

ANA HOLDINGS INC.

- Financial Results for the Three Months ended June 30, 2018

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Senior Vice President, CFO

August 1, 2018



Contents

Financial Results FY2018 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. 18-20
LCC Operations	P. 21-22
Status of Fuel and Currency Hedging	P. 23

Other Segments

excluding Air Transportation Business	P. 24
Status of Boeing 787 operations	P. 25

Supplemental Reference

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



2017 Award for Excellence
in Corporate Disclosure

— Industries —

SAAJ The Securities Analysts
Association of Japan

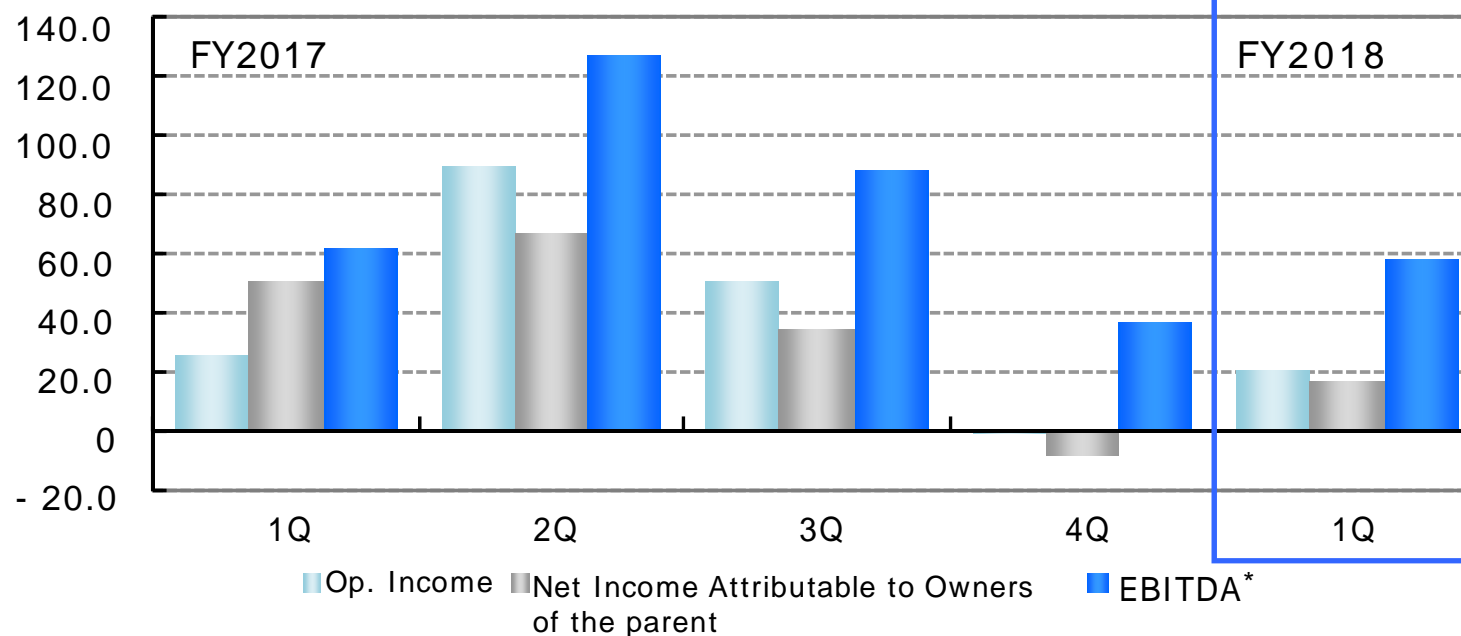
Highlights of Financial Results

Comparison of Financial Results for FY2018 1Q and FY2017

[FY2018 1Q Results (Consolidated)]

- Op. Income : ¥20.0Bn (YoY ¥5.3Bn)
- Net Income Attributable to Owners of the parent : ¥16.1Bn (YoY ¥34.9Bn)
- EBITDA* : ¥57.6Bn (YoY ¥4.4Bn)

(¥Billion)



* EBITDA : Op. Income + Depreciation and Amortization

Consolidated Financial Summary

Income Statements	(¥Billion)		
	1Q/FY2017	1Q/FY2018	Difference
Operating Revenues	451.7	484.8	+ 33.1
Operating Expenses	426.2	464.8	+ 38.5
Operating Income	25.4	20.0	- 5.3
Operating Income Margin (%)	5.6	4.1	- 1.5pt
Non-Operating Income/Expenses	- 0.6	- 0.6	+ 0.0
Ordinary Income	24.7	19.4	- 5.3
Special Gain/Losses	35.5	0.0	- 35.5
Net Income Attributable to Owners of the parent	51.0	16.1	- 34.9
Net Income	51.2	16.1	- 35.0
Other Comprehensive Income	4.6	30.1	+ 25.4
Comprehensive Income	55.9	46.3	- 9.6

Consolidated Financial Summary

Financial Position

(¥Billion)	Mar 31, 2018	Jun 30, 2018	Difference
Assets	2,562.4	2,594.2	+ 31.7
Shareholders' Equity	988.6	1,005.3	+ 16.7
Ratio of Shareholders' Equity (%)	38.6	38.8	+ 0.2pt
Interest Bearing Debts	798.3	823.4	+ 25.0
Debt/Equity Ratio (times) *	0.8	0.8	+ 0.0
Net Interest Bearing Debts **	440.8	463.7	+ 22.9

* D/E ratio in case of including off-balanced lease obligation of ¥12.1 billion (¥20.5 billion as of Mar 31, 2018) is 0.8 times (0.8 times as of Mar 31, 2018).

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

Consolidated Financial Summary

Statements of Cash Flow	(¥Billion)	1Q/FY2017	1Q/FY2018	Difference
Cash Flow from Operating Activities		95.6	81.0	- 14.5
Cash Flow from Investing Activities		- 120.4	- 60.9	+ 59.4
Cash Flow from Financing Activities		- 7.2	- 10.5	- 3.2
Net Increase/Decrease in Cash and Cash Equivalents		- 32.3	9.8	+ 42.2
Cash and Cash Equivalents at the beginning of the year		309.0	270.5	} + 9.8
Cash and Cash Equivalents at the end of the current period		276.6	280.3	
Depreciation and Amortization		36.6	37.6	+ 0.9
Capital Expenditures		87.2	74.0	- 13.2
Substantial Free Cash Flow (excluding periodic/negotiable deposits of more than 3 months)		- 6.5	12.4	+ 19.0
EBITDA		62.0	57.6	- 4.4
EBITDA Margin (%)		13.7	11.9	- 1.9pt

