

ANA HOLDINGS Financial Results for FY2014

TOKYO, April 30, 2015 – ANA HOLDINGS (hereafter “ANA HD”) today reports its consolidated financial results for fiscal year 2014 (April-March).

Highlights

- ANA HD today reported an increase in revenues and profits for FY2014, driven by further expansion of the group's international route network, tight cost control and the continued gradual recovery of the Japanese economy.
- In the period, operating revenues increased by 9.1% to a record ¥1,713.4 billion, driven by strong growth in international passenger services with operating income rose by 38.7% at ¥91.5 billion. This resulted in an improvement in net income which rose by 107.8% to ¥39.2 billion.
- ANA strengthened its networks by taking advantage of the increase in takeoff and landing slots for international routes at Haneda Airport last spring, and continued to develop its Tokyo dual-hub airport strategy.
- ANA received SKYTRAX's highest 5-Star rating for 3rd consecutive year. ANA, as Japan's only 5-Star rated airline, also worked to further improve airport and in-flight services for passengers.
- ANA HD continued to implement its Mid-term Corporate Strategy for FY2014-2016 in order to achieve profitability, enhance our business foundations and progress on cost restructuring to improve competitiveness.
- Planned dividend of ¥ 4 per share for FY2014.

Consolidated Financial Performance

Unit: billion yen (rounded down)

	FY2014	FY2013	Difference	% Comparison	4Q/ FY2014	Difference
Operating revenues	1,713.4	1,570.1	+143.3	+9.1	416.2	+35.3
Operating expenses	1,621.9	1,504.1	+117.7	+7.8	413.9	+30.0
Operating income/loss	91.5	65.9	+25.5	+38.7	2.2	+5.3
Non-operating income/ loss (net)	-24.4	-23.0	-1.3	-	-9.6	-2.0
Recurring profit/loss	67.1	42.9	+24.2	+56.4	-7.4	+3.2
Extraordinary gains/ loss (net)	10.8	-6.5	+17.3	-	-0.8	+7.9
Net income/loss	39.2	18.8	+20.3	+107.8	-13.1	+1.3

Performance by business segment

Unit: billion yen (rounded down)

	FY2014		FY2013		Difference		4Q/FY2014		Difference	
	Operating revenues	Operating income	Operating revenues	Operating income	Operating revenues	Operating income	Operating revenues	Operating income	Operating revenues	Operating income
Air Transportation	1,484.6	81.6	1,364.3	65.3	+120.2	+16.3	360.3	3.3	+29.8	+0.6
Airline Related	223.7	9.0	189.6	2.7	+34.1	+6.2	53.2	-0.4	+5.8	+3.0
Travel Services	169.0	4.5	173.4	4.4	-4.4	+0.1	38.3	0.1	-1.5	-0.0
Trade and Retail	127.0	4.0	110.2	3.3	+16.7	+0.7	32.0	0.8	+4.5	+0.4
Others	32.5	1.6	30.1	1.3	+2.4	+0.2	9.0	0.2	+0.7	-0.1

Air Transportation

1. Domestic Passenger Services

- ANA recorded a year-on-year increase in both passenger numbers and sales revenue as a result of measures to stimulate demand including revisions to standard fares from July and the introduction of various discount fares such as “Tabi-wari”.
- ANA improved passenger convenience through measures to expand the group's network such as an increase in flight frequencies on routes departing and arriving at Haneda and Osaka (Itami) airports. ANA also balanced supply and demand better through the flexible use of different aircraft types.
- Passenger convenience and service was also improved through enhanced premium class services such as introduction of hot meals on flights from Haneda to Osaka (Itami), Sapporo and Fukuoka.

As a result of the above measures, domestic passenger revenues rose by ¥8.2 billion (up 1.2% year-on-year) thanks to the increase of passenger numbers by approx. 534 thousand to 43.2 million.

(Except for % comparison and passenger load factor, rounded down)

Domestic Air Transportation	FY2014	FY2013	Difference	% Comparison
Revenue (billion yen)	683.3	675.1	+8.2	+1.2
Number of passengers (thousand)	43,203	42,668	+534	+1.3
Available seat km (million)	60,213	61,046	-833	-1.4
Revenue passenger km (million)	38,582	37,861	+720	+1.9
Passenger load factor (%)	64.1	62.0	+2.1	-

2. International Passenger Service

- ANA achieved good year-on-year growth in both passenger numbers and sales revenues due to solid demand on long-haul international flights and increased inbound traffic mainly from China and the rest of Asia to Japan.

- ANA also took advantage of the slot expansion at Haneda, adding seven new routes from the summer flight schedule. Passengers are now able to fly from Haneda to London, Paris, Munich, Hanoi, Jakarta, Manila and Vancouver. In addition, more flights were added to routes from Haneda to Frankfurt, Singapore and Bangkok, to capture demand from business travelers who value the ease of access between the airport and central Tokyo, and transit demand from/to various Japanese cities.
- At Narita, a new flight to Dusseldorf was also added while existing flight schedules were adjusted to make international transits more convenient between Asian cities and North America.
- To improve our services as a full-service carrier, lounge at Haneda was refurbished and expanded. The ANA SUITE LOUNGE began offering a full-course Japanese and Western menu. ANA launched Japan's most comprehensive in-flight entertainment system for international flights to provide more than 300 channels with a variety of languages.
- Demand was further stimulated through the introduction of various discount fares including "Biz-wari" and "Eco-wari" on flights from Japan to a wide range of destinations.

