportation		769.1	865.4	+ 96.2	468.5	+ 50.2
	Airline Related		127.7	141.5	+ 13.8	75.7	+ 9.3
	Travel Services		82.4	83.5	+ 1.0	47.2	− 1.1
	Trade and Retail		68.9	69.1	+ 0.2	35.6	+ 1.1
	Total for Reporting Segments		1,048.2	1,159.7	+ 111.4	627.2	+ 59.6
	Others		16.6	18.6	+ 1.9	9.7	+ 1.4
	Adjustment		− 179.9	− 193.2	− 13.2	− 103.6	− 8.4
	Total		884.9	985.0	+ 100.0	533.3	+ 52.7
Operating Income	Air Transportation		84.7	109.2	+ 24.5	86.1	+ 13.9
	Airline Related		5.3	6.8	+ 1.5	2.6	− 0.2
	Travel Services		2.0	2.2	+ 0.2	1.5	+ 0.2
	Trade and Retail		2.6	2.2	− 0.3	1.2	− 0.2
	Total for Reporting Segments		94.7	120.6	+ 25.9	91.5	+ 13.5
	Others		0.7	1.6	+ 0.9	1.0	+ 0.7
	Adjustment		− 5.9	− 7.2	− 1.3	− 3.0	− 0.1
	Total		89.5	115.0	+ 25.5	89.6	+ 14.2

©ANAHD2017

14

These are our results by segment.

Revenues increased year-on-year not only for the Air Transportation business but for all other segments.

Now, I will go over the details of our Air Transportation business.
Please turn to page 16.

Air Transportation Business

Operating Revenues and Expenses

(¥Billion)

Summary						
Operating Revenues	Domestic Passenger	347.4	355.1	+ 7.7	200.5	+ 3.6
	International Passenger	259.1	295.5	+ 36.3	156.0	+ 20.2
	Cargo and Mail	60.8	74.2	+ 13.4	37.9	+ 6.8
	Others	101.6	140.4	+ 38.7	73.9	+ 19.5
	Total	769.1	865.4	+ 96.2	468.5	+ 50.2
Operating Expenses	Fuel and Fuel Tax	136.2	145.8	+ 9.5	73.0	+ 3.6
	Landing and Navigation Fees	57.1	61.9	+ 4.7	31.7	+ 2.4
	Aircraft Leasing Fees	49.5	55.3	+ 5.7	27.7	+ 3.2
	Depreciation and Amortization	65.0	70.8	+ 5.7	35.7	+ 3.0
	Aircraft Maintenance	51.4	65.4	+ 13.9	32.6	+ 5.8
	Personnel	91.6	98.8	+ 7.1	50.1	+ 3.5
	Sales Commission and Promotion	45.0	50.5	+ 5.4	26.0	+ 3.9
	Contracts	98.7	109.4	+ 10.7	55.2	+ 5.2
	Others	89.4	97.9	+ 8.5	49.9	+ 5.2
	Total	684.3	756.1	+ 71.7	382.4	+ 36.3
Op. Income	Operating Income	84.7	109.2	+ 24.5	86.1	+ 13.9
EBITDA*	149.8	180.1	+ 30.2	121.8	+ 17.0	
EBITDA Margin (%)	19.5	20.8	+ 1.3pts	26.0	+ 0.9pts	

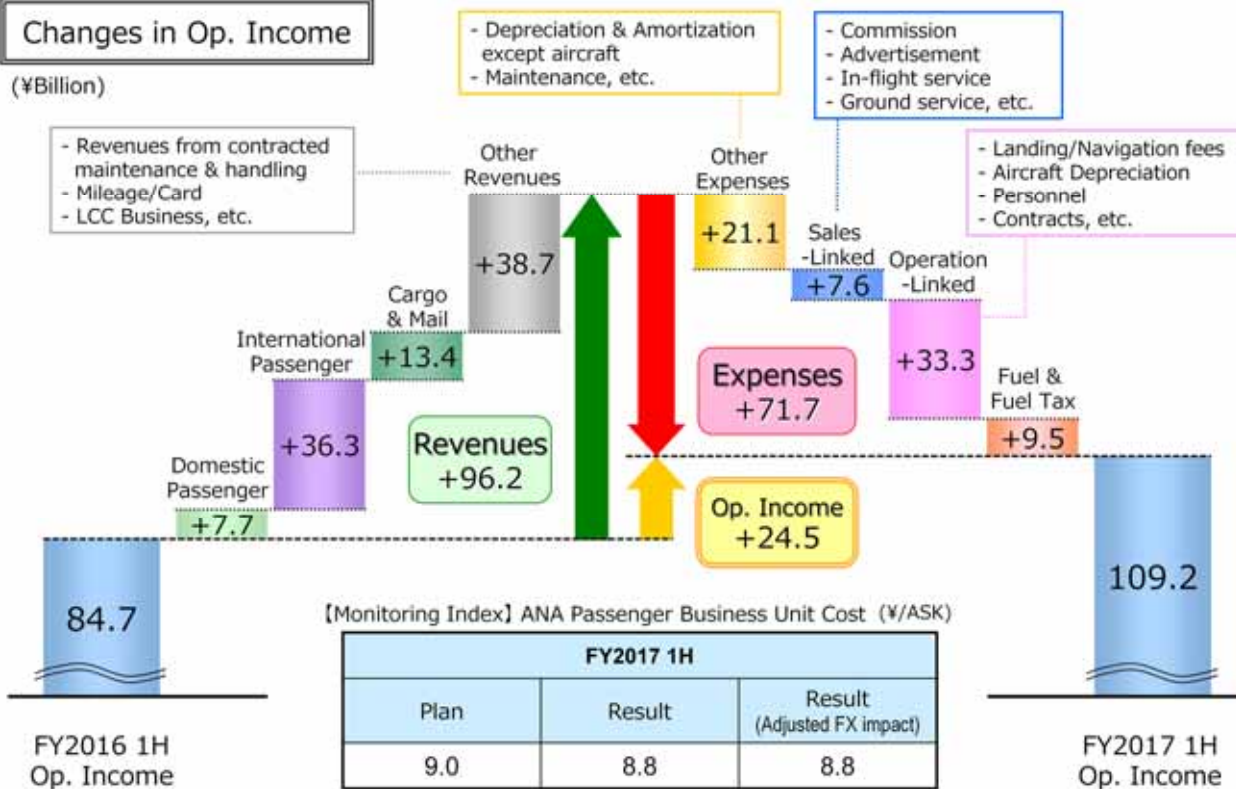
©ANAHD2017 * EBITDA: Op. Income + Depreciation and Amortization

