

ANA HOLDINGS Management Strategy Update

TOKYO, April 28, 2017 - ANA HOLDINGS (hereafter “ANA HD”) today provides an update to its FY2016-2020 Mid-Term Management Strategy, set out in January 2016. ANA HD expects to achieve record profitability by FY2020 increasing profits from its core Full Service Carrier (FSC) airline business on international routes, maintaining market share in its domestic market, growing revenues significantly in its Low Cost Carrier (LCC) division and maintaining healthy growth in its cargo business. ANA Group intends to optimize its full business portfolio, and specifically its LCC businesses, including Peach (hereafter “Peach”), which was consolidated as a member of the ANA Group. ANA HD will also continue to implement rigorous cost management and accelerate operational improvements, strengthening preparations for the next stage of growth from 2020 onwards. This strategy underpins ANA Group’s vision to become the world's leading airline group for customer satisfaction and value creation.

Key highlights

- Reaffirm commitment to increasing both international passenger and cargo revenues by 40% by FY2020
- Revise growth projections for LCC division by FY2020 is a near 10 fold increase from FY2015 levels and 3x greater than projections set out in January, 2016
- Commitment to grow international seat capacity, with fleet size increasing from 268 now to 335 aircraft by FY2020 - an additional 35 aircraft compared with previous plans
- Maintain domestic mainline revenues and seat capacity at current levels

As a consequence of this, ANA HD remains confident of achieving its FY2020 operating income target of ¥200 billion.

Market context

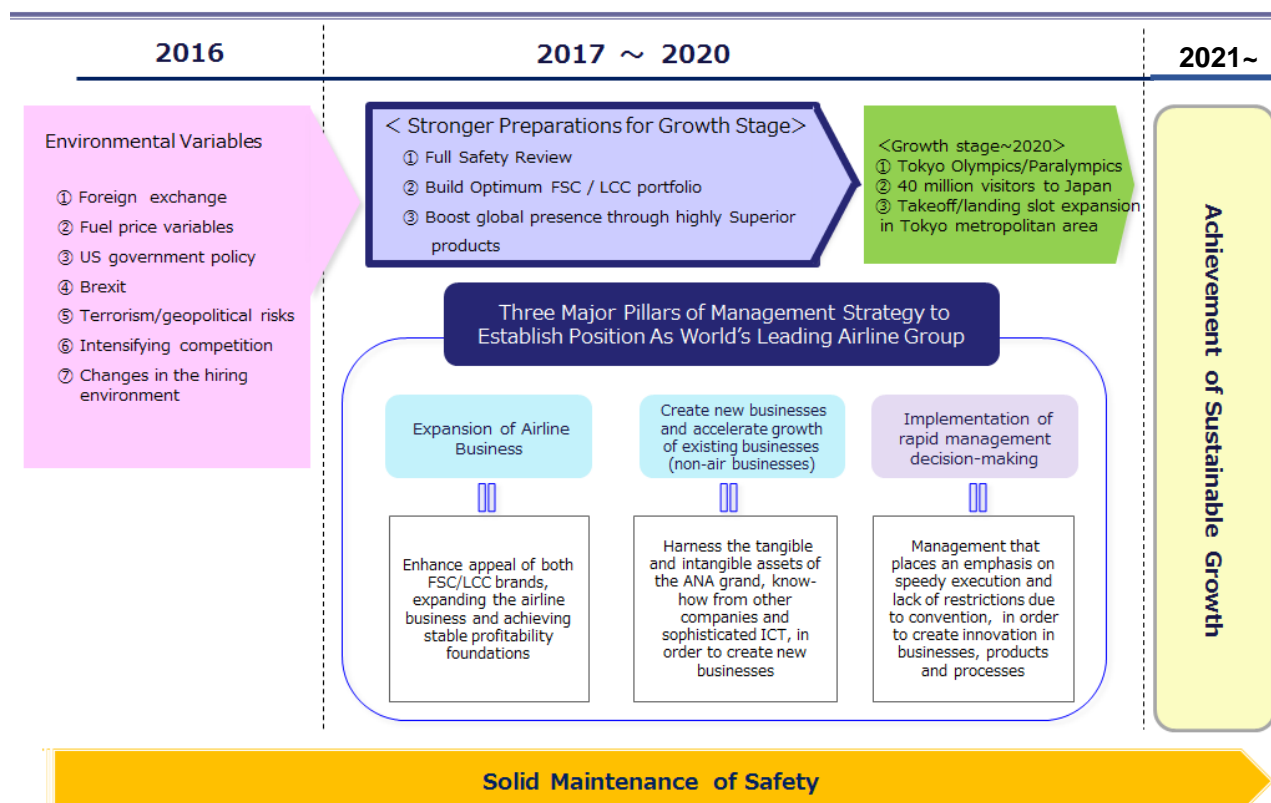
Current market conditions are conducive to ANA HD achieving significant growth, driven principally by the gradual expansion of the Japanese economy and growth in overseas economies, supporting demand for air travel and aviation related services. In addition, preparations are underway for the 2020 Tokyo Olympic and Paralympic Games, including the expansion of takeoff and landing slots at airports in the Tokyo Metropolitan Area, as well as initiatives to meet the government target of welcoming 40 million foreign visitors to Japan.