Consolidated Financial Summary

Results by Segment

(¥Billion)

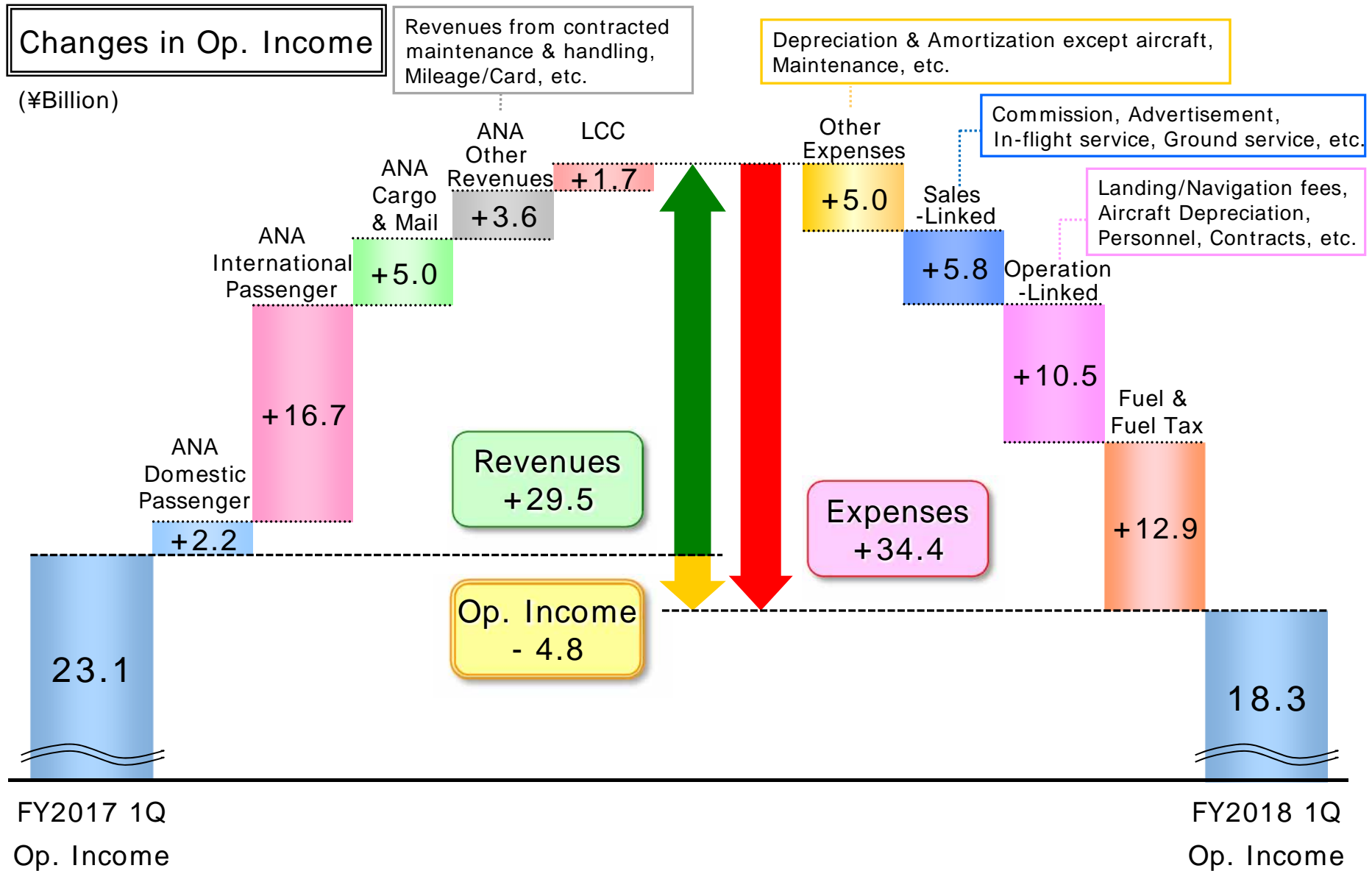
		1Q/FY2017	1Q/FY2018	Difference
Operating Revenues	Air Transportation	396.8	426.4	+ 29.5
	Airline Related	65.8	69.9	+ 4.1
	Travel Services	36.3	36.0	- 0.2
	Trade and Retail	33.5	36.9	+ 3.3
	Others	8.8	9.3	+ 0.5
	Adjustment	- 89.5	- 93.8	- 4.2
	Total	451.7	484.8	+ 33.1
Operating Income	Air Transportation	23.1	18.3	- 4.8
	Airline Related	4.2	4.2	- 0.0
	Travel Services	0.6	- 0.0	- 0.7
	Trade and Retail	0.9	0.7	- 0.2
	Others	0.5	0.6	+ 0.0
	Adjustment	- 4.2	- 3.7	+ 0.5
	Total	25.4	20.0	- 5.3

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Air Transportation Business

Operating Revenues and Expenses		(¥Billion)	1Q/FY2017	1Q/FY2018	Difference
Operating Revenues	ANA	Domestic Passenger	154.6	156.8	+ 2.2
		International Passenger	139.4	156.2	+ 16.7
		Cargo and Mail	36.2	41.3	+ 5.0
		Others	47.0	50.7	+ 3.6
	LCC	19.3	21.1	+ 1.7	
	Total		396.8	426.4	+ 29.5
Operating Expenses	Fuel and Fuel Tax	72.7	85.6	+ 12.9	
	Landing and Navigation Fees	30.1	30.2	+ 0.1	
	Aircraft Leasing Fees	27.5	29.6	+ 2.0	
	Depreciation and Amortization	35.0	35.9	+ 0.8	
	Aircraft Maintenance	32.7	37.0	+ 4.3	
	Personnel	48.7	51.7	+ 2.9	
	Sales Commission and Promotion	24.4	27.7	+ 3.2	
	Contracts	54.1	58.7	+ 4.6	
	Others	47.9	51.1	+ 3.1	
	Total		373.6	408.0	+ 34.4
Op. Income	Operating Income	23.1	18.3	- 4.8	
	EBITDA	58.2	54.2	- 3.9	
	EBITDA Margin (%)	14.7	12.7	- 1.9pt	

Air Transportation Business



Air Transportation Business

Domestic Passenger Operations

(ANA brand only)

	1Q/FY2017	1Q/FY2018	% YoY
Available Seat Km (million)	14,410	14,551	+ 1.0
Revenue Passenger Km (million)	9,296	9,669	+ 4.0
Passengers (thousands)	10,353	10,668	+ 3.0
Load Factor (%)	64.5	66.4	+ 1.9pt*
Passenger Revenues (¥Billion)	154.6	156.8	+ 1.5
Unit Revenue (¥/ASK)	10.7	10.8	+ 0.5
Yield (¥/RPK)	16.6	16.2	- 2.4
Unit Price (¥/Passenger)	14,934	14,706	- 1.5