15

Air Transportation Business

Changes in Op. Income

(¥Billion)



【Monitoring Index】ANA Passenger Business Unit Cost (¥/ASK)

FY2017 1H		
Plan	Result	Result (Adjusted FX impact)
9.0	8.8	8.8

(FX Rate) Plan: ¥110/US\$, Result: ¥111.1/US\$

©ANAHD2017

16

This is a year-on-year comparison of changes in operating income for our Air Transportation business.

Operating revenues increased by 96.2 billion yen.

Domestic Passenger, International Passenger, and Cargo and Mail businesses all recorded increased revenues.

In the LCC business, which is recorded under Other revenues, Vanilla Air revenues increased by approximately 40% year-on-year and Peach Aviation, which was newly added to the consolidated Group, also contributed to revenues.

Operating expenses increased by 71.7 billion yen.

The expansion of business scope resulted in increased operation-linked and sales-linked expenses. Plus, as we indicated in our original earnings forecast, maintenance expenses also increased.

As a result, operating income increased by 24.5 billion yen year-on-year to 109.2 billion yen.

As shown in the table at the bottom, we were able to control unit cost in line with our plan.

Please turn to page 18.

Air Transportation Business

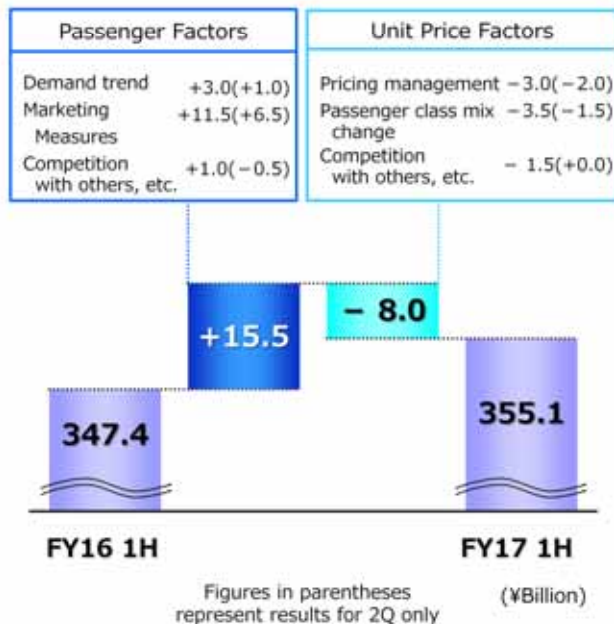
Domestic Passenger Operations	1H/FY2016	1H/FY2017	% YoY	2Q/FY2017	% YoY
Available Seat Km (million)	30,225	30,051	– 0.6	15,641	– 1.2
Revenue Passenger Km (million)	19,526	20,481	+ 4.9	11,184	+ 4.2
Passengers (thousands)	21,520	22,499	+ 4.6	12,146	+ 3.5
Load Factor (%)	64.6	68.2 + 3.5pts*		71.5 + 3.7pts*	
Passenger Revenues (¥Billion)	347.4	355.1	+ 2.2	200.5	+ 1.8
Unit Revenue (¥/ASK)	11.5	11.8	+ 2.8	12.8	+ 3.1
Yield (¥/RPK)	17.8	17.3	– 2.5	17.9	– 2.3
Unit Price (¥/Passenger)	16,146	15,785	– 2.2	16,511	– 1.6
* Difference				(ANA brand only)	

