

## ANA HOLDINGS Announces Mid-Term Corporate Strategy for FY2018-2022

~Strengthening the foundations of the business and looking into the future~

**TOKYO, February 1, 2018** – ANA HOLDINGS (hereinafter “ANA HD”) has unveiled its FY2018-2022 Mid-Term Corporate Strategy, a new 5-year growth strategy that aims to achieve sustainable growth during the period leading up to the 2020 Tokyo Olympic and Paralympic Games, and beyond.

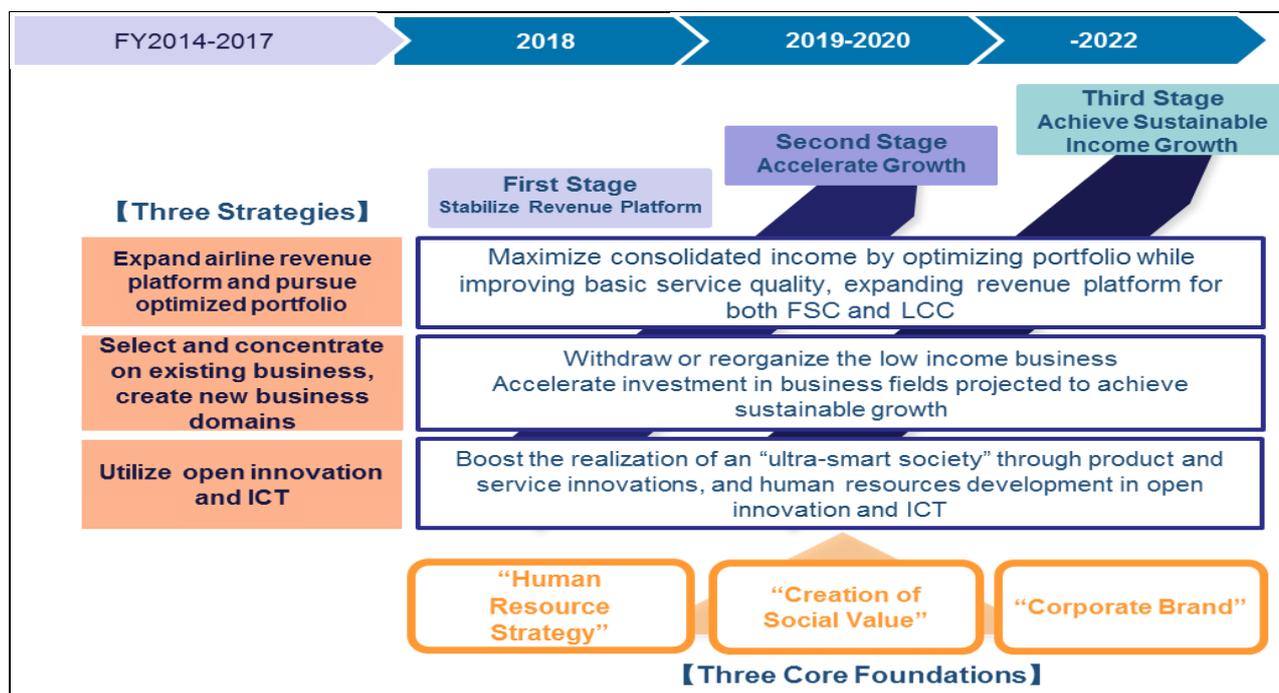
ANA Group sees major growth opportunities in the current business environment, as a result of the gradual recovery in the Japanese economy, increasing demand for travel to Japan based on the economic growth of the Asian region, and also the slot increase at TOKYO/Haneda and Narita airport planned to take place in 2020.

With this in mind, ANA Group aims to make significant progress by continuing to focus on further improving our service quality, including safety and on-time performance, which sit at the very heart of our business. We hope to provide our passengers from the globe unparalleled quality and an even bigger global presence.

As the world’s leading airline group, ANA Group will continue leading innovation in areas beyond the traditional airline business, creating new demand and opportunities in new markets, and contributing to the realization of the Government’s ultra- smart society initiative.