However, uncertainty in international markets remains difficult to predict, including rapid fluctuations in foreign exchange and crude oil markets, the rise of protectionism in the United States, the UK's departure from the European Union and geopolitical risks including those involving North Korea. In this environment, it is also expected that competition with other airlines and modes of transport will become increasingly intense.

ANA HD has established a robust corporate structure in order to respond quickly to changes in the global business environment and remains committed to delivering its key strategic pillars of "expanding the airline business" and "the creation of new businesses and the accelerated growth of existing businesses".

ANA HD will accelerate FSC/LCC multi-brand strategy together with Vanilla Air and Peach in order to prepare for the growth stage 2020 onwards. Also, ANA HD will further enhance service and operational quality and make continuous investment in personnel resources, foundation of international competitiveness.

Positioning of 2017 Rolling Plan

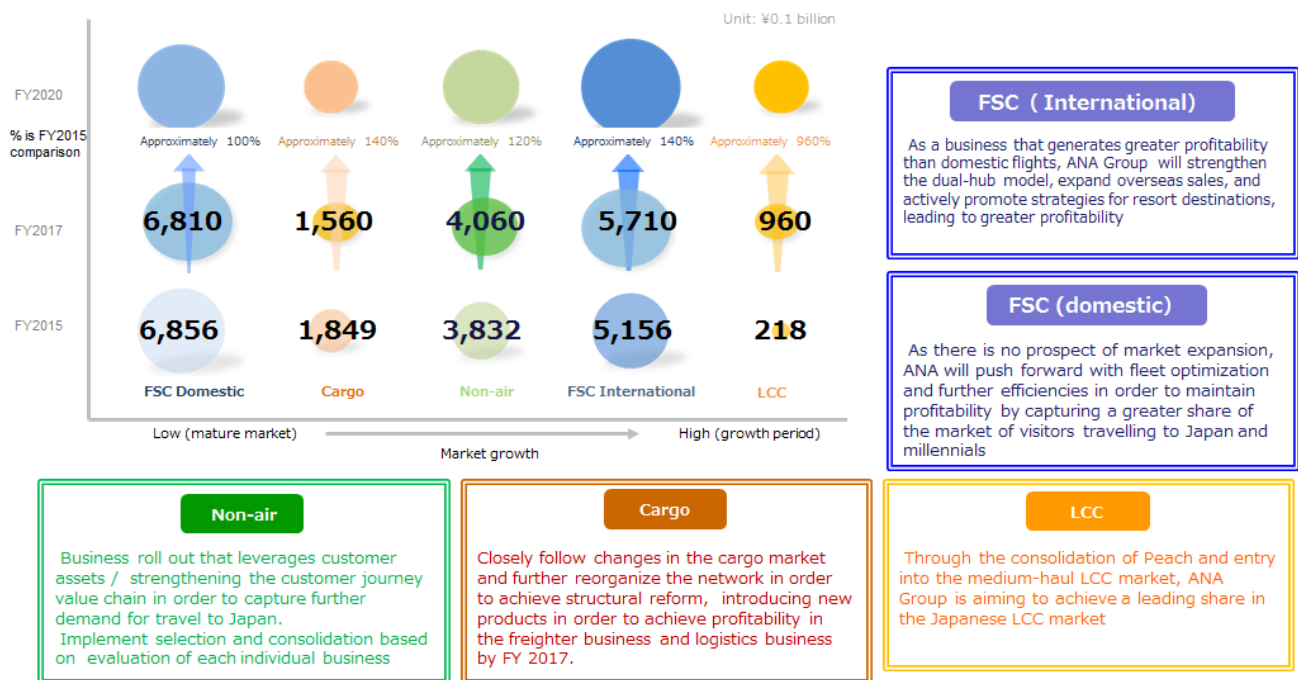