Air Transportation Business

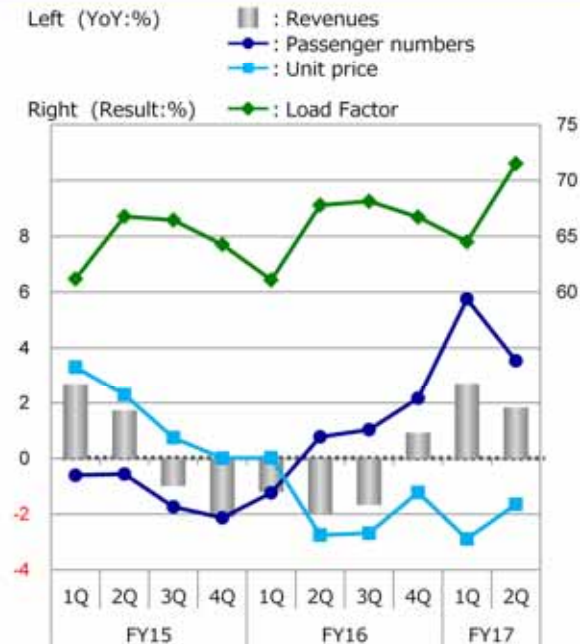
Domestic Passenger Operations

(ANA brand only)

FY17 1H Revenue Change Factors



Trends of Quarterly Results



©ANAHD2017

18

This shows the status of our Domestic Passenger Operations.

The figures on the left show an analysis of the factors for the 7.7 billion yen increase in first half revenues.

Passenger number factors resulted in a 15.5 billion yen increase in revenues due to the aggressive marketing of “Tabiwari” promotional fares as a strategy to address low-demand flights under the firm trend in overall demand.

On the other hand, unit price factors resulted in a 8.0 billion yen decline in revenues due to changes in our passenger class mix, among other factors.

As you can confirm from the graph on the right and on page 17, we have steadily increased load factor through the optimization of supply to demand.

This increased to 71.5% during the second quarter and was at 68.2% for the first half, both figures representing record highs for the respective periods.

Please turn to page 20.

Air Transportation Business

International Passenger Operations	1H/FY2016	1H/FY2017	% YoY	2Q/FY2017	% YoY
Available Seat Km (million)	29,458	31,852	+ 8.1	16,092	+ 8.4
Revenue Passenger Km (million)	22,309	24,156	+ 8.3	12,548	+ 7.7
Passengers (thousands)	4,479	4,761	+ 6.3	2,514	+ 7.1
Load Factor (%)	75.7	75.8	+ 0.1pts*	78.0	- 0.5pts*
Passenger Revenues (¥Billion)	259.1	295.5	+ 14.0	156.0	+ 14.9
Unit Revenue (¥/ASK)	8.8	9.3	+ 5.5	9.7	+ 6.0
Yield (¥/RPK)	11.6	12.2	+ 5.3	12.4	+ 6.6
Unit Price (¥/Passenger)	57,854	62,062	+ 7.3	62,052	+ 7.3
* Difference				(ANA brand only)	

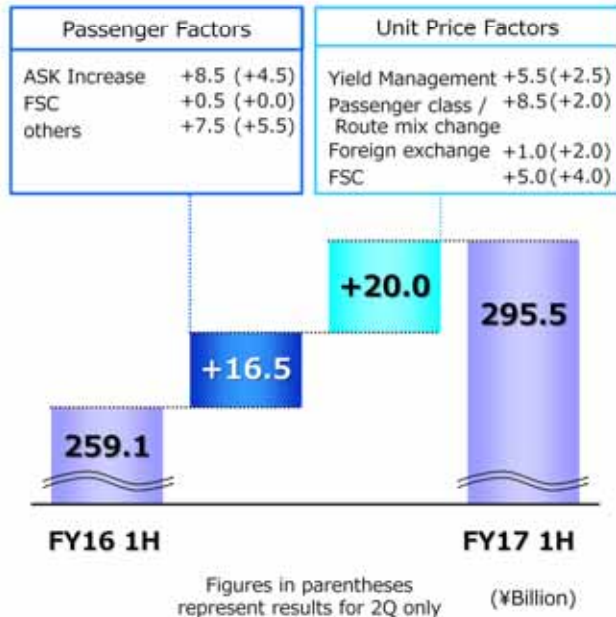
Air Transportation Business

International Passenger Operations

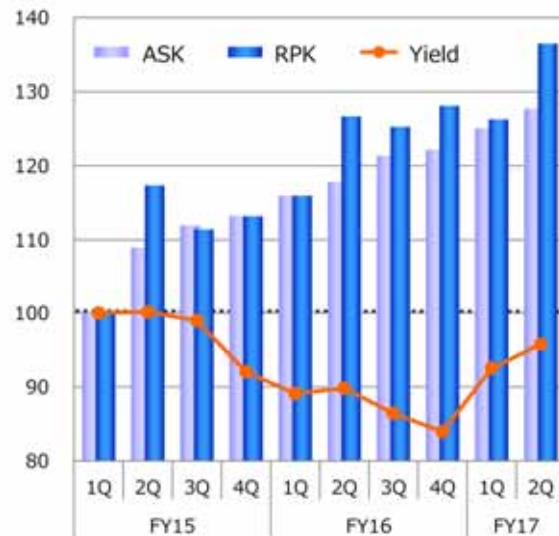
(ANA brand only)

FY17 1H Revenue Change Factors

Trends of Quarterly Results



(Index : FY15 1Q=100)



©ANAHD2017

20

This is the status of our International Passenger Operations.

