

This document was originally prepared in Japanese, and the Japanese version shall prevail over any translation thereof. This English translation has been prepared solely for reference purposes.

This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the latter shall prevail in all respects.

To Our Shareholders,

I would like to take this opportunity to express my sincere appreciation for all of our shareholders' continued interest in and support for the ANA Group. We are sending you the notice of convocation for our 72nd Ordinary General Meeting of Shareholders.

The fiscal year ended March 2017 was a year in which the global economy experienced shock waves due to Britain's withdrawal from the EU (so-called "Brexit"), the start of the Trump administration in the U.S., and higher geopolitical risks in the Middle East and other regions. In such environment, our core Air Transportation business (especially international business) enjoyed a good performance by steadily capturing the increased demands, and we had a record-high operating income, ordinary income and net income attributable to owners of ANA HOLDINGS INC.

For the fiscal year ending March 2018, we will firmly continue our efforts to "expand airline business domains" and "create new business and accelerate the growth on existing businesses", which are the pillars of the FY 2016-2020 ANA Group Corporate Strategy drew up in January 2016. By implementing a proactive and speedy management, we will strive to achieve the value creation targets as adjusted to the consolidation to the Peach Aviation Limited (the LCC business) and recent worldwide political and economic changes.

Keeping safety as our top priority, by leveraging our quality as evidenced from our having awarded with the highest rating of "5 STAR" for its customer satisfaction for five years in row by SKYTRAX, UK based company (which is an international air transport rating organization), we aim to become the leading airline group and thereby increase the Group revenues in all of our businesses consisting of Air Transportation, Airline Related, Travel Services, Trade and Retail businesses and other businesses.

We sincerely ask for your ongoing support for the ANA Group.

Shinya Katanozaka, President & Chief Executive Officer

Dear Shareholders

Shinya Katanozaka
President & Chief Executive Officer
ANA HOLDINGS INC.
5-2, Higashi-Shimbashi 1-chome
Minato-ku, Tokyo 105-7140, Japan

Notice of the 72nd Ordinary General Meeting of Shareholders

We sincerely appreciate all our shareholders' continued interest in and support for the ANA Group. We are pleased to announce that the 72nd Ordinary General Meeting of Shareholders will be held as below. We would highly appreciate your attendance at the meeting.

In the event that you will not be able to attend the meeting, you can exercise your voting rights either in writing or through the Internet, etc. To do so, please read the Supplementary Information for General Meeting of Shareholders enclosed herewith and then exercise your voting rights of this Notice by no later than June 22, 2017 (Thursday), 6:00 PM (Japan Standard Time).

Guidance Notes on Exercise of Voting Rights



If you are to attend the meeting and exercise the voting rights:

Date of the Meeting: June 23, 2017 (Friday), 10:00 AM , reception starts from 8:30 AM (Japan Standard Time)

Please **bring and submit** the Form for Exercise of Voting Rights **at the reception desk on the day of the Meeting.**

* Please bring this convocation notice also for material purposes.



If you are to exercise the voting rights by way of postal mail:

Due date of exercise: Forms that arrive by no later than June 22, 2017 (Thursday), 6:00 PM (Japan Standard Time)

Please read the directions described in the Form for Exercise of Voting Rights enclosed herewith, mark your approval or disapproval of each resolution, cut off the unnecessary section and then post the Form after pasting the personal information protection seal thereonto.



If you are to exercise the voting rights through the Internet:

Due date of exercise: Acceptable until June 22, 2017 (Thursday), 6:00 PM (Japan Standard Time)

Please enter your approval or disapproval of each resolution on our website for exercising the voting right at <http://www.web54.net>.

► For more details, see "Guidance Notes on the Exercise of Voting Rights through the Internet, Etc."

General Information of the Meeting

1. Date:	June 23, 2017 (Friday), 10:00 AM (Japan Standard Time) (reception desk will be open at 8:30 AM)
2. Location:	Grand Prince Hotel New Takanawa, International Convention Center PAMIR; 13-1, Takanawa 3-chome, Minato-ku, Tokyo
3. Objectives:	<p>Matters to be reported:</p> <ul style="list-style-type: none"> (a) Business Report, Consolidated Financial Statements, and the Results of Audit of Consolidated Financial Statements by Independent Auditors and the Audit & Supervisory Board for the 67th fiscal year (from April 1, 2016 to March 31, 2017). (b) Non-consolidated Financial Statements for the 67th fiscal year (from April 1, 2016 to March 31, 2017). <p>Matters to be resolved:</p> <ul style="list-style-type: none"> 1. Appropriation of Surplus 2. Share Consolidation 3. Partial Amendment to the Articles of Incorporation 4. Election of 10 Directors of the Company 5. Election of 2 Audit & Supervisory Board Members of the Company
4. Note on Exercise of Voting Rights	<ul style="list-style-type: none"> • If you exercise your voting rights twice, both in writing and through the Internet, etc., only the exercise through the Internet, etc., will be counted. • If you exercise your voting rights more than once through the Internet, etc., only the last exercise will be counted. • If you have a proxy to attend the General Meeting of Shareholders on your behalf, the proxy must be a shareholder of the Company who has voting rights in the Company. The proxy shall be no more than one person. In order to attend the General Meeting of Shareholders, the proxy is required to hand in at the reception desk, a written instrument

	evidencing the proxy's power of representation.
5. Note on Online Disclosure	<ul style="list-style-type: none"> In accordance with the applicable laws and regulations and Article 17 of the Articles of Incorporation of the Company, the following documents (which are part of the documents to be provided to shareholders) are not included in this Notice as they are disclosed online on our website: (1) Notes to Consolidated Financial Statements; and (2) Notes to Non-consolidated Financial Statements
6. Method of Making an Announcement to Shareholders	<ul style="list-style-type: none"> Upon the occurrence of any event which may cause an amendment to the Supplementary Information for General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, no later than the day before the General Meeting of Shareholders, we will make an announcement in writing by mail or on our website.
7. Company website	http://www.ana.co.jp/group/en/investors/

END

[If you are to attend the meeting and exercise your voting rights]

► We would appreciate it if you could come ahead of time to avoid last-minute congestion (The reception desk will be open at 8:30 AM.).