1. Overview

ANA HD is working to maintain the profitability of domestic passenger services as a FSC while also expanding other businesses and optimizing the business portfolio. Specifically, ANA HD is leveraging the recent consolidation of Peach to further grow its LCC business.

《Sales Revenue from Various Businesses》

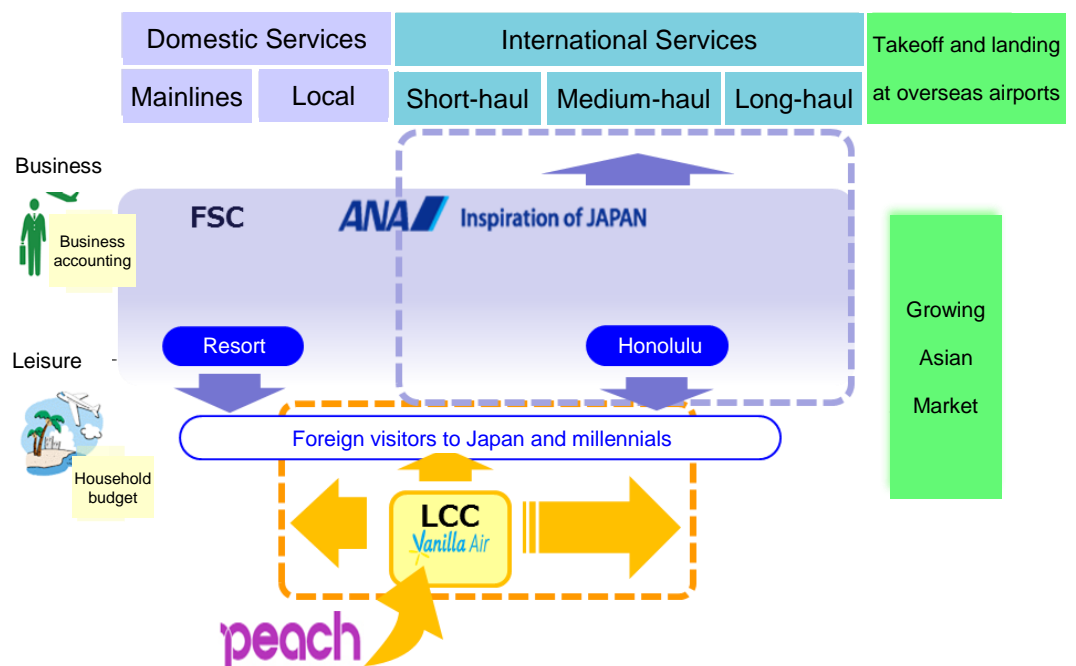
※The size of the bubble represents the scope of sales revenue



2. Summary of Business Strategies

(1) Expanding the Airline Business

ANA is focused on establishing solid, stable profitability by expanding its airline business, both FSC and LCC, and continuing to strengthen its leading brands - ANA, Vanilla



Air and Peach. As well as driving shareholder value, ANA Group as a whole will support travel and tourism in Japan, boosting the economy across Japan's regions. ANA is also focused on growth across Asia, through options including business and capital partnerships and entry into the medium-haul LCC market. The total size of the ANA HD's fleet, including the LCC business, is scheduled to increase from the current total of 268 aircraft to 335 aircraft by 2020.