Please see the figures on the left, which show an analysis of the factors for the 36.3 billion yen increase in first half revenues.

Passenger factors resulted in increased revenues of 16.5 billion yen due to capturing a broad range of demand along with ASK expansion.

Unit price factors resulted in increased revenues of 20.0 billion yen thanks to our success in capturing high-unit price demand and the benefits of enhanced yield management.

Please turn to page 21.

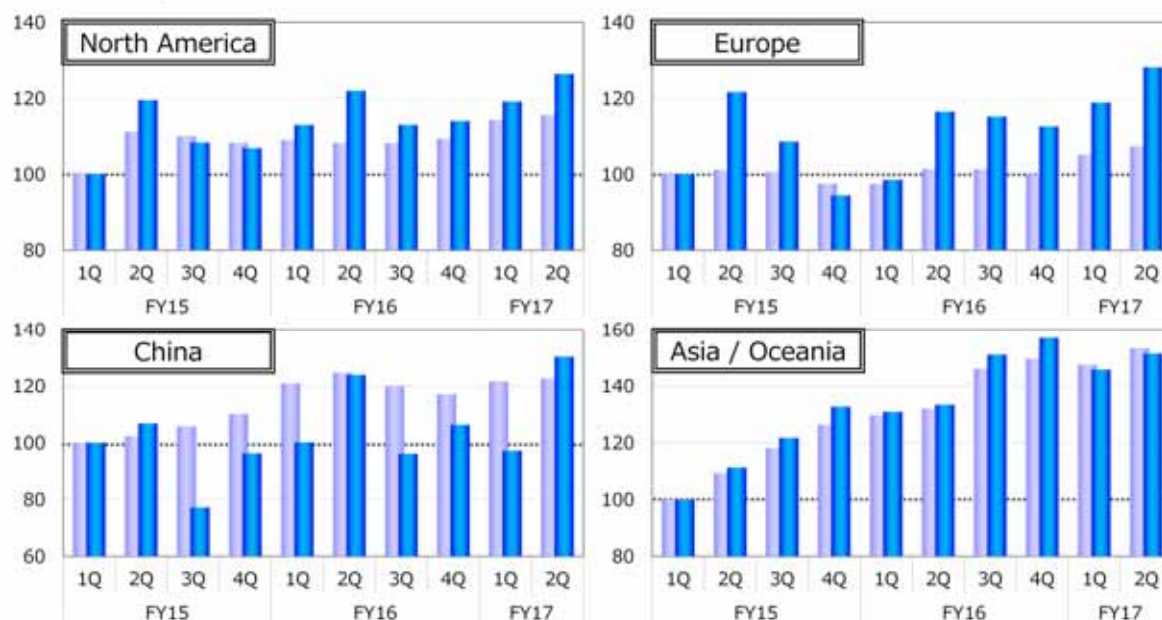
Air Transportation Business

International Passenger Operations

(ANA brand only)

Trends of ASK & RPK by Destination

(Index : FY15 1Q=100) ■ : ASK ■ : RPK



©ANAHD2017

21

This shows ASK and RPK trends by destinations.

RPK during the second quarter increased year-on-year for all destinations.

On China routes, despite the high level of overall market supply volume, we succeeded in capturing inbound demand, particularly among individual travelers during the second quarter.

As a result, load factor, which had decreased to below 60% during the first quarter, increased to 77% during the second quarter.

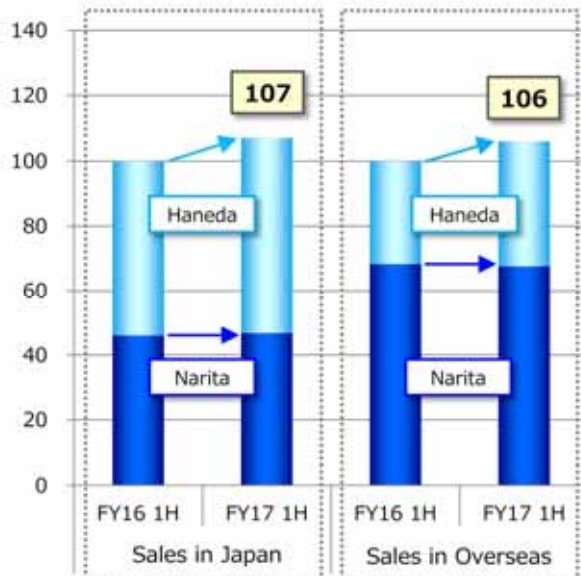
Please turn to page 22.