► Please note in advance that we do not distribute any gifts at the day of the meeting.

Guidance Notes on the Exercise of Voting Rights through the Internet, Etc.

The exercise of voting rights through the Internet is allowed only through access to the following designated website:

[Website URL for exercising voting rights] <http://www.web54.net>

Access procedures:

Step 1: Access to the website for exercising voting rights → Click "Next"

(Translation of the message on the screen)

[Welcome to our website for exercising voting rights!

- Click "Exercise of Voting Rights through the Internet, Etc." below and read the instructions carefully before using this website.
- If you agree to the instructions described above, please click "Next" and use this website.]

Step 2: Log in → Enter "Code for Exercise of Voting Rights" indicated on the Form for Exercise of Shareholder Voting Rights and click "Login." When accessing for the first time, it will move on to the password change screen.

(Translation of the message on the screen)

[Login

- Enter "Code for Exercise of Voting Rights" indicated on the Form for Exercise of Shareholder Voting Rights and click "Login."
- "Code for Exercise of Voting Rights" is written on the right-hand side of the Form for Exercise of Shareholder Voting Rights (If you had received the convocation notice by email, it is described in the main text of the same email).]

Step 3: Entry of password → Enter the password indicated on the Form for Exercise of Voting Rights and click "Next"

(Translation of the message on the screen)

[Password authentication

- Enter the password and click "Next."
- If you are using software keyboards, click onto the link at the right.
- If you forgot your password, please click here.]

→ Please continue by following the directions on the screen and enter your approval or disapproval of each resolution.

Inquiries on this website	Inquiries concerning account in a security firm
Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department Web Support Service Hotline 0120 (652) 031 (9:00 AM to 9:00 PM / Japan Standard Time, domestic calls only)	If you have any account in a security firm in Japan, please contact the security firm. If you have any special account, please contact the following: Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department Administration Center 0120 (782) 031 (9:00 AM to 5:00 PM, weekdays / Japan Standard Time, domestic calls only) * Any requests for various forms concerning special accounts can be made via "Request for procedural forms" on the website of Sumitomo Mitsui Trust Bank, Ltd. (http://www.smtb.jp/personal/agency/request/) or by calling 0120-782-031 (9:00 AM to 5:00 PM, weekdays / Japan Standard Time, domestic calls only)

Handling of Exercise of Voting Rights

- ▶ If you exercise your voting rights through the Internet, please enter your approval or disapproval of each resolution, by using the Code for Exercise of Voting Rights and the password indicated on the Form for Exercise of Shareholder Voting Rights enclosed herewith, and following the directions on the screen.

Due date of exercise of voting rights:

Acceptable until June 22, 2017 (Thursday), 6:00 PM (Japan Standard Time)

To all institutional investors:

Institutional investors may exercise their voting rights for this meeting by electromagnetic means at the Ordinary General Meeting of Shareholders through the "Electronic Voting Platform" operated by ICJ, Inc.

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Supplementary Information for General Meeting of Shareholders

Item 1: Appropriation of Surplus

We would like to seek approval for the appropriation of surplus as follows:

Matters concerning the distribution of year-end surplus:

We recognize a return to our shareholders as a key management priority and intend to enhance distribution, while securing funds for any growth investment in aircrafts and others in preparation for future business expansion taking into account the free cash flow level, and maintaining a sound finance as a precondition.

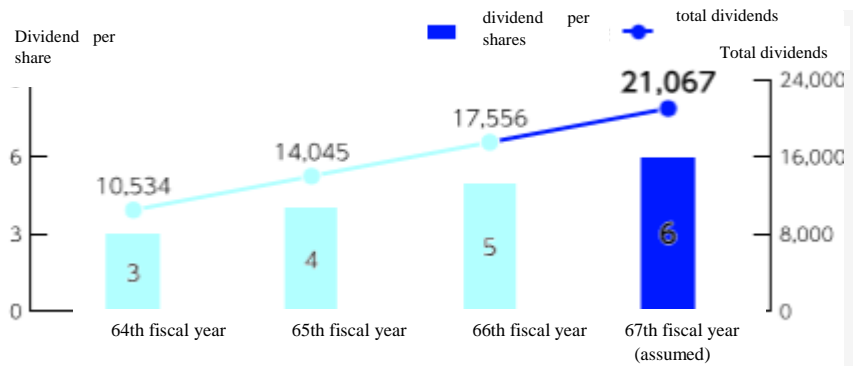
Our operating revenue decreased mainly in the Air Transportation business, due to decrease in revenues from fuel surcharges following declining fuel prices and decrease in yen-denominated revenues of foreign-currency revenues following appreciation of yen. Meanwhile, regarding costs, as a result of appreciation of yen, decline in fuel prices, and our cost management efforts, all of our operating income, ordinary income, and our net income attributable to owners of ANA HOLDINGS INC increased.