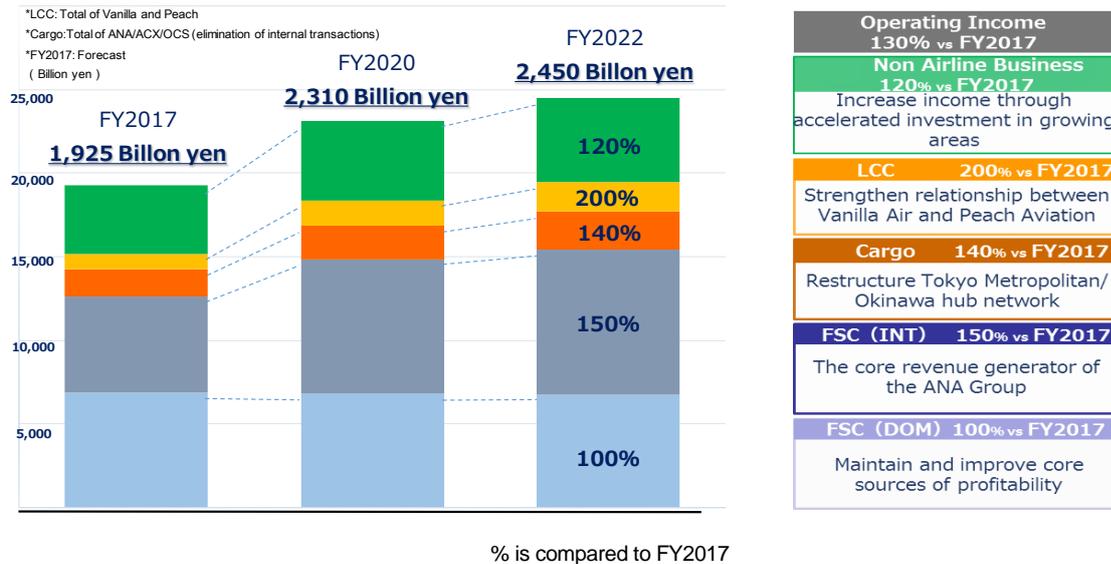
ANA Group is also helping to address various social issues in Japan as the country aims to revitalize its regions and make the tourist industry an even more important part of the national economy. ANA Group is also playing an important role in the efforts of the Japanese government to reach tourism targets of 40 million overseas visitors to Japan by 2020.

### 1. Overall Strategic Picture



## 2. Growth

ANA will maintain profitability on the Japan domestic FSC service, which is the group's largest source of income, while also optimizing business portfolios with the aim of expanding revenue and income and achieving value creation targets across all other businesses.

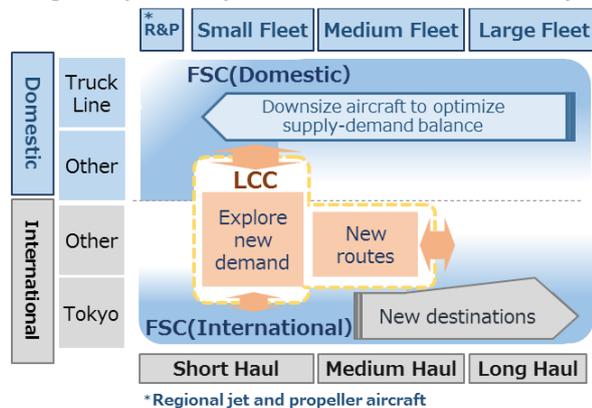


## 3. Overall Business

### (1) Expand airline revenue platform and pursue optimized portfolio

For the International Passenger Service, ANA Group will continue striving to provide customer service/cabin product of the highest quality. As for the Domestic Passenger Service, we will continue our search for new demand together with our group LCCs. ANA will further strengthen the link between the two LCCs, Vanilla Air and Peach Aviation. We also plan to expand our LCC business further into medium-haul markets. Taking full advantage of having both FSC and LCC services, ANA

#### Image of optimized portfolio for the airline revenue platform



Group will continue to enhance its business to provide our customers a once in a life time experience.