* Difference

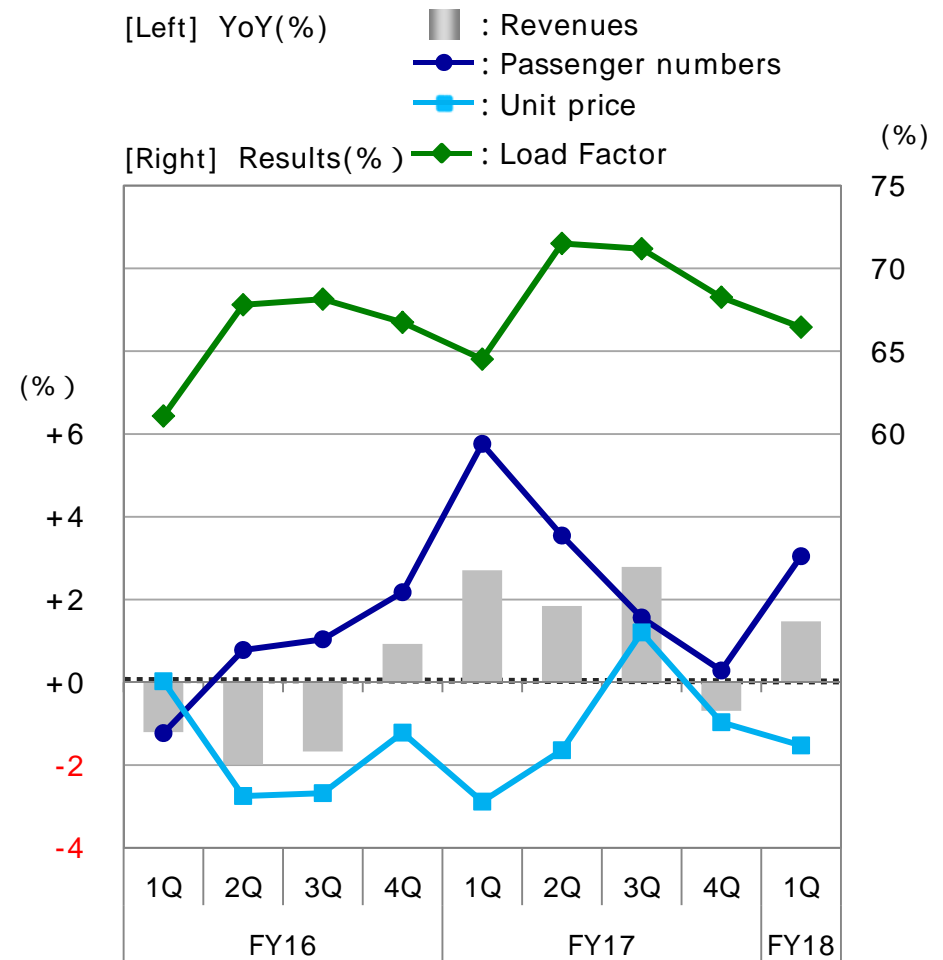
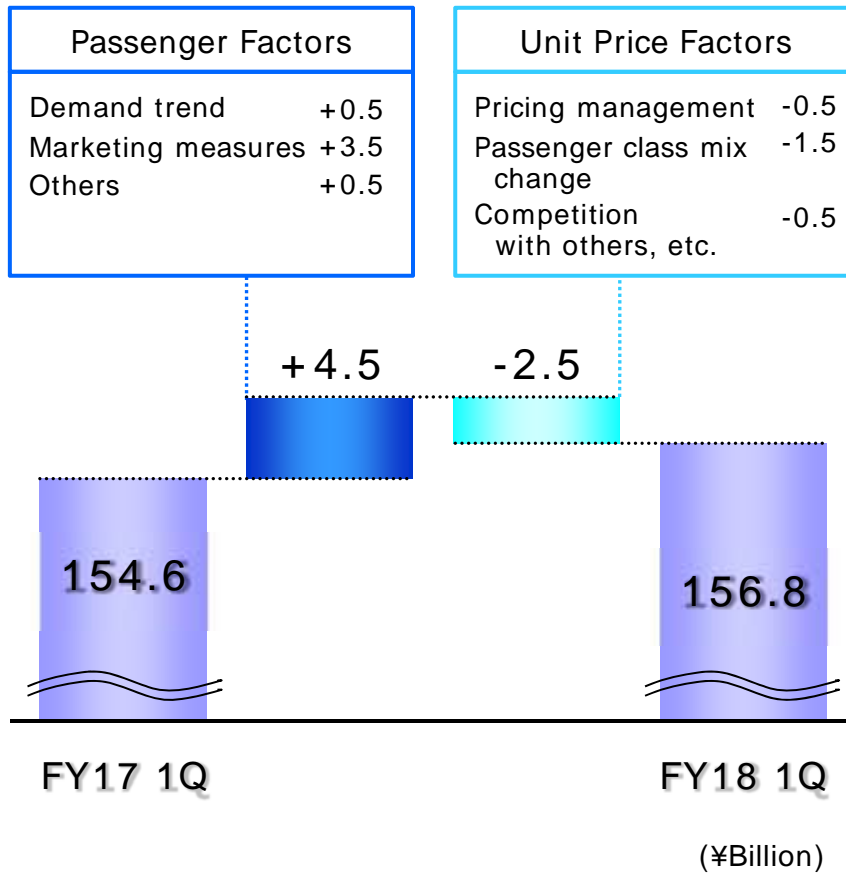
Air Transportation Business

Domestic Passenger Operations

(ANA brand only)

FY18 1Q Revenue Change Factors

Trends of Quarterly Results



Air Transportation Business

International Passenger Operations

(ANA brand only)

	1Q/FY2017	1Q/FY2018	% YoY
Available Seat Km (million)	15,759	16,608	+ 5.4
Revenue Passenger Km (million)	11,608	12,509	+ 7.8
Passengers (thousands)	2,246	2,509	+ 11.7
Load Factor (%)	73.7	75.3	+ 1.7pt*
Passenger Revenues (¥Billion)	139.4	156.2	+ 12.0
Unit Revenue (¥/ASK)	8.9	9.4	+ 6.3
Yield (¥/RPK)	12.0	12.5	+ 4.0
Unit Price (¥/Passenger)	62,073	62,273	+ 0.3

