



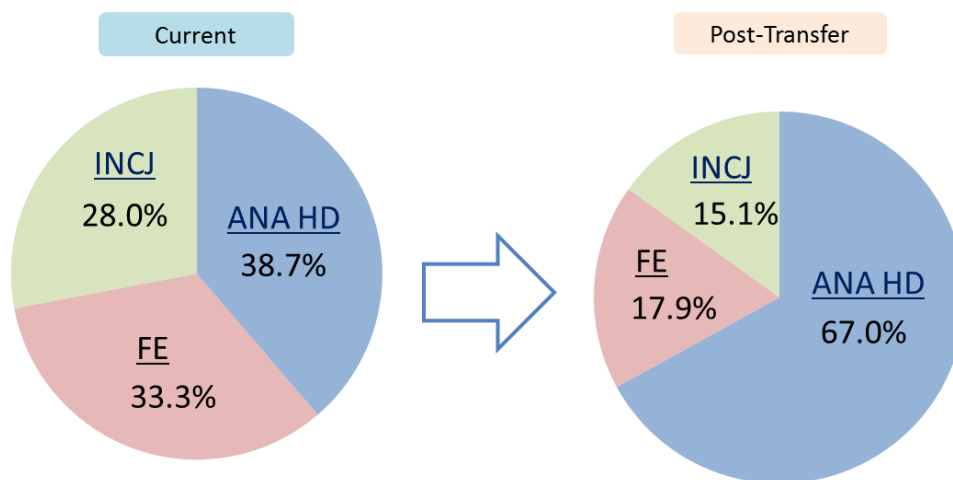
FIRST EASTERN



Changes in Peach Aviation's capital structure

February 24, 2017 - The three shareholders in Peach Aviation Limited (hereafter 'Peach') -- ANA HOLDINGS Inc. (hereafter 'ANA HD'), First Eastern Aviation Holdings Limited (hereafter 'FE'), and Innovation Network Corporation of Japan (hereafter 'INCJ') – have agreed to change Peach's capital structure and have today concluded a share transfer agreement. ANA HD will acquire 28.3% Peach shares from FE and INCJ with ¥30.4 billion, increasing ANA HD's shareholding in the company from 38.7% to 67.0%.

Summary of Change in Capital Structure



Since its launch in 2011 as Japan's first Low Cost Carrier (LCC), Peach has steadily grown its business. In fiscal year 2013 it became profitable year-on for the first time. In fiscal year 2015, Peach recorded sales of ¥47.9 billion and operating profit of ¥6.1 billion and it eliminated its cumulative loss. In its first phase from 2011 to 2016, Peach has expanded its network, adding new routes and capacity and now operates 18 Airbus A320 aircraft to 13 international and 14 domestic routes.

The three shareholding companies have decided that the best way to accelerate the growth of Peach in its next phase of development is through consolidation with the ANA Group, leveraging Peach's corporate culture and brand with ANA's proven record of airline expansion. Peach will retain its uniqueness and, with the Osaka/Kansai region as its base, intends to expand further into domestic and overseas markets, making air travel more accessible as Japan's leading LCC.

The share transfer is planned to take place on April 10, 2017 subject to the three shareholders acquiring the necessary permissions from relevant authorities.

ANA HD CEO Shinya Katanozaka comments:

“Since Peach launched in 2011, it has become a driving force in Japan’s LCC market and we are proud to support the acceleration of its growth across Asia. Peach is a key component of ANA HD’s strategy, providing customers with greater travel choices, as well as expanding our network and enabling us to better serve the increasing number of international tourists visiting Japan. Peach provides more routes in the Osaka/Kansai region, for both domestic and international flights, strengthening ANA HD’s position as the airline group of choice for intra-Asia travel. Peach is a strong brand, and we are committed to building on its distinctive position and unique culture to serve customers and support further growth of the Asian economy.”

FE Chairman Victor Chu comments:

"As Co-Founder of Peach we at First Eastern are very proud of what it has achieved over the past six years. With even stronger support going forward from us as well as ANA HD and INCJ, Peach can only grow from strength to strength!"

INCJ President Mikihide Katsumata comments:

“Peach has developed into a ground-breaking airline that has firmly established low cost air travel in Japan thanks to the tremendous efforts and contribution of its management team and employees. As a shareholder we will continue to back Peach so that it can expand still further with the support of the ANA Group, and truly revolutionize the skies across Asia.”

Peach CEO Shinichi Inoue comments:

“We are extremely grateful for the continued support of our three shareholder companies as we steadily implement our ambitious development plans and contribute to meeting Japan’s goal of attracting 40 million inbound passengers by 2020 and revitalizing its regions. Peach will strive to expand and develop and maintain its uniqueness with the backing of the ANA Group as a stable shareholder. By maximizing synergies between Peach and ANA HD we, as a leading LCC, aim to serve as a bridge in the Asian region and be a train flying in the sky bringing smiles to not only Japan but all of Asia.”

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About ANA HOLDINGS INC.(ANA HD)

ANAHD is an aviation group with global operations and a total of 63 consolidated subsidiaries and 17 equity method affiliates. It is divided into passengers and cargo services segments as well as airline related business such as Catering and IT Services. ANAHD was formed in April 2013 and is the parent company of ANA; full service carrier, and Vanilla Air; LCC. ANA HD promotes a multi-brand strategy to leverage the strength of ANA brand and stimulate demand in markets not completely covered by its full-service airline offering, while expanding market share for the Group as a whole, leading to enhanced value. ANA has about 260 aircraft flying to over 90 destinations and carrying about 50 million passengers per year. ANA is the largest airline in Japan by revenues and passenger numbers. ANA is a member of Star Alliance. Management vision of ANAHD is “It is our goal to be the world’s leading airline group in customer satisfaction and value creation.”

About First Eastern Aviation Holdings Limited (FE)

First Eastern Aviation Holdings Limited, Co-Founder of Peach Aviation, is part of the First Eastern Investment Group, a leading Hong Kong-based investment group pioneering in the field of direct investments in China. Founded by Victor Chu in 1988, First Eastern has offices in Hong Kong, Beijing, Shanghai, Dubai and London. First Eastern and its associates have invested into over 100 projects internationally covering infrastructure, logistics, renewable energy, light industries and financial services, generating over US\$7 billion of total investments. First Eastern is an investment institution regulated by the Hong Kong Securities and Futures Commission.

About Innovation Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private investment company that provides financial, technological and management support for next-generation businesses. INCJ specifically supports those projects that combine technologies and varied expertise across industries and materialize open innovation. INCJ has the capacity to invest up to ¥2 trillion (approx. US\$20 billion).

INCJ’s management team is drawn from the private sector with diverse experience in investment, technologies and management. Through its Innovation Network Committee, INCJ assesses investment opportunities that contribute to industrial innovation in Japan in line with criteria set by the government.