### ① ANA International Passenger Service : The core revenue generator of the ANA Group

#### 1) Expand business from Tokyo Metropolitan Airports (Haneda and Narita)

In preparation for the planned slot increase in the Tokyo Metropolitan area in 2020, ANA will continue to strengthen its business foundations through efforts to retain and train the talent that drives the company's competitiveness. At Narita, we aim to capture business travel demand between Asia and North America, and at Haneda, inbound tourism to Japan from overseas.

**2) Engage in partnership strategies, move into un-served destinations (white spots)**

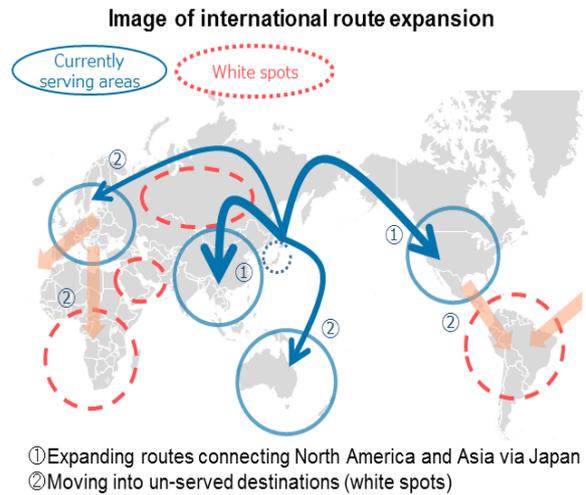
ANA will also provide further convenience to both Japanese and overseas passengers through expansion and improvement of its international group network, and also strengthening partnerships with foreign airlines to cover currently un-served destinations.

**3) Roll out new products and services**

ANA will also bolster its product and services during the period. Japan's first Airbus A380 will be introduced on routes to Hawaii from spring 2019.

**4) Introduction of new aircraft types**

ANA will continue to improve onboard comfort for our passengers by introducing Airbus A380s, Boeing 787-10s, and Boeing 777-9Xs.



**② ANA Domestic Passenger Service :  
Maintain and improve core sources of profitability**

**1) Strengthen products and services**

ANA will continue to introduce further Airbus A321 neo aircraft which equips personal seat monitors for all. From the second half of FY 2019 onward, we will start installing seat monitors on Boeing 777 and 787 seats, the most popular aircraft on Japan domestic flights. ANA continues to offer new inflight experiences by introducing free Wi-Fi and increasing inflight entertainment options as well.

**2) Downsize aircraft to optimize supply-demand balance**

ANA will maintain and improve profitability by optimizing the size of the aircraft in accordance with demand trends and the competitive environment while also flexibly adjusting aircraft types in use. The company will also further capitalize on Haneda airport's international and domestic connections, utilizing its Japan's largest domestic network to contribute to the revitalization of Japan's local regions.

**③ LCC Service :  
Strengthen relationships between Vanilla Air and Peach Aviation – Entering into medium-haul LCC Markets**

**1) Expand short-haul routes : Develop new demand particularly on local routes**

While developing independent businesses with Narita and OSAKA/Kansai Airports as their main hubs, Vanilla Air and Peach Aviation will work even closer to expand and entrench their profitability base.

**2) Enter medium-haul markets: Moving into currently ANA un-served areas**

In addition, by entering the medium-haul LCC competition, at around 2020, Vanilla Air and Peach Aviation will capture demand to/from Asian market place which is showing

Image of LCC route expansion



remarkable growth. We expect the LCCs to play a role in ANA Group's growth strategies, while also contributing to Japan's tourist industry and the revitalization of Japan's regions.