* Difference

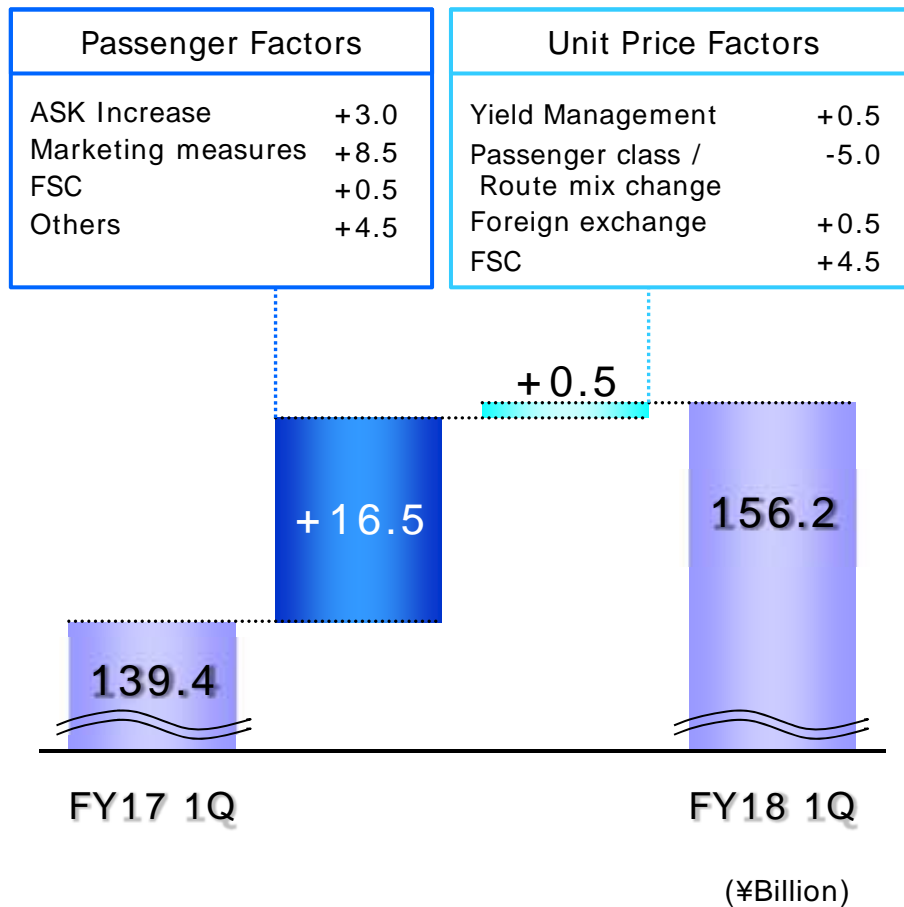
Air Transportation Business

International Passenger Operations

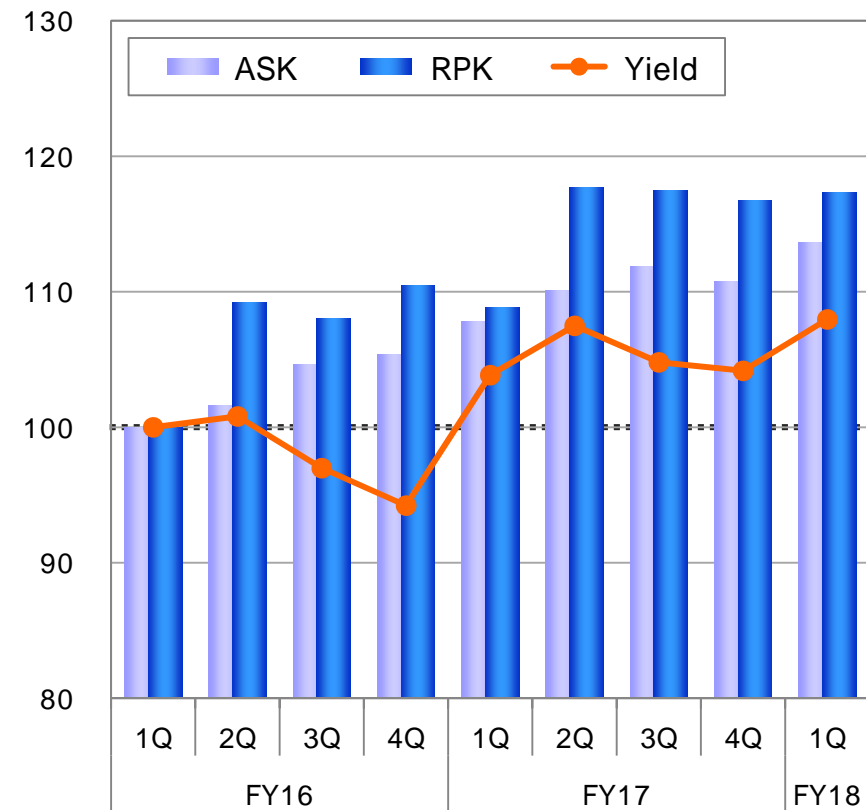
(ANA brand only)