As detailed below, we would like to propose that the amount of dividend for the fiscal year under review be set at 6 yen per share, taking comprehensively into consideration various factors such as our business performance and financial condition during the period, and the future business environment.

(1) Allocation of dividend to shareholders and the total amount thereof	6 yen per ordinary share of the Company Total: JPY 21,067,629,702
(2) Date when cash dividends paid becomes effective	June 26, 2017

<Reference>
Change of dividends per share
(in yen)

Change in total dividends
(in million yen)



Item 2: Share Consolidation

1. Reason why share consolidation is necessary

The Japanese Stock Exchange released the "Action Plan for Consolidating Trading Units" and is aiming to unite the trading unit (share unit (*Tangen-Kabu*)) of domestic listed common stocks to 100 shares. As a company listed in the Tokyo Stock Exchange, the Company pays due respect to this purport. Accordingly, the Company will change the Company-specified unit of its ordinary shares from 1,000 shares to 100 shares, and also conduct the share consolidation in order to maintain the price level per trading unit that is desirable according to the Japanese Stock Exchange (i.e. JPY 50,000 or more and below JPY 500,000) even after the change in the Company-specified unit described above.

2. Ratio of share consolidation

The Company's ordinary shares are consolidated at the rate of 10:1. Any fractions less than one share as a result of the share consolidation will be collectively sold and disposed by the Company pursuant to the provisions of the Companies Act. Any proceeds therefrom will be distributed to the shareholders of such fractional shares in accordance with their holding ratio of such fractions.

3. Effective date of share consolidation

October 1, 2017 (Sun.)

4. Total number of authorized shares as of effective date

510,000,000 shares

As a result of the share consolidation under this Item 2, the Company will be deemed to have amended its Articles of Incorporation regarding the above-mentioned total number of authorized shares as of the effective date of such share consolidation pursuant to Article 182, Paragraph 2 of the Companies Act.

[Reference: Amendment to the Articles of Incorporation]

(amended sections are underlined)

Current Articles of Incorporation	After amendment
Chapter II SHARES	Chapter II SHARES
Article 6 (Total number of authorized shares) The total number of authorized shares shall be <u>5,100,000,000</u> shares.	Article 6 (Total number of authorized shares) The total number of authorized shares shall be <u>510,000,000</u> shares.

5. Details of consolidation and effect thereof

On October 1, 2017, the ordinary shares will be consolidated at the rate of 10:1 based on the number of shares owned by the shareholders recorded in the final shareholder register as of September 30, 2017. The total number of issued and outstanding shares of the Company will be reduced to one-tenth as a result of the share consolidation, but since the Company's net assets and other data will not change before and after the share consolidation, the net asset value per share will increase by tenfold. Accordingly, the asset value of the Company shares owned by our shareholders will not change unless otherwise due to stock market condition or any other variable factors.

6. Other

The share consolidation under this Item is subject to the approval and adoption of Item 3: Partial Amendment to the Articles of Incorporation.

Item 3: Partial Amendment to the Articles of Incorporation

1. Reason of amendment

(1) Subject to the approval and adoption of Item 2: Share Consolidation, in order to pay due respect to the purport of the "Action Plan for Consolidating Trading Units" released by the Japanese Stock Exchange, Article 8 (Number of shares in one Company-specified unit of shares) of the current Articles of Incorporation will be amended to change the number of one Company-specified unit from the current 1,000 shares to 100 shares.

(2) The partial amendment to the Articles of Incorporation will be effective as of October 1, 2017, which is the effective date of the share consolidation.

2. Details of amendment

The details of the amendment are as follows:

(amended sections are underlined)

Current Articles of Incorporation	Proposed amendment
Chapter II SHARES Article 8 (Number of shares in one Company-specified unit of shares) The number of shares contained in one Company-specified unit (<i>Tangen-Kabu</i>) of shares shall be <u>one thousand (1,000)</u> .	Chapter II SHARES Article 8 (Number of shares in one Company-specified unit of shares) The number of shares contained in one Company-specified unit (<i>Tangen-Kabu</i>) of shares shall be <u>one hundred (100)</u> .

Item 4: Election of 10 Directors of the Company

Since the Directors Shigeyuki Takemura and Kiyoshi Tonomoto resigned as of March 31, 2017, and the term of office of all current eight (8) Directors will expire at the time of the closing of this 72nd Ordinary General Meeting of Shareholders, we hereby ask our shareholders to elect the ten (10) members of the Board of the Directors.

The candidates for Directors are as shown below, and their details are described from the next page onwards:

<Reference>

Policy and Process of Selection of Director Candidates

Directors are selected from candidates inside and outside the company that have the potential to strengthen appropriate policy-making, decision-making and oversight befitting “an airline group operating diverse global businesses mainly in air transportation.” Potential candidates are honest in character, possess vast experience, deep insight and an advanced-level of expertise. The selection is made within the scope of relevant laws such as the Civil Aeronautics Act, and regardless of factors such as gender or nationality

Pursuant to this policy, candidates are decided by the Board of Directors, taking into the reports by the Personnel Advisory Committee, which is an advisory committee to the Board of Directors. The majority of members on this committee are Outside Directors. In order to ensure transparency and fairness in the selection, the Personnel Advisory Committee discusses the candidates for directors before the Board of Directors makes its resolution.