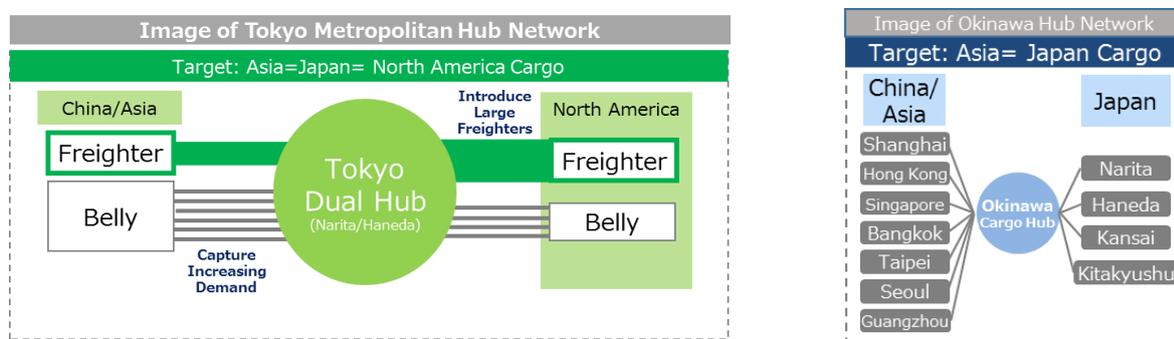
## ④ Cargo Service : Restructure Tokyo Metropolitan/Okinawa Cargo Hub Network

### 1) Tokyo Metropolitan (Narita/ Haneda) Hub Network

ANA Group will enhance the Tokyo Metropolitan Hub Network model by introducing large size freighters in order to capture demand for cargo travel between the Asian continent and North America via Japan, a route for which stable growth is expected over the medium-to long-term.

### 2) Okinawa Hub Network

In addition, ANA Group will also reorganize the network built around the Okinawa Cargo Hub, while closely examining the competitive environment and demand trends, in order to further optimize the functionality of this hub.



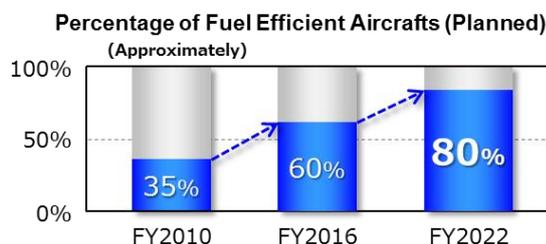
## ⑤ Aircraft Strategy : Introducing new aircraft types

In the FSC business, ANA Group will optimize supply-demand balance on domestic routes. While also ensuring the consistent acquisition of new aircraft types required for the expansion of the international business, the Airbus A380s, Boeing 787-10s and Boeing 777-9Xs.

Also by the end of FY2022, ANA aims to have 80% of its fleet comprising fuel efficient aircraft\*.

We also plan to introduce a new, small size medium-haul aircraft for the medium-haul LCC business to be launched.

Number of Aircrafts (Planned)		
	FY2017	FY2022 (Approximately)
Total	294 Fleets	335 Fleets
FSC	247 Fleets	280 Fleets
LCC	35 Fleets	55 Fleets