Air Transportation Business

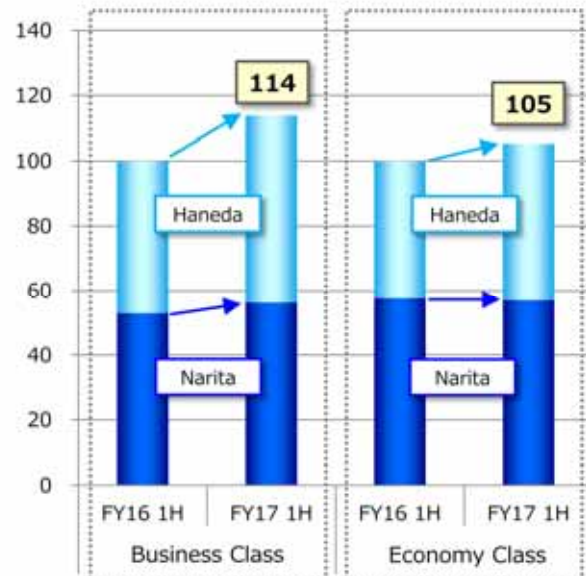
Trends in International Passenger Operations

(ANA Brand Only)

Results by Point of Sales (YoY)

Number of Passengers
(Index : FY16 1H=100)

Results by Class (YoY)

Number of Passengers
(Index : FY16 1H=100)

22

This slide shows an analysis of demand by sales point and class.

Each graph is a comparison of FY2017 first half results against the previous fiscal year.

The light blue shows passenger numbers on flights from/to Haneda and the dark blue shows those from/to Narita. Results for the current fiscal year are shown in comparison with the total passenger numbers for both airports from the first half of the previous fiscal year, which is represented as 100.

First, please take a look at the graph on the left.

Passenger numbers for tickets sold in Japan indicate that we captured firm business travel demand and that leisure travel demand on European routes, which had declined due to the impact of terrorist attacks, has recovered. These and other factors resulted in passenger numbers that exceeded the previous year.

Looking at overseas sales, a significant increase in inbound demand on Asian routes and other factors resulted in a nearly equivalent rate of growth.

Our success in capturing business travel demand is shown in the graph on the right.

Business class passenger numbers grew by 14%, mainly on flights from/to Haneda, to achieve a growth rate exceeding the growth rate for economy class.

We will continue to utilize both Haneda and Narita airports to capture a broad range of demand.

Please turn to page 26.

Air Transportation Business

Domestic Cargo Operations	1H/FY2016	1H/FY2017	% YoY	2Q/FY2017	% YoY
Available Ton Km (million)	921	912	– 1.0	487	– 2.1
Revenue Ton Km (million)	225	222	– 1.5	117	– 2.3
Revenue Ton (thousand tons)	222	216	– 2.8	114	– 3.5
Load Factor (%)	24.5	24.4	– 0.1pts*	24.1	– 0.1pts*
Cargo Revenues (¥Billion)	15.0	15.1	+ 0.5	7.9	+ 0.1
Unit Revenue (¥/ATK)	16.4	16.6	+ 1.5	16.3	+ 2.3
Yield (¥/RTK)	66.9	68.3	+ 2.1	67.8	+ 2.5
Unit Price (¥/kg)	68	70	+ 3.4	69	+ 3.8

* Difference

Air Transportation Business

International Cargo Operations	1H/FY2016	1H/FY2017	% YoY	2Q/FY2017	% YoY
Available Ton Km (million)	3,267	3,391	+ 3.8	1,716	+ 3.8
Revenue Ton Km (million)	1,999	2,222	+ 11.2	1,124	+ 10.4
Revenue Ton (thousand tons)	457	500	+ 9.4	256	+ 8.8
Load Factor (%)	61.2	65.5	+ 4.4pts*	65.5	+ 3.9pts*
Cargo Revenues (¥Billion)	41.8	54.8	+ 31.1	27.9	+ 30.8
Unit Revenue (¥/ATK)	12.8	16.2	+ 26.3	16.3	+ 26.1
Yield (¥/RTK)	20.9	24.7	+ 17.9	24.8	+ 18.5
Unit Price (¥/kg)	92	110	+ 19.8	109	+ 20.3

* Difference

(Figures on this page include results on P.25)

Air Transportation Business

【Ref.】

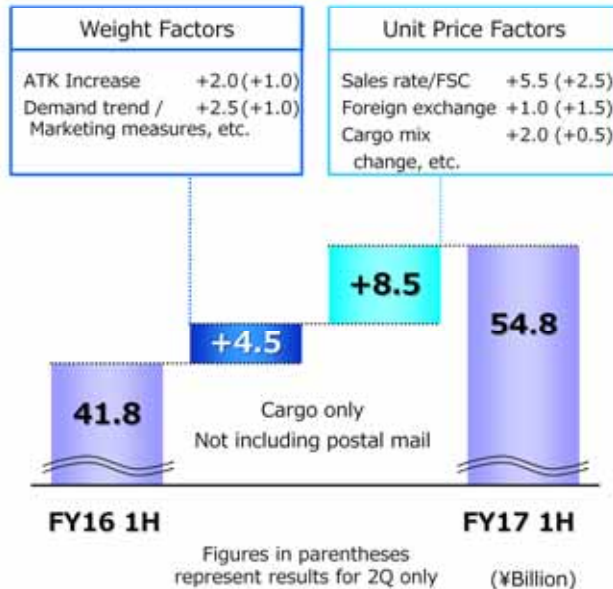
International Freighter Operations	1H/FY2016	1H/FY2017	% YoY	2Q/FY2017	% YoY
Available Ton Km (million)	627	541	− 13.6	275	− 14.5
Revenue Ton Km (million)	364	347	− 4.5	179	− 4.5
Revenue Ton (thousand tons)	188	189	+ 0.5	98	+ 0.3
Load Factor (%)	58.0	64.2	+ 6.2pts*	65.1	+ 6.8pts*
Cargo Revenues (¥Billion)	13.3	13.7	+ 3.2	7.0	+ 10.8
Unit Revenue (¥/ATK)	21.2	25.3	+ 19.5	25.6	+ 29.6
Yield (¥/RTK)	36.5	39.5	+ 8.0	39.4	+ 16.0
Unit Price (¥/kg)	71	72	+ 2.7	72	+ 10.5

