

## ANA Reports Record Profits for FY2012

**TOKYO April 30, 2013** - ANA Holdings today reports consolidated financial results for the fiscal year ended March, 2013.

### Financial and Operational Highlights

Operating income and recurring profit for the 12-month period both reached record levels, driven by considerable growth in passenger numbers and revenues and further improvements in cost efficiencies across the business. Operating revenues rose 5.1 per cent to 1,483.5 billion yen, reflecting increases in domestic and international traffic levels, while operating income reached a record high of 103.8 billion yen, a 7 per cent increase on the 97 billion yen achieved in fiscal year 2011. Recurring profit also reached a record high of 76.9 billion yen against 68.4 billion yen a year earlier while net income was 43.1 billion yen compared with 28.1 billion yen a year earlier. The Company is planning a cash dividend of 4 yen.

Shinichiro Ito, CEO of ANA Holdings, commented: "Despite concerns about the impact of global economic downturn on the airline industry, ANA performed very strongly during the fiscal year 2012 by improving the ANA brand and customer service, implementing the necessary reforms to our cost structure based on our FY2012-13 Corporate Strategy and stimulating new demand. We were successful in attracting more passengers, both at home and abroad, and in responding to changes in the airline environment, including the expansion of airport capacity in the Tokyo metropolitan area, further airline liberalization and the entry of low-cost carriers to the market. We also responded flexibly to minimize the number of cancellations affected by the groundings of the Boeing 787 from January, minimizing its impact to profit. This year we will continue to push ahead with our multi-brand strategy as both a full service airline and a low-cost carrier under our new holding company structure."

### Consolidated Financial Performance

unit: billion yen (rounded down)

	FY 2012	FY 2011	Difference	% Comparison	4Q/ FY 2012	Difference from 4Q/ FY 2011
Operating revenues	1,483.5	1,411.5	+ 72.0	+ 5.1	351.4	+ 9.7
Operating expenses	1,379.7	1,314.4	+ 65.2	+ 5.0	355.1	+ 19.3
Operating income	103.8	97.0	+ 6.8	+ 7.0	-3.6	- 9.5
Non-operating income/ loss (net)	- 26.8	- 28.5	+ 1.7	-	-8.4	+ 0.4
Recurring profit	76.9	68.4	+ 8.5	+ 12.4	-12.1	- 9.1
Extraordinary gains/ loss (net)	- 6.0	- 5.0	- 1.0	-	-5.3	+ 0.1
Net income	43.1	28.1	+ 14.9	+ 53.1	-9.0	- 3.4

## Performance by business segment (consolidated)

unit: billion yen (rounded down)

	FY2012		FY2011		Difference		4Q/ FY2012		Difference from 4Q/ FY2011	
	Operating revenues	Segment results *1	Operating revenues	Segment results	Revenue	Segment results	Operating revenues	Segment results	Revenue	Segment results
Air Transportation	1,323.5	94.0	1,262.5	88.4	+ 60.9	+ 5.5	312.7	- 4.3	+ 7.7	- 9.2
Travel Services	161.0	4.4	158.9	3.9	+ 2.0	+ 0.5	37.3	+ 0.1	- 2.1	- 0.0
Others	148.8	5.4	138.4	4.1	+ 10.3	+ 1.2	37.2	+ 0.6	+ 2.3	+ 0.0

\*1 Operating income/loss in each business is applied to segment profits.

## Divisional Performance

### Domestic Passenger Services

Domestic passenger revenues rose by 14.4 billion yen to 665.9 billion yen, an increase of 2.2% compared to a year earlier.

Although the domestic passenger business was affected by the grounding of our Boeing 787 fleet from January, passenger numbers increased from the previous period owing to efforts to stimulate demand through new affordable airfares such as the *Tabiwari 55*, the *Premium Tabiwari 28*, and the *Experience JAPAN Fare*, a domestic airfare targeting overseas residents, in addition to the firm trend in business and leisure demand.