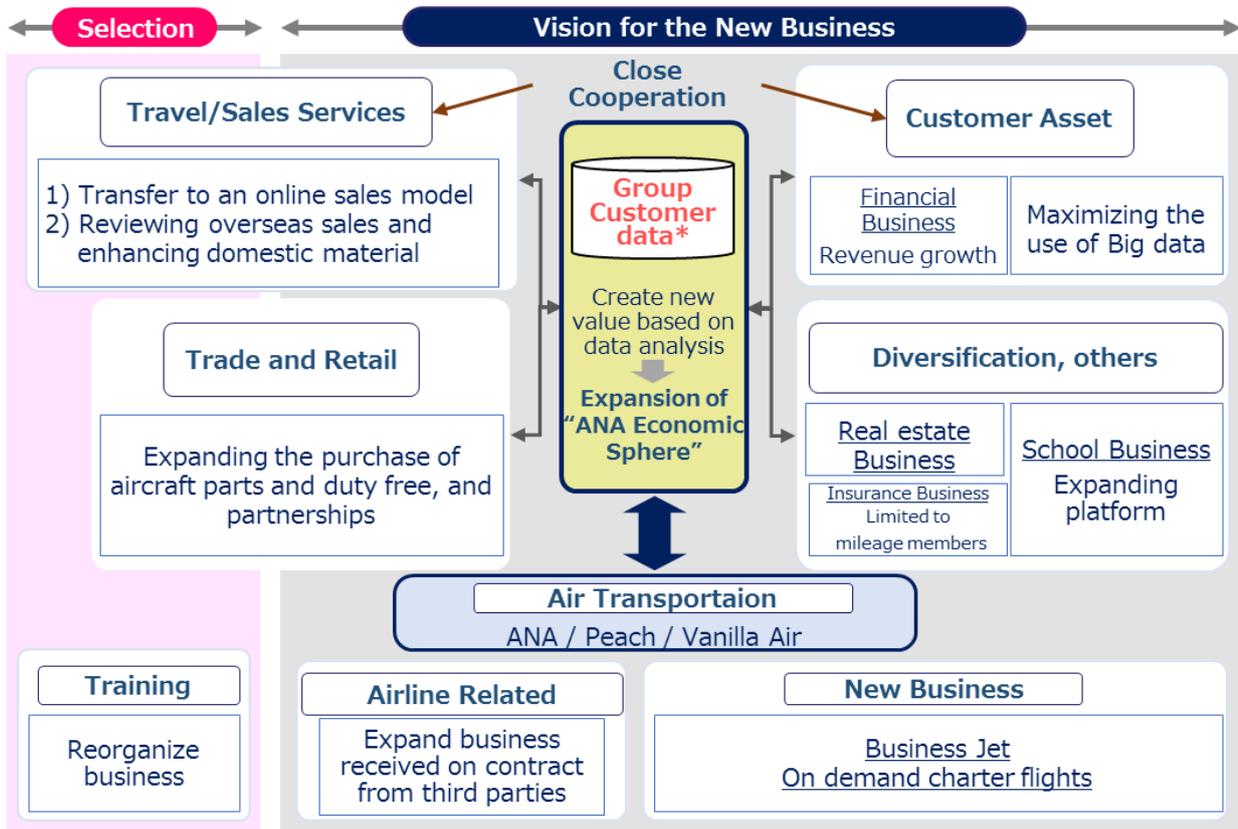
\*Fuel Efficient Aircrafts: Boeing 777, 787, 737-700/800

Airbus A321neo/320neo, MRJ

## (2) Select and concentrate on existing business, create new business domains

### Increase income through accelerated investment in growing areas

ANA Group will aim to maximize income while accelerating investment in fields expected to grow. The group will create new value harnessing the customer base for mutual close cooperation between the group, further expanding the "ANA Economic Sphere".