FY18 1Q Revenue Change Factors

Trends of Quarterly Results



Index : FY16 1Q=100



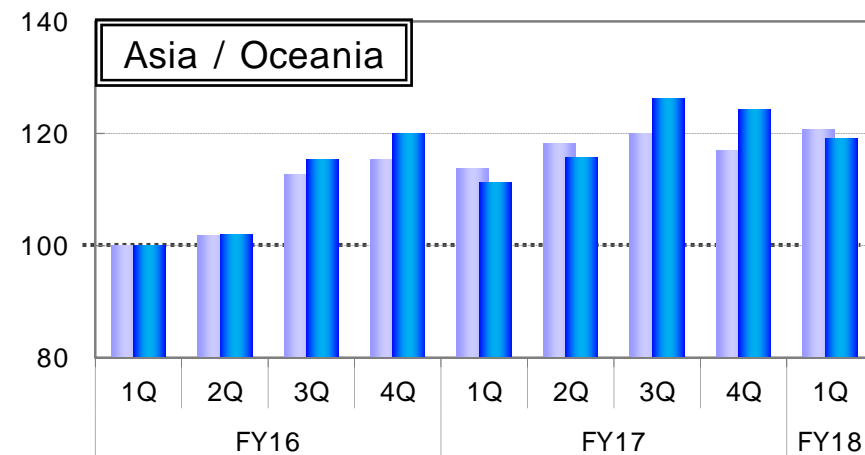
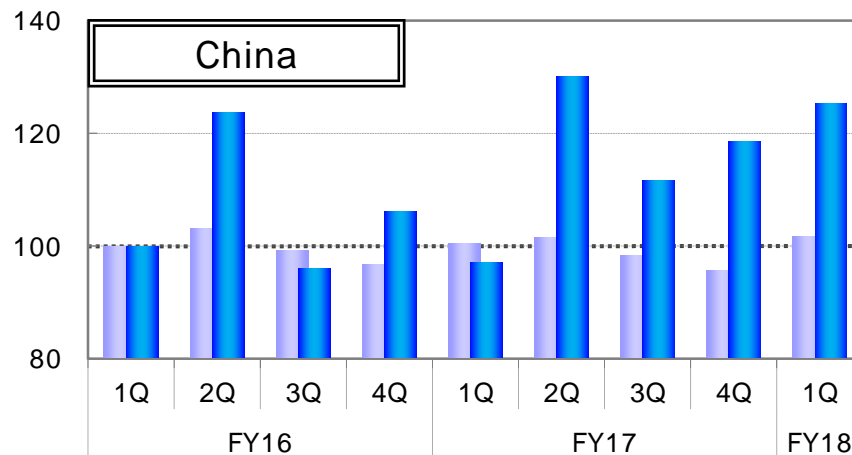
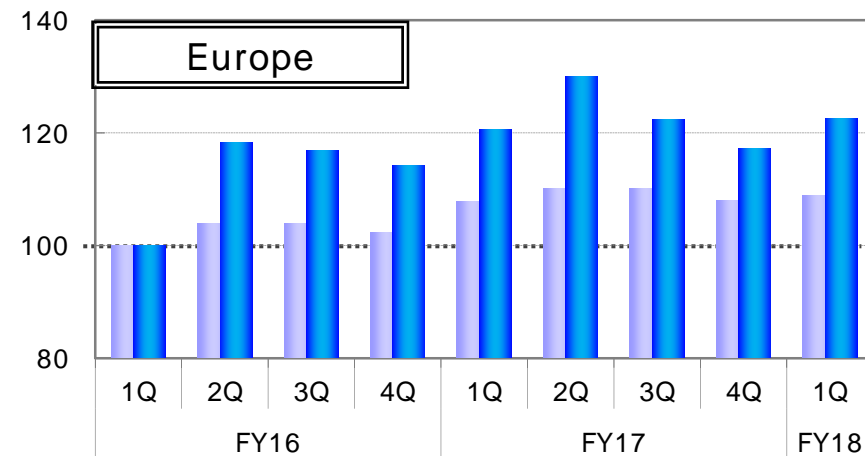
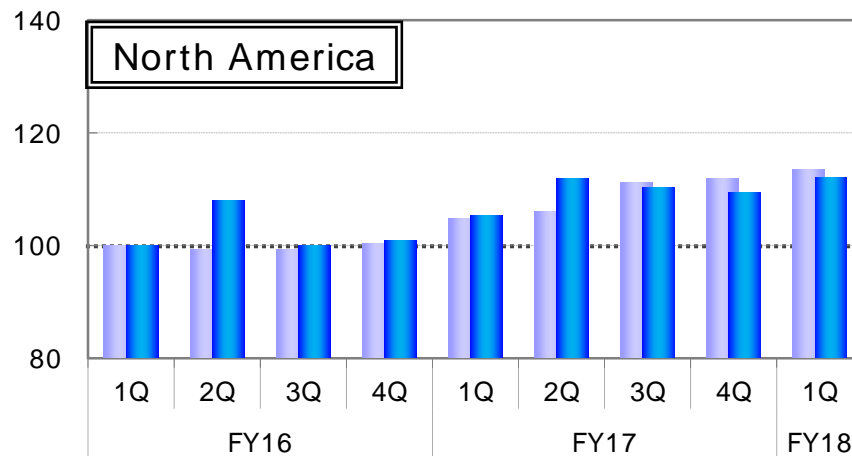
Air Transportation Business

International Passenger Operations

(ANA brand only)

Trends of ASK & RPK by Destination

(Index : FY16 1Q=100) ■ : ASK ■ : RPK



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Air Transportation Business

Domestic Cargo Operations

(ANA brand only)

	1Q/FY2017	1Q/FY2018	% YoY
Available Ton Km (million)	425	426	+ 0.4
Revenue Ton Km (million)	104	100	- 4.4
Revenue Ton (thousand tons)	101	96	- 5.3
Load Factor (%)	24.7	23.5	- 1.2pt*
Cargo Revenues (¥Billion)	7.2	7.0	- 2.4
Unit Revenue (¥/ATK)	17.0	16.5	- 2.8
Yield (¥/RTK)	68.8	70.3	+ 2.1
Unit Price (¥/kg)	71	73	+ 3.1

* Difference

Air Transportation Business

International Cargo Operations

(ANA brand only)

	1Q/FY2017	1Q/FY2018	% YoY
Available Ton Km (million)	1,674	1,798	+ 7.4
Revenue Ton Km (million)	1,098	1,134	+ 3.3
Revenue Ton (thousand tons)	243	245	+ 0.9
Load Factor (%)	65.6	63.1	- 2.5pt*
Cargo Revenues (¥Billion)	26.8	32.0	+ 19.0
Unit Revenue (¥/ATK)	16.1	17.8	+ 10.8
Yield (¥/RTK)	24.5	28.2	+ 15.2
Unit Price (¥/kg)	110	130	+ 18.0