As a result, revenue from international passenger services increased by ¥72.9 billion (up 18.5% year-on-year) while passenger numbers increased by approx 871 thousand to 7.2 million.

(Except for % comparison and passenger load factor, rounded down)

International Air Transportation	FY2014	FY2013	Difference	% Comparison
Revenues (billion yen)	468.3	395.3	+72.9	+18.5
Number of passengers (thousand)	7,208	6,336	+871	+13.8
Available seat km (million)	49,487	41,451	+8,035	+19.4
Revenue passenger km (million)	35,639	30,613	+5,025	+16.4
Passenger load factor (%)	72.0	73.9	-1.8	-

3. Cargo Services

- Domestic cargo revenues rose year-on-year as ANA captured demand from courier services and freight shippers connecting with international flights arriving at and departing from Haneda.
- International cargo services benefited from buoyant volumes on flights from Japan to North America and Asia as well as from Asia and Europe to Japan, and also strong demand from shippers in Asia and China to route cargo bound for North America and Europe via Japan. ANA also harnessed its Okinawa hub to intra-Asia cargo traffic and express service. As a result of these initiatives, both freight volume and revenue increased year-on-year.
- The cargo network was expanded through the introduction of a tenth cargo freighter. ANA also began joint venture with Lufthansa Cargo AG on flights from Japan to Europe.

As a result, revenue from domestic cargo services rose by ¥0.4 billion (up 1.5% year-on-year), and revenue from international cargo services rose by ¥20.0 billion (up 19.1% year-on-year).

(Except for % comparison, figures are rounded down)

Cargo		FY2014	FY2013	Difference	% Comparison
Domestic	Revenues (billion yen)	32.5	32.1	+0.4	+1.5
	Freight carried (thousand tons)	475	477	-1	-0.3
	Ton km (million)	476	473	+3	+0.7
International	Revenues (billion yen)	124.7	104.7	+20.0	+19.1
	Freight carried (thousand tons)	841	710	+131	+18.5
	Ton km (million)	3,608	2,937	+670	+22.8

4. Others

- Other Revenue from the Air Transportation business, which includes revenue from ANA's mileage program, Vanilla Air, in-flight sales and maintenance services for other airlines, was ¥165.9 billion (up 11.9% year-on-year).
- During the year, Vanilla Air added one domestic and two international; from Narita to Hong Kong and Kaohsiung in Taiwan. In addition, passenger convenience was improved with the introduction of a smartphone ticket reservation system. Vanilla Air carried approx. 1,141 thousand passengers, with a passenger load factor of 80.3%.

Airline Related, Travel Services, Trade and Retail and Others

- In Airline Related businesses, operating revenue for the period was ¥223.7 billion (up 18.0% year-on-year) and operating profit was ¥9.0 billion (up 228.7 % year-on-year), due to factors including an increase in contracts for ground support operations from other airlines at Haneda, Osaka (Kansai) and Okinawa airports.
- In Travel Services, operating revenue was down 2.5% on the prior year to ¥169.0 billion. However cost reduction measures helped drive a 3.1% improvement in operating income to ¥ 4.5 billion.
- In Trade and Retail, operating revenue for the period was ¥127.0 billion (up 15.2% year-on-year) and operating profit for the period was ¥4.0 billion (up 22.6% year-on-year) due to solid sales at airport duty-free stores and other airport stores bolstered by the increase in foreign visitors to Japan. Demand in the aviation and electronics businesses was also high.
- In Others, building maintenance contributed a solid performance, resulting in operating revenue of ¥32.5 billion (up 8.2% year-on-year) and operating income of ¥1.6 billion (up 18.8% year-on-year).

Outlook for FY2015 (April 2015 – March 2016)

- Japan's economy is expected to continue its gradual recovery as falling oil prices and the impact of various government policies have a beneficial impact.
- Under these economic conditions, ANA HD continues to implement its Mid-term Corporate Strategy for FY2014-2016, working to achieve our vision of becoming a "world-leading airline group" by building an optimum business portfolio and achieve further cost restructuring, with the aim of maximizing the group's profitability.
- ANA HD's core full-service carrier business will continue to develop its Tokyo dual-hub airport strategy and will further expand its international route network. For domestic services, ANA will balance supply and demand better through the flexible use of different aircraft types.

As a result of the above, the ANA HD consolidated business outlook for FY2015 is as follows. Note that ANA HD plans to pay a dividend of ¥5 per share.

Consolidated Financial Forecast

unit: billion yen (rounded down)

	Forecast for FY2015	FY2014	Difference
Operating revenues	1,790.0	1,713.4	+76.5
Operating income	115.0	91.5	+23.4
Recurring profit	90.0	67.1	+22.8
Net income	52.0	39.2	+12.7

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

About ANA HOLDINGS Inc.

ANA HOLDINGS is an aviation group with global operations and a total of 64 consolidated subsidiaries and 18 equity method affiliates. It is divided into passengers and cargo business segments as well as airline related business such as Catering and IT Services. ANA HD 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 HD has about 240 aircraft flying to 83 destinations and carrying about 47 million passengers. ANA is the largest airline in Japan by revenue and passenger numbers. Management vision of ANA HD is "Japan by cargo business s world's leading airline group in customer satisfaction and value creation." ANA is a member of Star Alliance.