Candidate No.	Name			Position and assignment in the Company
1	Shinichiro Ito	re-elected		Chairman of the Board Chairman of the Board of Directors
2	Osamu Shinobe	re-elected		Vice Chairman
3	Shinya Katanozaka	re-elected		President & Chief Executive Officer Representative Director; Chairman of the ANA Group Management Committee, Head of CSR Promotion Committee; In charge of Internal Audit
4	Toyoyuki Nagamine	re-elected		Senior Executive Vice President, Representative Director; Corporate Executive Officer; Human Resources Strategy, Digital Design Lab, Corporate Strategy, Finance, Accounting, Investor Relations & Business Management, Okinawa Region
5	Naoto Ishizaka	new		Corporate Executive Officer; In charge of Government & Industrial Affairs, Facilities Planning
6	Naoto Takada	new		Corporate Executive Officer; Chairman of CSR Promotion Committee; In charge of Executive Secretariat, Legal & Insurance, Director of Corporate Communications
7	Yuji Hirako	re-elected		Director
8	Shosuke Mori	re-elected	Outside Director candidate	Independent Director Director
9	Ado Yamamoto	re-elected	Outside Director candidate	Independent Director Director
10	Izumi Kobayashi	re-elected	Outside Director candidate	Independent Director Director

(Notes)

1. There are no special interests between each Director candidate and the Company.
2. Shosuke Mori, Ado Yamamoto and Izumi Kobayashi are candidates for Outside Directors.
3. Shosuke Mori, Ado Yamamoto and Izumi Kobayashi satisfy the Company's independence requirements, and the Company has notified the Tokyo Stock Exchange that these candidates are Independent Directors. If each of their re-elections is approved and passed, the Company will continue to have them remain as Independent Directors.



Participation in the
Board of Directors'
meeting
(For FY ended
March 2017)

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► Biography and position and assignment in the Company

April 1974	Joined the Company
April 2001	Director of Personnel, the Company
April 2003	Corporate Executive Officer, the Company
June 2003	Member of the Board of Directors; Corporate Executive Officer, the Company
April 2004	Executive Vice President; Corporate Executive Officer, the Company
April 2006	Executive Vice President; Corporate Executive Officer, the Company
April 2007	Senior Executive Vice President; Representative Director; Corporate Executive Officer, the Company
April 2009	President & Chief Executive Officer; Representative Director, the Company
April 2015	Chairman of the Board of Directors, Representative Director, the Company
April 2017	Chairman of the Board, Chairman of the Board of Directors, the Company to present

► Material concurrent positions at other corporations, etc.

Outside Director, Member of Audit Committee, etc. of Mitsubishi Heavy Industries, Ltd.

► Reason for electing as Director candidate

Shinichiro Ito was in charge of sales, human resources and other divisions for many years. As member of the Board of Directors from June 2003 and as President & CEO from April 2009, he led the management of the Group during challenging management environment after Lehman shock, and he achieved to improve the business results by promoting group management structure reforms and revenue base expansion. He chaired the Board of Directors as the Chairman of the Board since April 2015, and has been engaged in the reinforcement of the function of the Board of Directors by promoting proceedings that encourage free, open-minded and constructive discussions and exchange of opinions. Since he is contributing to the reinforcement of the supervisory function of the Board of Directors as its Chairman given his abundant experience and performance, the Company has decided to reappoint him as a Director candidate to attain a sustainable increase in the Group's corporate value.



Participation in the
Board of Directors'
meeting
(For FY ended
March 2017)

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► Biography and position and assignment in the Company

April 1976	Joined the Company
April 2003	Director of Technology, Engineering & Maintenance, the Company
April 2004	Corporate Executive Officer, the Company
April 2007	Corporate Executive Officer, the Company
June 2007	Member of the Board of Directors; Corporate Executive Officer, the Company
April 2009	Executive Vice President; Corporate Executive Officer, the Company
June 2011	Executive Vice President; Corporate Executive Officer, the Company
April 2012	Senior Executive Vice President; Representative Director; Corporate Executive Officer, the Company
April 2013	Member of the Board of Directors, the Company
April 2017	Member of the Board of Directors, Vice Chairman, the Company to present

► Reason for electing as Director candidate

Osamu Shinobe was in charge of engineering division, management and planning division and other divisions for many years. As member of the Board of Director from June 2007, and as President & Chief Executive Officer of ALL NIPPON AIRWAYS CO., LTD., which is the core company of the Group, from April 2013, he led ALL NIPPON AIRWAYS CO., LTD to become one of the leading global airlines by expanding the businesses mainly in international flight services through his strong leadership with safety as the top priority. Also, he is handling the proceedings of the Board of Director and supporting the Chairman of the Board as the member of the Board of Directors, Vice Chairman of the Company from April 2017. Since he is contributing to the reinforcement of the decision-making function and supervisory function of the Board of Directors by making proactive comments and remarks in the meetings of the Board of Directors based on his abundant experience and performance, the Company has decided to reappoint him as a Director candidate to attain a sustainable increase in the Group's corporate value.