* Difference

Air Transportation Business

[Ref.] International Freighter Operations

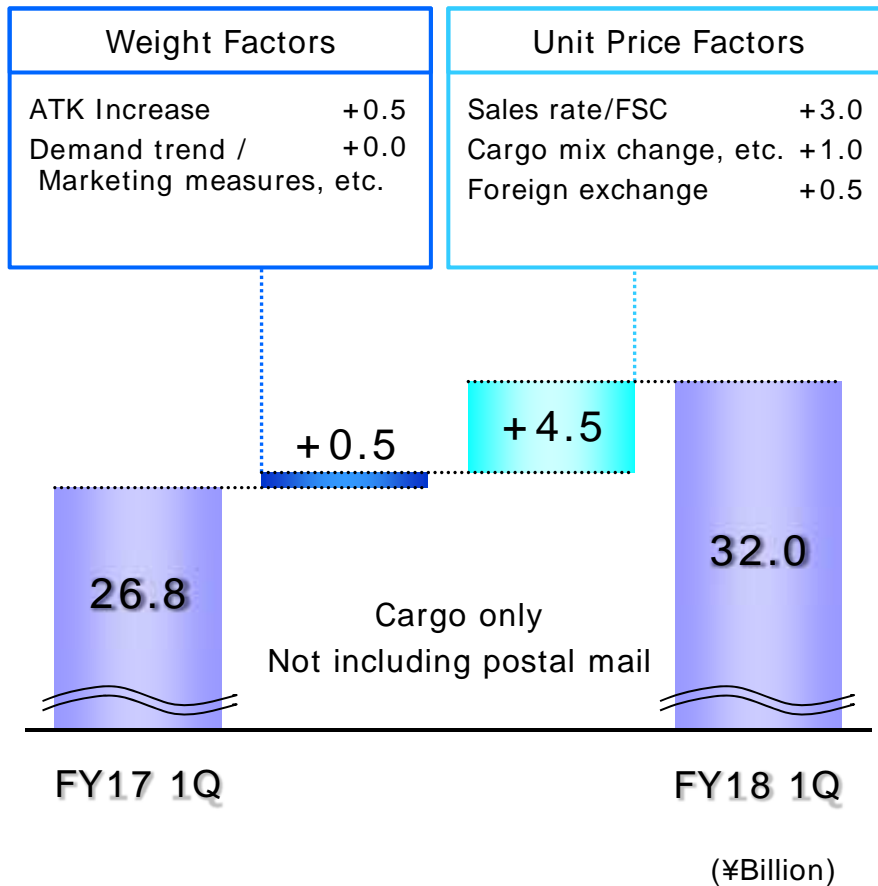
	1Q/FY2017	1Q/FY2018	% YoY
Available Ton Km (million)	266	307	+ 15.3
Revenue Ton Km (million)	168	216	+ 28.2
Revenue Ton (thousand tons)	90	93	+ 2.8
Load Factor (%)	63.2	70.3	+ 7.1pt*
Cargo Revenues (¥Billion)	6.6	9.2	+ 38.6
Unit Revenue (¥/ATK)	25.0	30.1	+ 20.2
Yield (¥/RTK)	39.6	42.8	+ 8.1
Unit Price (¥/kg)	73	99	+ 34.8

* Difference

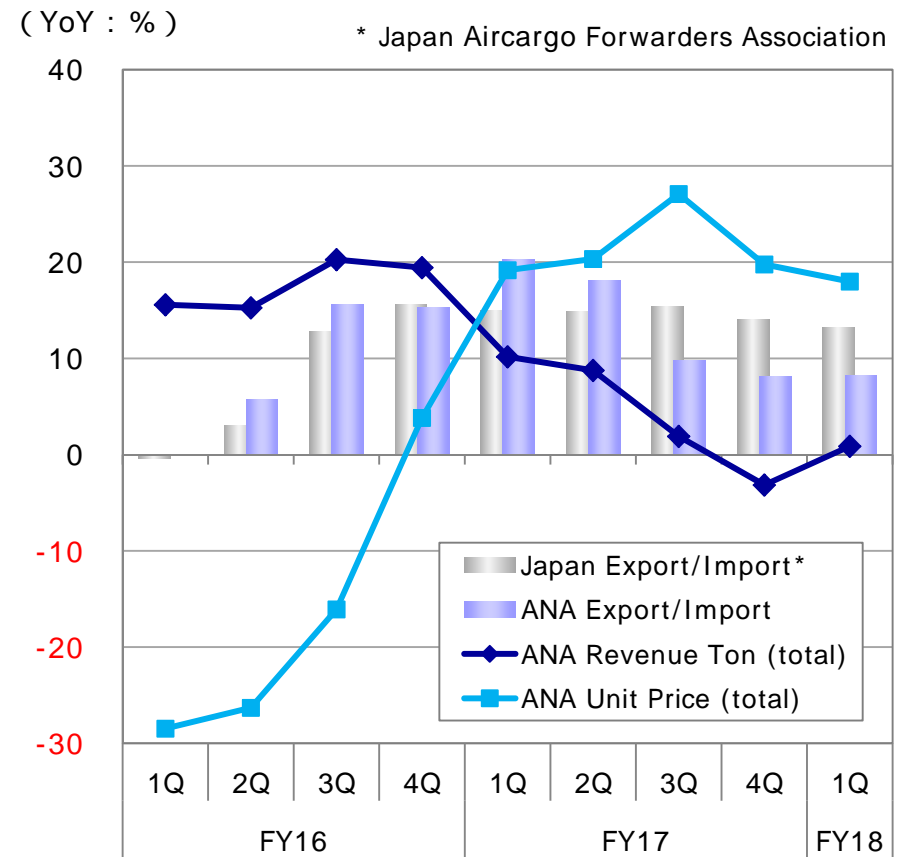
Air Transportation Business

International Cargo Operations

FY18 1Q Revenue Change Factors



Trends of Quarterly Results



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

Air Transportation Business

LCC Operations

(Vanilla Air and Peach Aviation in Total)

	1Q/FY2017	1Q/FY2018	% YoY
Available Seat Km (million)	2,832	2,947	+ 4.1
Revenue Passenger Km (million)	2,418	2,547	+ 5.3
Passengers (thousands)	1,837	1,997	+ 8.7
Load Factor (%)	85.4	86.4	+ 1.0pt*
Operating Revenue (Billion) **	19.3	21.1	+ 9.2
Unit Revenue (¥ / ASK)	6.8	7.2	+ 5.0
Yield (¥ / RPK)	8.0	8.3	+ 3.7
Unit Price (¥ / Passenger)	10,553	10,606	+ 0.5

* Difference

** Op. Revenues include ancillary revenues

Air Transportation Business

Peach Aviation

Domestic and International Operations in Total	1Q/FY2017	1Q/FY2018	% YoY
Available Seat Km (million)	1,611	1,814	+ 12.6
Revenue Passenger Km (million)	1,382	1,598	+ 15.7
Passengers (thousands)	1,186	1,365	+ 15.1
Load Factor (%)	85.8	88.1	+ 2.4pt*

Vanilla Air

Domestic and International Operations in Total	1Q/FY2017	1Q/FY2018	% YoY
Available Seat Km (million)	1,221	1,133	- 7.2
Revenue Passenger Km (million)	1,035	948	- 8.4
Passengers (thousands)	651	632	- 3.0
Load Factor (%)	84.8	83.7	- 1.2pt*