The domestic route network was enhanced with the establishment of new Narita-Niigata, Itami-Fukushima, and Haneda-Iwakuni routes, and resumption of the Fukuoka-Miyazaki/Sendai, Sapporo-Okinawa, Hiroshima-Sapporo, Kansai/Chubu/Miyako-Ishigaki, and Haneda-Ishigaki routes.

Our onboard food and beverages were further improved and we also introduced new seats on Premium Class and Standard Class. A new ANA Lounge was opened at Okayama Airport, and the lounges at the Kumamoto, Kansai, and Itami airports were also renovated while new services such as free digital content were launched.

Domestic Air Transportation (consolidated)	FY 2012	FY 2011	Difference	% Comparison
Revenue (billion yen)	665.9	651.5	+ 14.4	+ 2.2
Number of passengers (thousand)	41,089	39,020	+ 2,068	+ 5.3
Available seat km (million)	58,508	56,756	+ 1,752	+ 3.1
Revenue passenger km (million)	36,333	34,589	+ 1,743	+ 5.0
Passenger load factor (%)	62.1	60.9	+ 1.2	-

## International Passenger Services

International passenger revenue rose by 28.2 billion yen to 348.3 billion yen, an increase of 8.8% compared to a year earlier.

Leisure demand on international routes remained steady, primarily around the August *Obon* holidays and the year-end/New Year period, while business demand also remained firm. New affordable airfares such as the *ANA 60th Anniversary Eco-wari Youth* and the *Eco-wari Home Visit* were launched and the "Is Japan Cool?" campaign for inbound travelers was rolled out in an effort to stimulate demand. As a result, passenger numbers rose strongly from the previous year, despite the decline in demand on routes to China in the second half of the year, and the grounding of the Boeing 787 in the final quarter.

ANA sought to capture an increased share of connecting passengers on routes between Asia and North America by improving transit arrangements while expanding its network by establishing new routes from Narita to Seattle from July (daily flights suspended from March 31), and Narita-Yangon/Delhi from October, as well as the Narita-San Jose route (daily flights suspended from January 18), and by adding flights to the Narita-New York route.

The joint venture with Lufthansa became fully operational in April 2012, enabling both airlines to set common fares and improve service and convenience for passengers. ANA also launched its new international Premium Economy Class service from June.

International Air Transportation (consolidated)	FY 2012	FY 2011	Difference	% Comparison
Revenue (billion yen)	348.3	320.0	+ 28.2	+ 8.8
Number of passengers (thousand)	6,276	5,883	+ 393	+ 6.7
Available seat km (million)	37,947	34,406	+ 3,540	+ 10.3
Revenue passenger km (million)	28,545	25,351	+ 3,194	+ 12.6
Passenger load factor (%)	75.2	73.7	+ 1.5	-

## Cargo Services

Domestic cargo revenue declined by 1.0 billion yen to 32.2 billion yen, down 3.1% from the previous period, and international cargo revenue fell 1.3 billion yen to 86.5 billion yen, a 1.6% decrease from the previous period.

Growth in domestic cargo demand suffered during the first half, affected by inclement weather and major typhoons, and the absence of the rebound in demand following the Japan earthquake that was experienced the previous year. Demand remained firm for home delivery parcel services originating from Tokyo and fresh food deliveries originating from Hokkaido from October onward; however transport volume and revenues for the period fell below last period, owing in part to a decline in demand for home delivery parcel services from January this year onward due to intensifying competition from land transport.

International cargo demand on flights from and to Japan declined substantially due to the drawn-out economic crisis in Europe and the strong yen. Under these conditions, while ANA actively engaged in cross-trade between third-party countries including from Europe/U.S. to Asia/China, from Asia/China to Europe/U.S., and cargo within the Asian region through its Okinawa cargo hub in

conjunction with the expansion of its network, revenues for the current period fell below those of last period due to a substantial decline in unit prices despite the rise in cargo volume this period compared to last period.