Participation in the
Board of Directors'
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► Biography and position and assignment in the Company

April 1979	Joined the Company
April 2004	Director of Personnel, the Company
April 2007	Corporate Executive Officer, the Company
April 2009	Corporate Executive Officer, the Company
June 2009	Member of the Board of Directors; Corporate Executive Officer, the Company
June 2011	Executive Vice President; Corporate Executive Officer, the Company
April 2012	Executive Vice President; Corporate Executive Officer, the Company
April 2013	Senior Executive Vice President; Representative Director; Corporate Executive Officer, the Company
April 2015	President & Chief Executive Officer; Representative Director, Chairman of the ANA Group Management Committee, Head of CSR Promotion Committee; In charge of Internal Audit, the Company to present

► Reason for electing as Director candidate

Shinya Katanozaka was in charge of sales, human resources, management and planning and other divisions for many years. As member of the Board of Directors from June 2009, as Senior Executive Vice President and Representative Director from April 2013 and as President & Chief Executive Officer from April 2015, he engaged in reinforcement of the Group management foundation with safety as a top priority by his strong leadership and steady ability to act with a consistent global perspective. He is also steadily achieving the profit goals that are listed in the group corporate strategies. Since he is contributing to the reinforcement of the decision-making function and supervisory function of the Board of Directors by making proactive comments and remarks in the meetings of the Board of Directors based on his abundant experience and performance, the Company has decided to reappoint him as a Director candidate to attain a sustainable increase in the Group's corporate value.



Participation in the
Board of Directors'
meeting
(For FY ended
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► Biography and position and assignment in the Company

April 1980	Joined the Company
April 2007	Director of Labor, the Company
April 2009	Corporate Executive Officer, the Company
June 2011	Corporate Executive Officer, the Company
April 2013	Member of the Board of Directors; Corporate Executive Officer, ALL NIPPON AIRWAYS CO., LTD.
April 2014	Corporate Executive Officer, the Company
June 2015	Corporate Executive Officer, Director, the Company
April 2016	Executive Vice President, Corporate Executive Officer, the Company
April 2017	Member of the Board of Directors, Senior Executive Vice President, Representative Director, Corporate Executive Officer; Human Resources Strategy, Digital Design Lab, Corporate Strategy, Finance, Accounting, Investor Relations & Business Management, Okinawa Region, the Company to present

► Reason for electing as Director candidate

Toyoyuki Nagamine was in charge of operations division, labor relations division, management and planning division and other divisions for many years. As member of the Board of Directors from June 2015, he promoted the Group management and was also involved in the steady implementation of corporate strategies including the expansion of profitable domain of the Group. Also, he is decently supporting the President & Chief Executive Officer as the member of the Board of Directors, Senior Executive Vice President, Corporate Executive Officer since April 2017. Since he is contributing to the reinforcement of the decision-making function and supervisory function of the Board of Directors by making proactive comments and remarks in the meetings of the Board of Directors based on his abundant experience and performance, the Company has decided to reappoint him as a Director candidate to attain a sustainable increase in the Group's corporate value.

5

Naoto Ishizaka

(Date of Birth: Sept.20, 1956)

new

No. of shares of the
Company owned:

20,000



Participation in the
Board of Directors'
meeting
(For FY ended
March 2017)

-/-

► Biography and position and assignment in the Company

April 1980 Joined the Company
June 2011 Director of Government & Industrial Affairs, the Company
April 2013 Corporate Executive Officer, the Company
April 2015 Corporate Executive Officer, the Company
April 2017 Corporate Executive Officer, In charge of Government & Industrial Affairs, Facilities Planning, the Company to present

► Reason for electing as Director candidate

Naoto Ishizaka was involved in domestic passenger services division and industrial policies division and served as a resident officer in the UK for many years. He was engaged in the expansion and reinforcement of the international services given the progressive internationalization of Haneda Airport, and in the improvement of the Company's competitive power through the development of business environment. The Company has decided to appoint him as a new Director candidate since the Company determined that his extensive ability to collect information and his abundant experience and expertise are inevitable for attaining a sustainable increase in the Group's corporate value.

6

Naoto Takada

(Date of Birth: Jul. 26, 1958)

new

No. of shares of the
Company owned:

20,000



Participation in the
Board of Directors'
meeting
(For FY ended
March 2017)

-/-

► Biography and position and assignment in the Company

April 1981 Joined the Company
June 2011 Director of Public Relations Office, the Company
April 2013 Corporate Executive Officer, ALL NIPPON AIRWAYS CO., LTD.
April 2015 Corporate Executive Officer, ALL NIPPON AIRWAYS CO., LTD.
April 2016 Corporate Executive Officer, the Company
April 2017 Corporate Executive Office; Chairman of CSR Promotion Committee; In charge of Executive Secretariat, Legal & Insurance, Director of Corporate Communications, the Company to present

► Reason for electing as Director candidate

Naoto Takada was involved in labor relations division, industrial policies division and public relations division and other divisions for many years, and reinforced and developed business foundations and increased competitive power by gaining the company publicity through public relations activities. Also, he is building a foundation that enables sustainable growth in hand-in-hand with the society as the person responsible for CSR Promotion Committee since April 2017. The Company has decided to elect him as a new Director candidate since the Company determined that his abundant experience and expertise are inevitable for attaining a sustainable increase in the Group's corporate value.



Participation in the
Board of Directors'
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► Biography and position and assignment in the Company

April 1981	Joined the Company
April 2010	Planning Director of Corporate Planning, the Company
June 2011	Corporate Executive Officer, the Company
April 2013	Corporate Executive Officer, All NIPPON AIRWAYS CO., LTD.
April 2015	Corporate Executive Officer, the Company
June 2015	Director; Corporate Executive Officer, the Company
April 2017	Director of the Company to present

► Material concurrent positions at other corporations, etc.