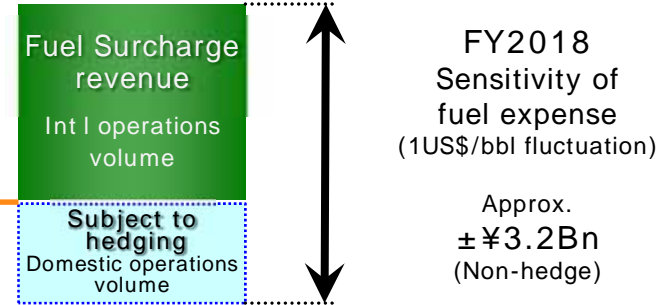
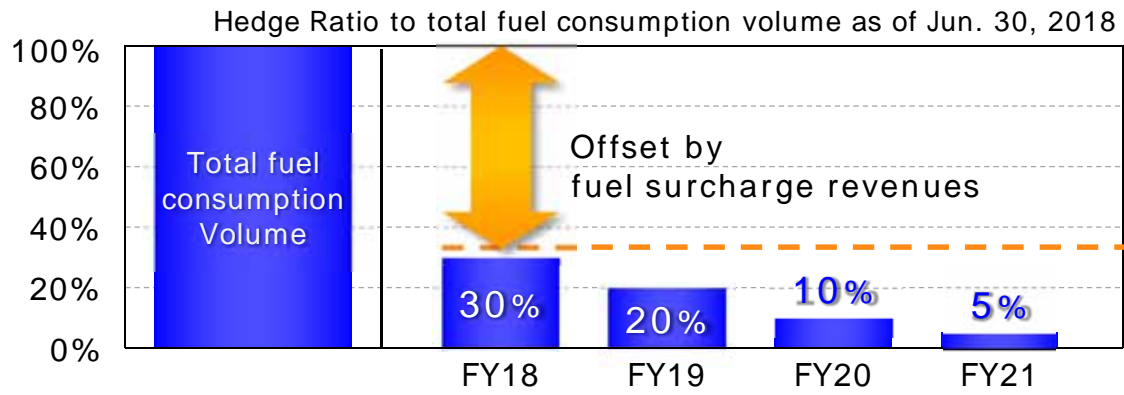
* Difference

Status of Fuel and Currency Hedging (ANA brand only)

Fuel hedging policy

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

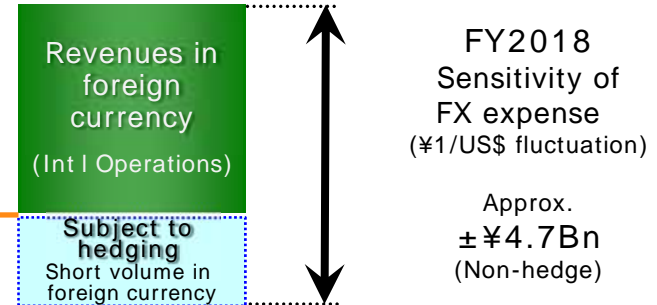
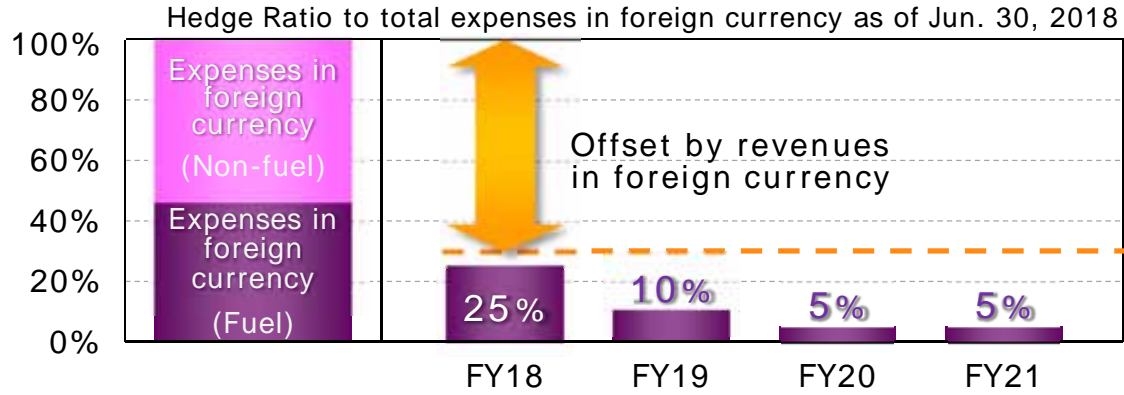
US\$/bbl	1Q/FY2018 Results	FY2018 Assumptions
Dubai Crude Oil	72.1	62.0
Singapore Kerosene	87.4	75.0