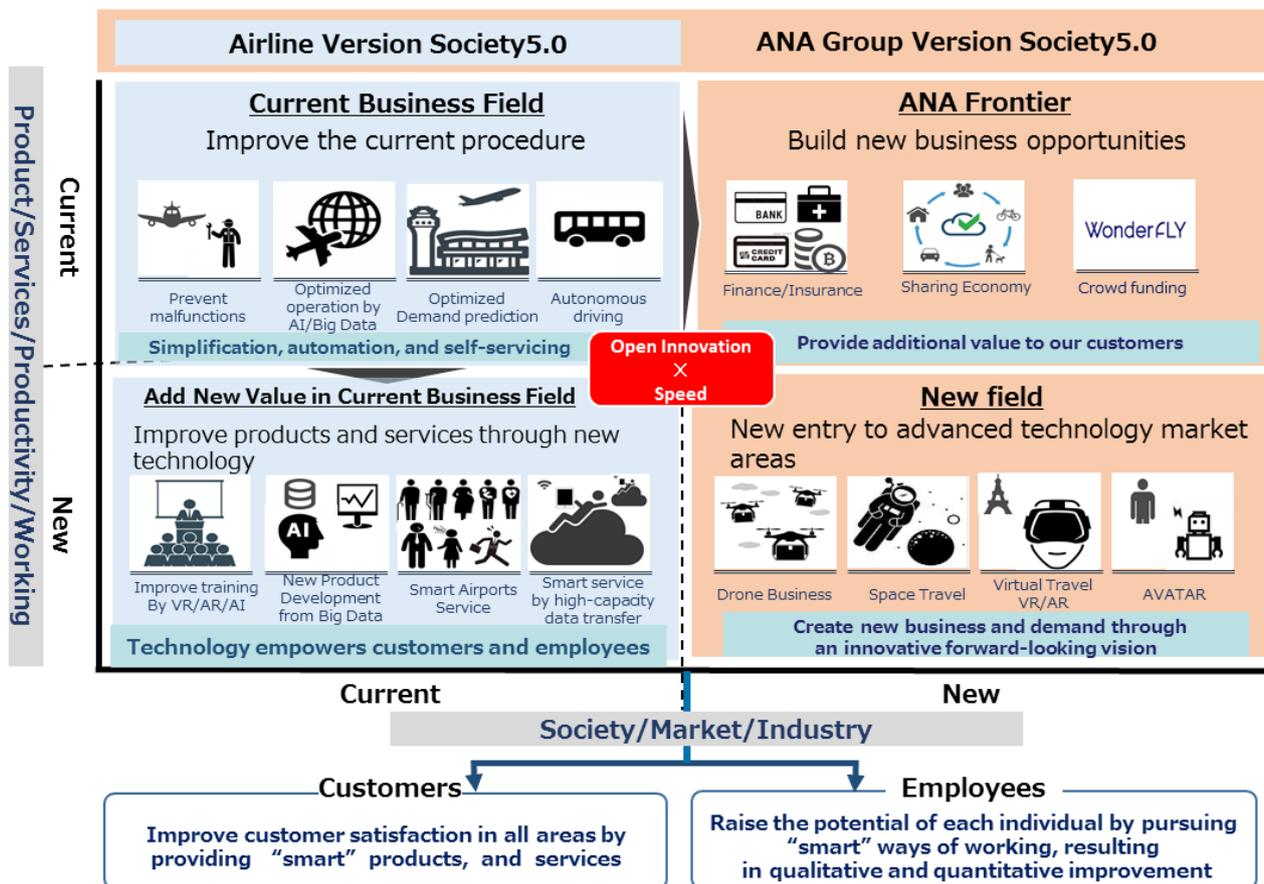


\*All business actions are subject to legal agreements

## (3) Utilize open innovation and ICT

### Realizing ultra-smart society through open innovation

While attempting to predict social issues and future changes, ANA Group aims to play a key role as a leading airline group in the realization of Society 5.0 (ultra-smart society) through the provision of new products and services and speedy implementation of human resources development achieved through the utilization of ANA Group's tangible and intangible assets and through open innovation. What's more, ANA Group aims to lead innovation in areas beyond the traditional airline business, creating new demand and opportunities in new markets.



**Moving forward with the ANA Group's vision of Society5.0**  
**ANA aimed to become the leading airline group within the "ultra-smart society"**



**Definition** Resolving social issues through advanced technology services  
 Creation of new demand and productive revolutions

## 4. Value Creation Goals

### Economical and Social Value Creation

With SDGs in mind and having the aim of firmly establishing our position as the world's leading airline group, ANA Group will strengthen its business foundations by continuously investing in appropriate business and social needs. ANA Group will achieve profitability targets for FY2020, and continue to raise the profitability ratio with the aim of achieving further sustainable growth in subsequent years.

- Social Value Creations**
- Environment**
    - 1) Continuous introduction of fuel efficient aircraft
  - Social**
    - 1) Enhance universal services
    - 2) Regional vitalization (expand inbound demand)
    - 3) Human rights protection
  - Governance**
    - 1) Further improve quality of governance system

**Economic Value Creations**

	Outlook for FY2017	Target for FY2018	Target for FY2020	Target for FY2022
Operating income	1,925 billion yen	2,040 billion yen	2,310 billion yen	2,450 billion yen
Operating profit	160 billion yen	165 billion yen	200 billion yen	220 billion yen
Operating profit ratio	8.3%	8.1%	8.7%	9.0%
ROE	13.9%	9.8%	10.1%	9.5%
ROA	6.8%	6.6%	7.5%	7.8%

**Contact** : Corporate Communications, ANA HOLDINGS INC., TEL+81-3-6735-1111, publicrelations@ana.co.jp

**About ANA HOLDINGS INC.**

ANA HD is an aviation group with global operations and a total of 64 consolidated subsidiaries and 16 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 and Peach Aviation; LCCs. 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 259 aircraft flying to 85 destinations and carrying about 52 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.”