President and CEO of ALL NIPPON AIRWAYS CO., LTD.
Chairman of All Japan Air Transport and Service Association Co., Ltd.

► Reason for electing as Director candidate

Yuji Hirako was in charge of sales, financial and other divisions for many years. He served as manager of America from April 2012, and as member of the Board of Directors from June 2015, and was engaged in realizing financial strategies for the purpose of enhancement of corporate value. He also serves as the President and CEO of ALL NIPPON AIRWAYS CO., LTD. from April 2017 and is operating the business with a global perspective using his extensive knowledge and expertise concerning international services with safety as a top priority. Since he is contributing to the reinforcement of the decision-making function and supervisory function of the Board of Directors by making proactive comments and remarks in the meetings of the Board of Directors based on his abundant experience and performance, the Company has decided to reappoint him as a Director candidate to attain a sustainable increase in the Group's corporate value.



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► Biography and position and assignment in the Company (material concurrent positions at other corporations, etc.)

June 1999	Managing Director, The Kansai Electric Power Co., Inc.
June 2001	Executive Vice President; Representative Director, The Kansai Electric Power Co., Inc.
June 2005	President; Representative Director, The Kansai Electric Power Co., Inc.
June 2006	Member of the Board of Directors, the Company to present
June 2010	Chairman; Representative Director, The Kansai Electric Power Co., Inc.
June 2016	Senior Advisor, The Kansai Electric Power Co., Inc. to present

► Material concurrent positions at other corporations, etc.

Director (Outside Director), Hankyu Hanshin Holdings, Inc.
Director (Outside Director), The Royal Hotel, Ltd.

► Reason for electing as Outside Director candidate

Shosuke Mori actively offers opinions and proposals concerning business expansion and other group management strategies, internal control and promotion of safety measures at the meetings of the Board of Directors as he has abundant experience and deep insight developed as a corporate executive manager in a high profile public industry. The Company has decided to reappoint him as Independent Outside Director candidate for the purpose of reinforcement of the supervisory function of the Board of Directors in order to attain sustainable increase in the Group's corporate value.

He is also serving as the member of the Remuneration Advisory Committee from February 2011, as the chairman of the Remuneration Advisory Committee from June 2013, as the member of the Personnel Advisory Committee from June 2016 and as the chairman of the Personnel Advisory Committee from August 2016.

▶ **Special interests between the corporation where the candidate holds concurrent position and the Company**

Shosuke Mori is Senior Advisor of The Kansai Electric Power Co., Inc., with which the Company does not have any special relationship other than ordinary transactions as the power consumer. In addition, there are no special relationships between the Company and corporations where Shosuke Mori holds material concurrent positions other than The Kansai Electric Power Co., Ltd.

▶ **Fact, preventions and subsequent measures concerning unreasonable business execution during the candidate's term of office at another company for the past 5 years**

In January 2014, Kanden Engineering Corporation ("KE"), for which Shosuke Mori served as Outside Audit & Supervisory Board Member until June 29, 2016, became subject to a cease and desist order and a surcharge payment order issued by the Fair Trade Commission, whereby it was ruled that substantial restrictive competition through KE's joint coordination of purchase orders with other business operators concerning overhead transmission works and underground transmission works ordered by Kansai Electric Power Co., Ltd. during the period commencing from no later than April 2009 and ending in November 2012 falls under an "unreasonable restraint of trade" under Article 2, Paragraph 6 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (the "Antimonopoly Act"), and accordingly violated the terms under Article 3 of the Antimonopoly Act. Shosuke Mori has been engaged in fair audit of overall business, and he has performed his duties for this matter by receiving reports concerning preventive measures and their implementation status and others, and by taking necessary measures as its outside Audit & Supervisory Board Member.

In May 2017, there was a case of food poisoning in a restaurant located within Rihga Royal Hotel (Osaka), which is operated by The Royal Hotel, Ltd. where Shosuke Mori is serving as the Outside Director. Pursuant to the Food Sanitation Act, Osaka Public Health Center ordered the relevant restaurant for a three-day business suspension from May 9 to 11, 2017. Shosuke Mori has performed his duties for this matter by receiving reports concerning reconfirmation for a strict application of food sanitation control system, preventive measures and their implementation status and others, and by taking necessary measures as its Outside Director.

▶ **Contracts for limitation of liability**

In accordance with Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into a contract for limitation of damage liability prescribed in Article 423, Paragraph 1 of the Companies Act with Shosuke Mori, setting forth that the maximum extent of the damage liability payable thereunder should be the amount set forth in Article 425, Paragraph 1 of the Companies Act. If his re-election is approved and passed, the contract will continue to be in effect.

▶ **Notification on Independent Director**

The Company has notified the Tokyo Stock Exchange that Shosuke Mori is an Independent Director. If his re-election is approved and passed, the Company will continue to have him remain as Independent Director.



Participation in the
Board of Directors'
meeting
(For FY ended
March 2017)

12/13

► Biography and position and assignment in the Company (material concurrent positions at other corporations, etc.)