*Difference

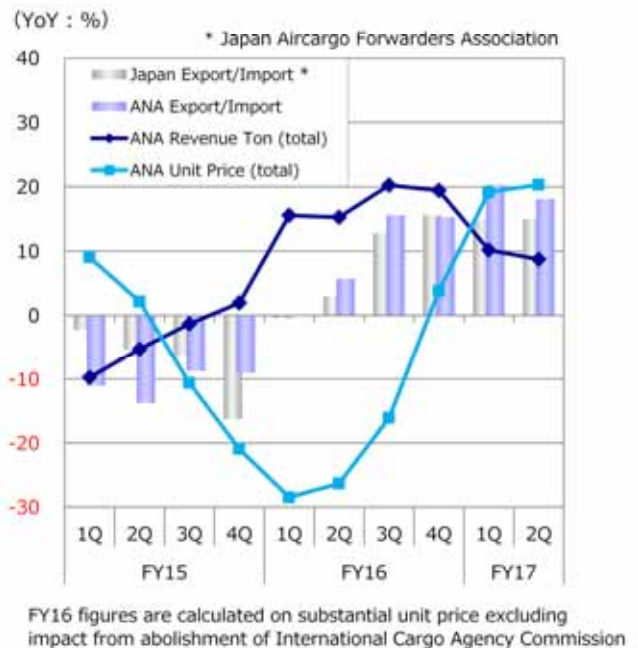
Air Transportation Business

International Cargo Operations

FY17 1H Revenue Change Factors



Trends of Quarterly Results



©ANAHD2017

26

This is the status of our International Cargo Operations.

Please see the figures on the left. This shows an analysis of the factors for the 12.9 billion yen increase in first half revenues.

Weight factors resulted in increased revenues of 4.5 billion yen thanks to having captured export/import cargo and trilateral traffic from China to North America via Japan.

Unit price factors resulted in increased revenues of 8.5 billion yen.
We have increased unit price significantly in firm demand trends.

Please turn to page 27.

Air Transportation Business

LCC Operations (Vanilla Air)

Domestic and International Operations in Total	1H/FY2016	1H/FY2017	% YoY	2Q/FY2017	% YoY
Available Seat Km (million)	1,994	2,516	+ 26.2	1,295	+ 19.7
Revenue Passenger Km (million)	1,726	2,187	+ 26.7	1,151	+ 18.9
Passengers (thousands)	1,016	1,378	+ 35.7	726	+ 27.6
Load Factor (%)	86.6	86.9	+ 0.3pts*	88.9	- 0.6pts*

* Difference

Aircraft in Service

Airbus A320-200 : 13 aircraft
(as of Sep. 30, 2017)

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



©ANAHD2017

27

As to our LCC business, the results for Vanilla Air are shown on this page and Peach Aviation on page 28.

Both companies are capturing demand to maintain high load factors. During the second quarter, in particular, they were closing in on 90%.

This concludes my explanation of our financial results.

Please turn to page 32.

Air Transportation Business

LCC Operations (Peach Aviation)

Domestic and International Operations in Total

	1H/FY2017	2Q/FY2017
Available Seat Km (million)	3,326	1,714
Revenue Passenger Km (million)	2,923	1,541
Passengers (thousands)	2,507	1,320
Load Factor (%)	87.9	89.9

Aircraft in Service

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

【New Routes in 2nd 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		
	1H/FY2016	1H/FY2017	Difference	1H/FY2016	1H/FY2017	Difference
Operating Revenues	127.7	141.5	+ 13.8	82.4	83.5	+ 1.0
Operating Income	5.3	6.8	+ 1.5	2.0	2.2	+ 0.2
Depreciation and Amortization	2.5	2.3	- 0.1	0.0	0.1	+ 0.0
EBITDA*	7.8	9.2	+ 1.3	2.0	2.4	+ 0.3
EBITDA Margin (%)	6.2	6.5	+ 0.3pts	2.5	2.9	+ 0.4pts

	Trade and Retail			Others		
	1H/FY2016	1H/FY2017	Difference	1H/FY2016	1H/FY2017	Difference
Operating Revenues	68.9	69.1	+ 0.2	16.6	18.6	+ 1.9
Operating Income	2.6	2.2	- 0.3	0.7	1.6	+ 0.9
Depreciation and Amortization	0.5	0.6	+ 0.0	0.0	0.1	+ 0.0
EBITDA*	3.1	2.8	- 0.3	0.8	1.7	+ 0.9
EBITDA Margin (%)	4.6	4.1	- 0.5pts	4.9	9.6	+ 4.7pts