Currency hedging policy

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

JPY/US\$	1Q/FY2018 Results	FY2018 Assumptions
USD	109.2	110.0

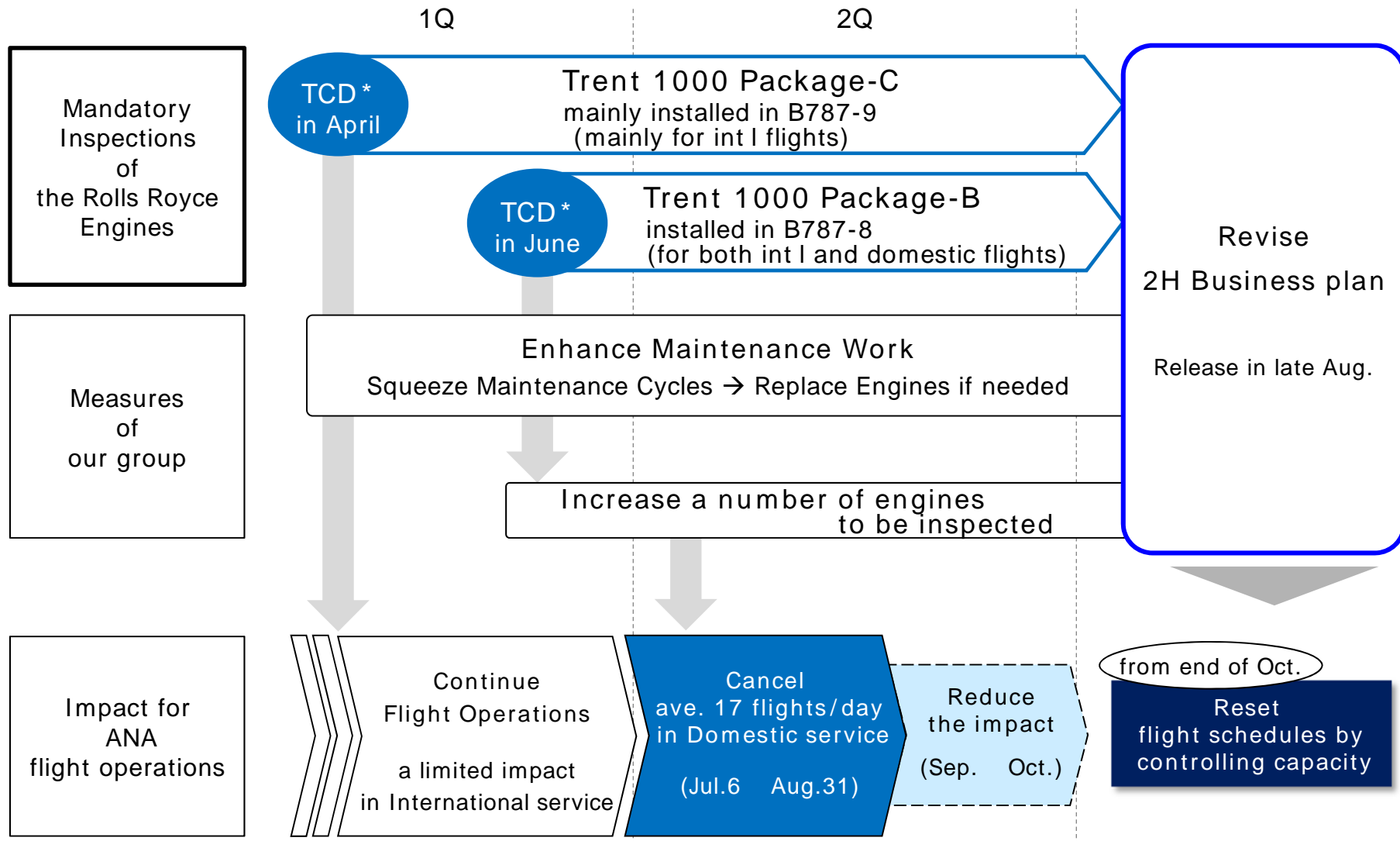


Other Segments excluding Air Transportation Business

Results by Segment	Airline Related			Travel Services		
	1Q/FY2017	1Q/FY2018	Difference	1Q/FY2017	1Q/FY2018	Difference
(¥Billion)						
Operating Revenues	65.8	69.9	+ 4.1	36.3	36.0	- 0.2
Operating Income	4.2	4.2	- 0.0	0.6	- 0.0	- 0.7
Depreciation and Amortization	1.1	1.1	- 0.0	0.0	0.1	+ 0.0
EBITDA	5.4	5.3	- 0.0	0.7	0.0	- 0.7
EBITDA Margin (%)	8.2	7.7	- 0.6pt	2.1	0.1	- 2.0pt
	Trade and Retail			Others		
	1Q/FY2017	1Q/FY2018	Difference	1Q/FY2017	1Q/FY2018	Difference
Operating Revenues	33.5	36.9	+ 3.3	8.8	9.3	+ 0.5
Operating Income	0.9	0.7	- 0.2	0.5	0.6	+ 0.0
Depreciation and Amortization	0.3	0.3	+ 0.0	0.0	0.0	+ 0.0
EBITDA	1.2	1.0	- 0.2	0.6	0.6	+ 0.0
EBITDA Margin (%)	3.8	2.8	- 1.0pt	7.2	7.1	- 0.1pt

Status of Boeing 787 operations

as of Aug. 1, 2018



* TCD : Technical Circular Directive, issued by Japan Civil Aviation Bureau

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Supplemental Reference



Supplemental Reference

Aircraft in Service	Mar 31, 2018	Jun 30, 2018	Difference	Owned	Leased
Boeing 777-300/-300ER	29	29	-	26	3
Boeing 777-200/-200ER	21	21	-	15	6
Boeing 787-9	28	28	-	25	3
Boeing 787-8	36	36	-	31	5
Boeing 767-300/-300ER	34	34	-	23	11
Boeing 767-300F/-300BCF	12	12	-	8	4
Airbus A321-200neo	2	3	+ 1	-	3
Airbus A321-200	4	4	-	-	4
Airbus A320-200neo	3	4	+ 1	4	-
Airbus A320-200	7	7	-	7	-
Boeing 737-800	36	36	-	24	12
Boeing 737-700	7	7	-	7	-
Boeing 737-500	14	12	- 2	12	-
Bombardier DHC-8-400	24	24	-	24	-
ANA Total	257	257	-	206	51
Airbus A320-200	15	15	-	-	15
Airbus A320-200	20	20	-	-	20
ANA Group Total	292	292	-	206	86

Supplemental Reference

International Passenger Results by Destination

(ANA brand only)

1Q/FY2018
Composition

Difference
vs. Last Year

		1Q/FY2018 Composition	Difference vs. Last Year
Revenues	North America	30.9	- 1.1
	Europe	19.9	- 0.6
	China	14.7	+ 2.3
	Asia/Oceania	29.9	- 0.7
	Resort	4.6	+ 0.1
ASK	North America	33.7	+ 0.9
	Europe	15.5	- 0.7
	China	10.7	- 0.4
	Asia/Oceania	35.2	+ 0.3
	Resort	4.9	- 0.0
RPK	North America	33.0	- 0.4
	Europe	16.3	- 1.0
	China	10.5	+ 1.7
	Asia/Oceania	34.8	- 0.2
	Resort	5.4	- 0.1

Supplemental Reference

International Cargo Results by Destination

(ANA brand only)

1Q/FY2018
Composition

Difference
vs. Last Year

Revenues	North America	34.6	+ 3.0
	Europe	14.4	- 1.8
	China	23.5	- 0.9
	Asia/Oceania	23.5	+ 0.2
	Others	4.0	- 0.5
ATK	North America	41.2	+ 4.0
	Europe	15.1	- 1.0
	China	15.2	- 1.1
	Asia/Oceania	26.5	- 1.2
	Others	2.1	- 0.6
RTK	North America	42.2	+ 4.2
	Europe	16.8	- 3.7
	China	13.4	- 0.6
	Asia/Oceania	25.3	+ 0.5
	Others	2.3	- 0.5

<p>Mission Statement</p>	<p>Built on a foundation of security and trust, “the wings within ourselves” help to fulfill the hopes and dreams of an interconnected world.</p>
<p>ANA Group Safety Principles</p>	<p>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.</p>
<p>Management Vision</p>	<p>It is our goal to be the world’s leading airline group in customer satisfaction and value creation.</p>
<p>ANA’s Way</p>	<p>To live up to our motto of “Trustworthy, Heartwarming, Energetic!”, we work with:</p> <ol style="list-style-type: none"> 1. Safety We always hold safety as our utmost priority, because it is the foundation of our business. 2. Customer Orientation We create the highest possible value for our customers by viewing our actions from their perspective. 3. Social Responsibility We are committed to contributing to a better, more sustainable society with honesty and integrity. 4. Team Spirit We respect the diversity of our colleagues and come together as one team by engaging in direct, sincere and honest dialogue. 5. Endeavor We endeavor to take on any challenge in the global market through bold initiative and innovative spirit.

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 addition, 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.

This material is available on our website.

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

Investor Relations



Presentations

Investor Relations, ANA HOLDINGS INC.

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