June 2004	Managing Director, Nagoya Railroad Co., Ltd.
June 2006	Senior Managing Director, Nagoya Railroad Co., Ltd.
June 2008	Vice President and Representative Director, Nagoya Railroad Co., Ltd.
June 2009	President and Representative Director, Nagoya Railroad Co., Ltd.
June 2013	Member of the Board of Directors, the Company
June 2015	Chairman and Representative Director of Nagoya Railroad Co., Ltd. to present

► Material concurrent positions at other corporations, etc.

Outside Director, Yahagi Construction Co., Ltd.
Chairman of Nagoya Chamber of Commerce & Industry

► Reason for electing as Outside Director candidate

Ado Yamamoto actively offers opinions and proposals concerning industry trends, group business operation and group management strategies that span various categories, prudent information disclosure and promotion of safety measures at the meetings of the Board of Directors as he has abundant experience and deep insight developed as a corporate manager in the transportation industry. The Company has decided to reappoint him as Independent Outside Director candidate for the purpose of reinforcement of the supervisory function of the Board of Directors in order to attain sustainable increase in the Group's corporate value.

He is also serving as the member of the Remuneration Advisory Committee and the Personnel Advisory Committee since June 2016.

► Special interest between the corporation where the candidate holds concurrent position and the Company

Ado Yamamoto is Chairman and Representative Director of Nagoya Railroad Co., Ltd., with which the Company does not have any special relationship. Please note, however, that there are transactions concerning entrustment and acceptance of air ticket sales between our group company and Nagoya Railroad Co., Ltd and several of its affiliated companies. In addition, there is no special relationship between the Company and Yahagi Construction Co., Ltd.

► Contracts for limitation of liability

In accordance with Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into a contract for limitation of damage liability prescribed in Article 423, Paragraph 1 of the Companies Act with Ado Yamamoto, setting forth that the maximum extent of the damage liability payable thereunder should be the amount set forth in Article 425, Paragraph 1 of the Companies Act. If his re-election is approved and passed, this contract will continue to be in effect.

► Notification on Independent Director

The Company has notified the Tokyo Stock Exchange that Ado Yamamoto is an Independent Director. If his re-election is approved and passed, the Company will continue to have him remain as Independent Director.



Participation in the
Board of Directors'
meeting
(For FY ended
March 2017)

12/13

► Biography and position and assignment in the Company

Dec 2001	President and Representative Director, Merrill Lynch Japan Securities
July 2002	Outside Director, Osaka Securities Exchange Co., Ltd.
Nov 2008	Executive Vice President, Multilateral Investment Guarantee Agency, The World Bank Group
July 2013	Member of the Board of Directors, the Company to present

► Material concurrent positions at other corporations, etc.

Director (Outside Director) of Mitsui & Co., Ltd.
Governor of Japan Broadcasting Corporation

Izumi Kobayashi is a candidate for Outside Director of Mizuho Financial Group, Inc. at its ordinary general meeting of shareholders to be held on June 23, 2017.

► Reason for election as Outside Director candidate

Izumi Kobayashi actively offers opinions and proposals concerning group management strategies, marketing or communication with various stakeholders, and promotion of diversity including promotion of women's participation with a global perspective at the meetings of the Board of Directors as she has abundant experience and deep insight as a representative in a private sectors financial institution and multilateral development bank. The Company has decided to reappoint her as Independent Outside Director candidate for the purpose of reinforcement of the supervisory function of the Board of Directors in order to attain sustainable increase in the Group's corporate value.

She is also serving as the member of the Remuneration Advisory Committee since July 2013, and as the member of the Personnel Advisory Committee since June 2016.

► Special interest between the corporation where the candidate holds concurrent position and the Company

There is no special relationship between the Company and corporations where Izumi Kobayashi holds material concurrent position.

Izumi Kobayashi is an Outside Director candidate for Mizuho Financial Group, Inc., which is a holding company of Mizuho Bank, Ltd. There are ordinary finance transactions between the Company and Mizuho Bank, Ltd., but there are no special relationships.

► Contracts for limitation of liability

In accordance with Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into a contract for limitation of damage liability prescribed in Article 423, Paragraph 1 of the Companies Act with Izumi Kobayashi, setting forth that the maximum extent of the damage liability payable thereunder should be the amount set forth in Article 425, Paragraph 1 of the Companies Act. If her re-election is approved and passed, this contract will continue to be in effect.

► Notification on Independent Director

The Company has notified the Tokyo Stock Exchange that Izumi Kobayashi is an Independent Director. If her re-election is approved and passed, the Company will continue to have her remain as Independent Director.

While Izumi Kobayashi is an Outside Director candidate for Mizuho Financial Group, Inc., Mizuho Financial Group, Inc. is a company with nominating committee that separates supervision and management functions. Thus, she will not concurrently serve as its corporate executive officer, nor will she be directly involved in Mizuho Bank, Ltd.'s individual financing decisions regarding the Company and other parties. Accordingly, the Company determines that she is substantially independent.

Item 5: Election of 2 Audit & Supervisory Board Members of the Company

Yoshinori Maruyama and Eiji Kanazawa will resign from their position as the Audit & Supervisory Board Members at the time of the closing of this Ordinary General Meeting of Shareholders. Therefore, we ask our shareholders to elect two (2) Audit & Supervisory Board Members.


We have obtained consent of the Audit & Supervisory Board for submission of this proposal.

The candidates for the Audit & Supervisory Board Members are as shown below:

Candidate No.	Name	Position in the Company
1	Kiyoshi Tonomoto new	Councilor
2	Akihiko Hasegawa new	Councilor

(Notes)

- There are no special interests between both Audit & Supervisory Board Member candidate and the Company.