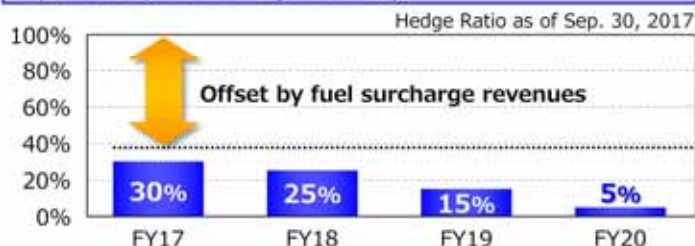
* EBITDA : Op. Income + Depreciation and Amortization

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)	1H/FY2017 Results	FY2017 Assumptions
Dubai Crude Oil	50.1	55
Singapore Kerosene	62.0	68

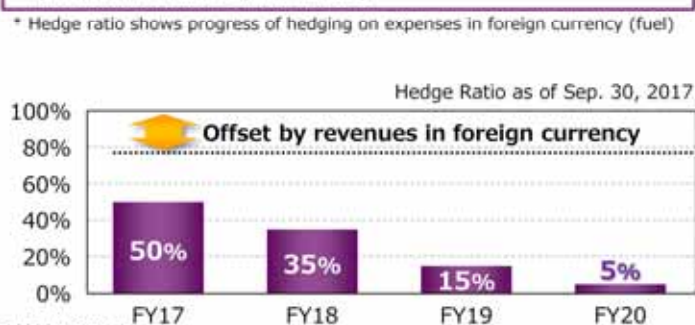


Total fuel consumption Volume	Fuel Surcharge revenue Int'l operations volume	FY2017 Sensitivity of fuel expense (1US\$/bbl fluctuation) Approx. ±¥3.2Bn (Non-hedge)
	Subject to hedging Domestic operations volume	

Currency hedging policy

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

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



Expenses in foreign currency (Non-fuel)	Revenues in foreign currency (Int'l Operations)	FY2017 Sensitivity of FX expense (¥1/US\$ fluctuation) Approx. ±¥4.1Bn (Non-hedge)
Expenses in foreign currency (Fuel)	Subject to hedging Short volume in foreign currency	

3. FY2017 Earnings Forecast 《Details》



FY2017 Earnings Forecast

Consolidated Earnings Forecast

(¥Billion)	FY2016	FY2017 (Revised)	Difference	FY2017 (Original)*
Operating Revenues	1,765.2	1,925.0	+ 159.7	1,910.0
Operating Expenses	1,619.7	1,765.0	+ 145.2	1,760.0
Operating Income	145.5	160.0	+ 14.4	150.0
Operating Income Margin (%)	8.2	8.3	+ 0.1pts	7.9
Ordinary Income	140.3	150.0	+ 9.6	140.0
Net Income Attributable to Owners of the Parent	98.8	132.0	+ 33.1	125.0

Results/Assumptions	FY2016	FY2017 (No Change)
FX Rate (¥/US\$)	108.4	110
Dubai Crude Oil (US\$/bbl)	46.9	55
Singapore Kerosene (US\$/bbl)	58.4	68

*Disclosed in Apr. 28, 2017

Now, I will explain our revised full-year earnings forecast for this fiscal year.

For revenues, we forecast a 9% year-on-year increase to 1,925.0 billion yen. For operating income, we forecast a 10% year-on-year increase to 160.0 billion yen.

Compared to the original plan, we have revised upwardly for revenues and operating income by 15.0 billion yen and by 10.0 billion yen, respectively.

For ordinary income and net income, we forecast 150.0 billion yen and 132.0 billion yen, respectively.

As is indicated in the bottom table, there is no change from our initial assumptions regarding currency or crude oil.

Please turn to page 33.

FY2017 Earnings Forecast

Earnings Forecast by Segment

Operating
RevenuesOperating
Income

	(¥Billion)	FY2016	FY2017 (Revised)	Difference	FY2017 (Original)*
Air Transportation		1,536.3	1,692.0	+ 155.6	1,674.0
Airline Related		264.4	280.0	+ 15.5	274.0
Travel Service		160.6	164.0	+ 3.3	170.0
Trade and Retail		136.7	144.0	+ 7.2	146.0
Total for Reporting Segments		2,098.1	2,280.0	+ 181.8	2,264.0
Other		34.7	37.0	+ 2.2	36.0
Adjustment		- 367.6	- 392.0	- 24.3	- 390.0
Total		1,765.2	1,925.0	+ 159.7	1,910.0
Air Transportation		139.5	152.0	+ 12.4	141.0
Airline Related		8.3	10.0	+ 1.6	9.0
Travel Service		3.7	4.0	+ 0.2	4.5
Trade and Retail		4.3	4.5	+ 0.1	4.5
Total for Reporting Segments		155.9	170.5	+ 14.5	159.0
Other		1.3	2.0	+ 0.6	2.0
Adjustment		- 11.7	- 12.5	- 0.7	- 11.0
Total		145.5	160.0	+ 14.4	150.0

This indicates our earnings forecast by segment.

Although we still forecast increased revenues and income across all segments, we have made revisions of our earnings forecast for each segment, particularly for the Air Transportation business. Please review this for your reference.

Please turn to page 34.