① Full-Service Carrier (FSC) Business

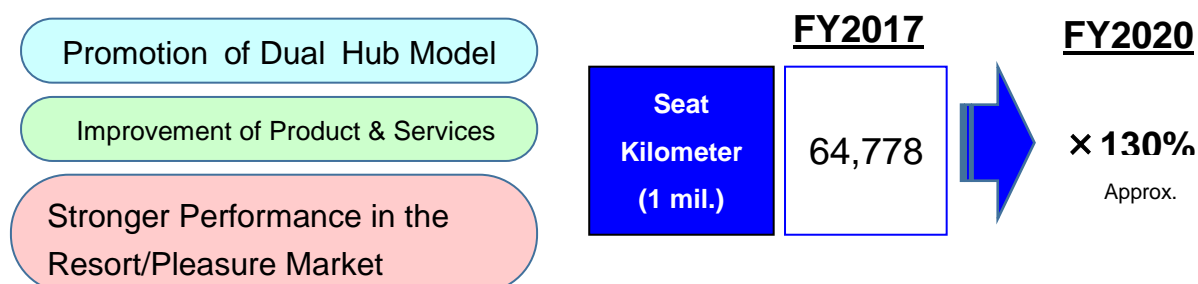
The FSC business is core to ANA HD's strategy. Management is focused on achieving the highest levels of quality, service and health and safety, in order to lead the market and to continue driving standards across the industry. ANA HD is investing in recruitment, staff and training in order to further enhance its credentials in these areas and to ensure staff are motivated and engaged. This will assist ANA HD in upholding the highest levels of customer satisfaction.

ANA HD is also proud to be involved in preparatory work for the 2020 Tokyo Olympics, specifically the expansion of takeoff and landing slots for airports in the Tokyo Metropolitan Area.

i) International Passenger Service Business

Preparations for the expansion of takeoff and landing slots at Tokyo Metropolitan Area Airports In 2020; Further engagement in the resort and pleasure market

ANA HD employs a dual-hub strategy, providing customers with increasingly convenient timetables for flights into Haneda and Narita Airports. This includes utilization of late night and early morning slots at Haneda, as well as the sequential introduction of the latest advanced aircraft including the A320neo, B777-9X and B787-10. ANA will also be introducing B787-9 aircraft equipped with fully-flat seats in business class on routes to Honolulu, where demand for resort travel is extremely strong. It is also accelerating preparations for the introduction of the A380 in 2019 as well as rolling out new products and services to further enhance the passenger experience. ANA HD is also working with ANA Sales to stimulate further travel demand and capture demand for travel from Asia.

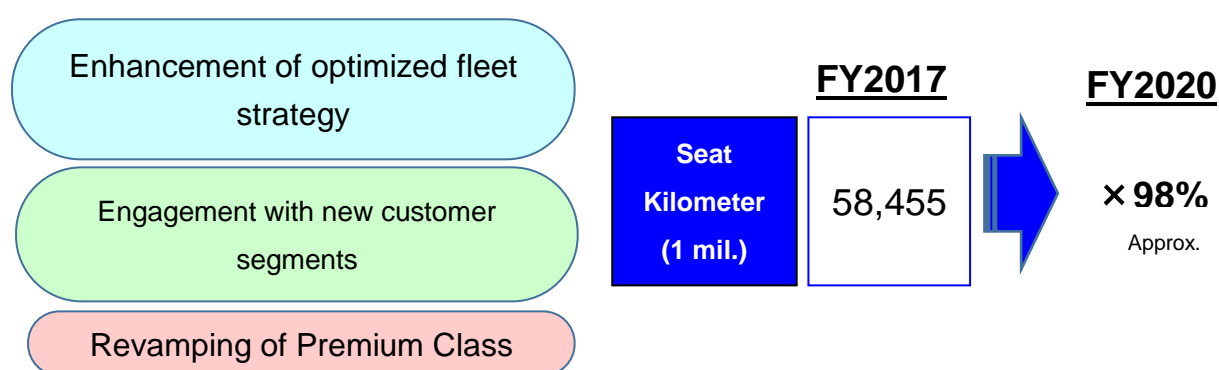


ii) Domestic Passenger Services Business

Maintaining market share, enhancing efficiency and developing new customer segments

During FY2017, ANA HD will further work to increase load factors by fine-tuning to match aircraft deployment to booking patterns. This is designed to maintain and improve profitability. This strategy will be supported by the introduction of four A321 neo during FY2017.