Cargo (consolidated)		FY 2012	FY 2011	Difference	% Comparison
Domestic	Revenue (billion yen)	32.2	33.2	- 1.0	- 3.1
	Freight carried (thousand tons)	463	467	- 3	- 0.8
	Ton km (million)	460	464	- 4	- 0.9
International	Revenue (billion yen)	86.5	87.9	- 1.3	- 1.6
	Freight carried (thousand tons)	621	570	+ 50	+ 8.9
	Ton km (million)	2,469	2,239	+ 230	+ 10.3

### Other Services

Other revenues for the air transport business increased due to a rise in consignment handling revenues. The additional booking of revenues from AirAsia Japan led to revenues of 182.9 billion yen for the current period, a 12.3% increase over the 162.8 billion yen from the previous period.

AirAsia Japan is based at Narita and began operating on domestic services in August, with international routes beginning in October. It also launched a Fukuoka route with the Chubu (Nagoya) International Airport as its second base in March of this year. As of March 31, AirAsia Japan was operating a total of 20 flights with four Airbus A320 aircraft: Narita-Sapporo/Fukuoka/Okinawa, Chubu-Fukuoka, and Narita-Seoul (Inchon)/Busan. During the year AirAsia Japan carried 340,000 passengers on domestic routes, achieving a passenger load factor of 63.9% whilst on international routes, 60,000 passengers were carried resulting in a load factor of 61.9%.

### Outlook for FY2013 (April 1, 2013 - March 31, 2014)

- Improvements in overseas markets coupled with economic and fiscal measures have improved corporate sentiment, and the group therefore anticipates a gradual economic recovery. Set against this, however, it also faces increased challenges from deregulation, intensified competition from domestic Japanese and international airline competitors and other modes of transportation and the full-scale entry of low-cost operators into the market.
- In this environment, ANA will continue to strengthen its cost-competitiveness and financial position and leverage its multi-brand strategy. As outlined in its latest FY2013-2015 Corporate Strategy, ANA also plans to diversify into other aviation-related businesses, in particular in the growth areas of Asia, as well as looking for opportunities for our ANA and low-cost brands in the airline sector. ANA also expects to benefit from the return to service of its Boeing 787 Dreamliner fleet. On April 26, the Ministry of Land, Infrastructure, Transport and Tourism amended its Technical Circular Directive for the 787 enabling ANA to bring the aircraft back into operation. ANA's priority will be to restore the trust and confidence of our passengers in the safety and performance of the Dreamliner.

Given the above, ANA Group's forecast for consolidated operating results for the fiscal year ending March 2014 are as follows. Dividends are projected at 4 yen per share.

unit: billion yen (rounded down)

Outlook	Forecast for FY2013	FY2012 Results	Difference
Operating Revenues	1,610.0	1,483.5	126.5
Operating income	110.0	103.8	6.2
Recurring profit	80.0	76.9	3.0
Net income	45.0	43.1	1.8

Notes for Editors:

- All financial information is prepared on the basis of accounting principles generally accepted in Japan
- All financial information is not audited and provided for reference only
- All percentages are rounded off; all other figures including monetary figures are rounded down
- All comparisons are year-on-year
- All figures are given on a consolidated Group basis  
(57 consolidated subsidiaries and 19 equity method affiliates)

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### **About ANA Holdings Inc.**

ANA Holdings Inc. is an aviation group with global operations and a total of 57 consolidated subsidiaries and 19 affiliates spanning passenger and cargo operations as well as airline-related business such as catering and IT services.

ANA Holdings Inc. was formed in April 2013 and is the parent company of the full-service carrier ANA and AirAsia Japan. It also owns a 38.6% stake in Peach, the low-cost carrier based in Kansai Airport. ANA Holdings Inc. promotes a multi-brand strategy to leverage the strength of ANA brand and stimulate demand in markets complementary to its full-service airline offering enabling it to expand market share for the Group as a whole and enhance value.

ANA Holdings Inc. has 235 aircraft flying to 32 international destinations and 50 domestic cities, carrying more than 43 million passengers each year. It is number one in Asia and eighth in the world, based on revenue. The goal of ANA Holdings Inc. is to be the world's leading airline group for customer satisfaction and value creation.