FY2017 Earnings Forecast

Earnings Forecast of Air Transportation Business

(¥Billion)		FY2016	FY2017 (Revised)	Difference	FY2017 (Original)*
Operating Revenues	Domestic Passengers	678.3	687.0	+ 8.6	681.0
	International Passengers	516.7	576.0	+ 59.2	571.0
	Cargo and Mail	132.4	146.0	+ 13.5	139.0
	Others	208.7	283.0	+ 74.2	283.0
	Total	1,536.3	1,692.0	+ 155.6	1,674.0
Operating Expenses	Fuel and Fuel Tax	273.6	294.0	+ 20.3	299.0
	Non-Fuel Cost	1,123.2	1,246.0	+ 122.7	1,234.0
	Total	1,396.8	1,540.0	+ 143.1	1,533.0
Op.Income	Operating Income	139.5	152.0	+ 12.4	141.0

©ANAHD2017

*Disclosed in Apr. 28, 2017

34

Lastly, I will explain our revenue and expense plans for the Air Transportation business.

For revenues, we forecast a 155.6 billion yen year-on-year increase to 1,692.0 billion yen. For operating expenses, we forecast a 143.1 billion yen year-on-year increase to 1,540.0 billion yen.

Compared to our original plan, we have revised our revenue forecast by 18.0 billion yen. However, there is no change to our original revenue plan for the second half in passenger and cargo businesses, including ASK/ATK.

For operating expenses, we reduced fuel expenses by 5.0 billion yen. On the other hand, we incorporated 12.0 billion yen as increases in non-fuel costs.

This is mainly due to increased maintenance expenses and reflects the following.

- (1) The unit rate for maintenance outsourcing is shifting higher than our original plan.
- (2) We carefully evaluated our second half maintenance plans with consideration to the next fiscal year and beyond.

As a result of the above, we forecast operating income for the Air Transportation business at 152.0 billion for the current fiscal year. This represents a year-on-year increase of 12.4 billion yen and an increase of 11.0 billion yen from our original plan.

This concludes my presentation. Thank you for your attention.

Supplemental Reference



Supplemental Reference

Aircraft in Service



	Mar 31, 2017	Sep 30, 2017	Difference	Owned	Leased
Boeing 777-300/-300ER	29	29	-	24	5
Boeing 777-200/-200ER	24	23	- 1	17	6
Boeing 787-9	21	25	+ 4	23	2
Boeing 787-8	36	36	-	31	5
Boeing 767-300/-300ER	37	36	- 1	25	11
Boeing 767-300F/-300BCF	12	12	-	8	4
Airbus A321-200neo	0	1	+ 1	-	1
Airbus A321-200	4	4	-	-	4
Airbus A320-200neo	2	3	+ 1	3	-
Airbus A320-200	10	7	- 3	7	-
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	22	+ 1	22	-
ANA Total	256	257	+ 1	207	50
Airbus A320-200	12	13	+ 1	-	13
Airbus A320-200	-	19	+ 19	-	19
ANA Group Total	268	289	+ 21	207	82

Supplemental Reference

International Passenger Results
by Destination

		1H/FY2017 Composition	Difference	2Q/FY2017 Composition	Difference
Revenues	North America	31.3	- 0.7	30.6	- 1.0
	Europe	20.5	+ 1.4	20.4	+ 1.1
	China	13.8	- 0.8	15.0	- 0.2
	Asia/Oceania	29.5	+ 0.3	28.6	+ 0.5
	Resort	4.9	- 0.1	5.3	- 0.4
ASK	North America	32.6	- 0.7	32.5	- 0.5
	Europe	16.2	- 0.2	16.2	- 0.4
	China	11.1	- 1.0	11.0	- 1.1
	Asia/Oceania	35.3	+ 2.1	35.6	+ 2.4
	Resort	4.9	- 0.2	4.8	- 0.4
RPK	North America	33.1	- 1.2	32.8	- 1.3
	Europe	17.2	+ 1.0	17.2	+ 0.4
	China	9.9	- 0.7	10.9	- 0.3
	Asia/Oceania	34.3	+ 1.3	33.7	+ 1.7
	Resort	5.4	- 0.4	5.4	- 0.5

Supplemental Reference

International Cargo Results by Destination		1H/FY2017 Composition	Difference	2Q/FY2017 Composition	Difference
Revenues	North America	31.0	+ 5.7	30.5	+ 2.6
	Europe	16.0	+ 1.1	15.8	+ 0.2
	China	24.5	- 5.8	24.7	- 2.2
	Asia/Oceania	23.8	+ 0.1	24.2	+ 0.7
	Others	4.6	- 1.1	4.8	- 1.4
ATK	North America	37.0	+ 0.6	36.8	+ 0.7
	Europe	16.1	- 0.2	16.0	- 0.3
	China	16.3	- 0.6	16.3	- 1.0
	Asia/Oceania	27.9	+ 1.3	28.1	+ 1.6
	Others	2.7	- 1.0	2.7	- 1.0
RTK	North America	37.1	- 0.8	36.2	- 1.7
	Europe	20.5	- 0.2	20.5	+ 0.2
	China	14.1	+ 0.2	14.3	- 0.2
	Asia/Oceania	25.4	+ 1.3	26.0	+ 2.3
	Others	2.8	- 0.6	2.9	- 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