ANA is enhancing its Premium Class and focused on providing a stress-free travel experience and improving comfort for all passengers. As well as targeting demand from millennials, in order to secure the passengers of the future, ANA will continue to focus on capturing demand from overseas nations travelling to Japan.

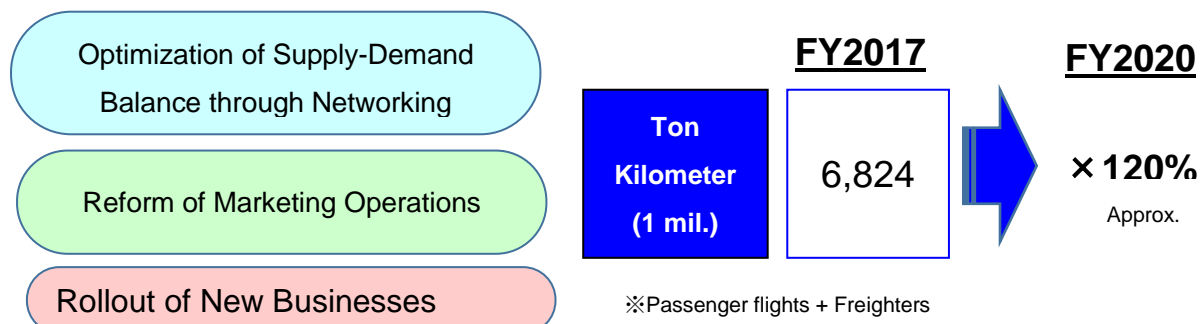


iii) Cargo Business

Optimizing supply-demand balance by reorganizing freighter network and expanding cross-border EC business

In FY 2017, ANA HD will further optimize the supply-demand balance (reducing the available cargo volume by 10% compared to the prior year) through the reorganization of the freighter network in line with the ongoing recovery in cargo demand. ANA HD will also aim to achieve profitability in the freighter business through improved efficiencies, such as strengthened organizational structures overseas and enhanced technology, as well as targeted marketing campaigns.

In October 2017, OCS, a logistic company of ANA Group will open a new logistic center in Tatsumi, Tokyo to enable ANA to provide a seamless logistics service. ANA HD will work with ANA Cargo to promote the borderless EC businesses, rolling out logistics services across Asia.



② LCC Business

Achieve leading market share in the LCC business for Vanilla Air and Peach;
transforming LCCs into the fourth core business

Although competition in the global LCC market is increasing, in Northeast Asia there is potential for further market growth and expansion. ANA HD benefits from the independent brands of Vanilla Air and Peach, which provide a service distinct from FSCs. This allows ANA to tap into previously unrealized domestic demand and provides options for international travelers looking to explore Japan.

i) **Vanilla Brand**

In fiscal year 2017, three additional small aircraft will be added to the fleet (totaling 15 aircraft) and the domestic network will be further strengthened from Narita Airport. Revenue management will be strengthened in order to improve profitability.

ii) **Peach Brand**

Peach intends to add two small aircraft in FY2017 (totaling 20 aircraft), before expanding into new destinations including Sendai and Shin Chitose, Hokkaido. Peach will also contribute to the revitalization of Japan's regions by focusing on non-aviation businesses.

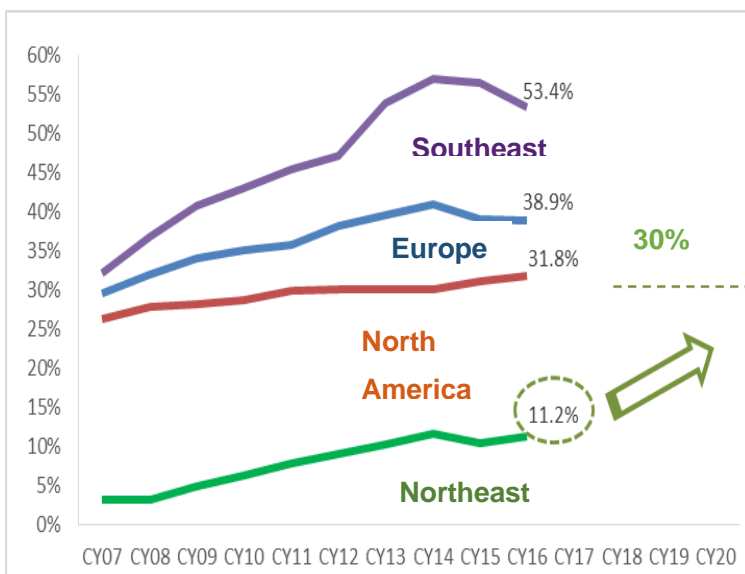
Improve profitability on existing routes

Expand into new airports (Sendai, Shin-Chitose, Hokkaido)

Consider entry into medium-haul
LCC market

Contribute to regions through roll out of "Kansai Model"

Pursue efficiencies through so coordination between LCCs
(facilities, infrastructure, maintenance and operations)



<<Vanilla Air>>

FY2017

Seat Kilometer (1 mil.)	4,980
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FY2020

× 220%
Approx.

<<Peach>>

FY2017

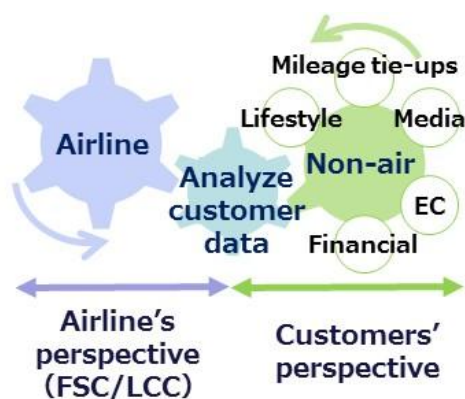
Seat Kilometer (1 mil.)	7,800
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FY2020

× 220%
Approx.

(2) Creation of New Business and Acceleration of Growth in Existing Businesses (Non-Air Business)

Business Development Leveraging Passenger Assets - and Further Strengthening of Work to Capture Consumption by Visitors to Japan



The creation of new businesses will continue to contribute to the group's future profitability through:

"Maximum utilization of the tangible and intangible assets of the ANA Group", "Harnessing know-how from other companies", and "Use of new technologies such as ICT". By harnessing on the customer base of the ANA Group, and with a focus on everyday activities, ANA HD will aim to maximize the lifetime value of its customers according to each customer's consumption patterns and stage of life.

ANA will also accelerate the selection and consolidation of existing businesses

3. Value Creation Targets

Record profit target, driven by expansion of the airline business and cost management

In FY 2017, ANA HD is aiming to achieve record profitability through increased profits in the core businesses of FSC international routes, LCCs and the cargo business, as well as to the implementation of rigorous cost management. In addition, ANA HD will accelerate operational developments to position ANA HD for further growth beyond FY2020. ANA HD's target are set out below.

	FY16 Actual	FY17 Target		FY20 Target (※)
Operating Revenue	¥1,765.2 billion	¥1,910.0 billion		¥2160.0 billion
Operating Income	¥145.5 billion	¥150.0 billion		¥200.0 billion
Operating Income Ratio	8.2%	7.9%		9.3%
ROE	11.6%	12.9%		9.8%
ROA	6.5%	6.4%		7.6%

(※) FY20 Target released on JAN 29, 2016 has been maintained

ANA HD's shareholder return policy is to provide increasing returns, whilst retaining earnings sufficient to fund active investment in future growth strategies, and appropriate to cash flow levels and accumulated shareholder capital.

Note that in FY 2017, dividend share is planned to be 6 yen and that during the period of this medium-term strategic plan, ANA Group is considering increasing dividends and purchasing treasury stock.

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About ANA HOLDINGS INC.

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."