1	Kiyoshi Tonomoto	(Date of Birth Jun. 23, 1955)	<div>new</div> No. of shares of the Company owned:	91,000
	<div>► Biography and position and assignment in the Company</div> <div><div>April 1978</div><div>Joined the Company</div><div>April 2003</div><div>Senior Manager of Corporate Planning, the Company</div><div>April 2006</div><div>Corporate Executive Officer, the Company</div><div>April 2008</div><div>Corporate Executive Officer, the Company</div><div>June 2009</div><div>Member of the Board of Directors; Corporate Executive Officer, the Company</div><div>June 2011</div><div>Executive Vice President; Corporate Executive Officer, the Company</div><div>April 2013</div><div>Executive Vice President; Corporate Executive Officer, the Company</div><div>April 2016</div><div>Executive Vice President; Corporate Executive Officer, the Company</div><div>April 2017</div><div>Councilor, the Company</div><div>to present</div></div>			
<div>Participation in the Board of Directors' meeting (For FY ended March 2017)</div>	<div>► Reason for electing as Audit & Supervisory Board Member candidate</div> <div>Kiyoshi Tonomoto was in charge of finance/IR and accounting divisions, administration division and others for many years. With a deep knowledge in finance and accounting, he actively engaged in overseas IR and contributed in raising the Company's profile at overseas. Also, as CSR promoting and supervising manager, he was also involved in the reinforcement of compliance, risk management and other internal control. The Company has decided to appoint him as a new Audit & Supervisory Board Member candidate for the purpose of further reinforcement of the auditing function in order to attain sustainable increase in the Group's corporate value through the use of his high expertise and knowledge concerning the airline industry.</div>			
<div>Participation in the Audit & Supervisory Board's meeting (For FY ended March 2017)</div>	<div>► Contracts for limitation of liability</div> <div>If Kiyoshi Tonomoto's election is approved and passed, the Company intends to enter into a contract with him, in accordance with Article 427, Paragraph 1 of the Companies Act and Articles of Incorporation of the Company, for limitation of damage liability prescribed in Article 423, Paragraph 1 of the Companies Act, setting forth that the maximum extent of the damage liability payable thereunder should be the amount set forth in Article 425, Paragraph 1 of the Companies Act.</div>			
<div>Kiyoshi Tonomoto resigned from his position as the Director of the Company as of March 31, 2017, but he participated in all 13 Board of Directors' meetings held in fiscal year ended March 2017.</div>				



Participation in the
Board of Directors'
meeting
(For FY ended
March 2017)

-/-

Participation in the
Audit &
Supervisory
Board's meeting
(For FY ended
March 2017)

-/-

► Biography and position and assignment in the Company

April 1978	Joined the Company
April 2004	Director of Equipment Planning, Engineering & Maintenance, the Company
April 2008	Corporate Executive Officer, the Company
April 2010	Corporate Executive Officer, the Company
June 2011	President and CEO, ANA WINGS CO., LTD.
April 2013	Member of the Board of Directors; Corporate Executive Officer, ALL NIPPON AIRWAYS, CO., LTD.
April 2014	Executive Vice President; Corporate Executive Officer, ALL NIPPON AIRWAYS, CO., LTD.
April 2015	Executive Vice President; Corporate Executive Officer, ALL NIPPON AIRWAYS, CO., LTD.
April 2016	Member of the Board of Director; Executive Vice President; Corporate Executive Officer, ALL NIPPON AIRWAYS, CO., LTD.
April 2017	Councilor, the Company to present

► Reason for electing as Audit & Supervisory Board Member candidate

Akihiko Hasegawa was involved in the engineering & maintenance division, operation division and safety promotion division for many years. As the President and CEO of ANA WINGS CO., LTD., a subsidiary of the Company, since June 2011, and as member of the Board of Directors of ALL NIPPON AIRWAYS, CO., LTD. which is the core company of the Group since April 2013, he promoted safety and security activities concerning operation in general. The Company has decided to appoint him as a new Audit & Supervisory Board Member candidate for the purpose of further reinforcement of the auditing function (including safety and other business audit) in order to attain sustainable increase in the Group's corporate value through the use of his high expertise and knowledge concerning the airline industry.

► Contracts for limitation of liability

If Akihiko Hasegawa's election is approved and passed, the Company intends to enter into a contract with him, in accordance with Article 427, Paragraph 1 of the Companies Act and Articles of Incorporation of the Company, for limitation of damage liability prescribed in Article 423, Paragraph 1 of the Companies Act, setting forth that the maximum extent of the damage liability payable thereunder should be the amount set forth in Article 425, Paragraph 1 of the Companies Act.

<Independence Guidelines for Outside Directors and Outside Audit & Supervisory Board Members>

The following requirements shall not apply to an Outside Director or Outside Audit and Supervisory Board Member ("Outside Officers") in order for the Outside Officer to be deemed as independent.

1. A person for whom the Group is a key business partner (*1), or an executive officer thereof
2. A person who is a key business partner of the Group (*1), or an executive officer thereof
3. A person who is a key lender of the Group (*2), or an executive officer thereof
4. A major shareholder of the Company (*3), or an executive officer thereof
5. An attorney, certified public accountant, consultant or other expert who receives, apart from remuneration as a director or Audit and Supervisory Board Member, a significant monetary compensation or other economic benefit (*4) from the Group
6. A certified public accountant who is a member of the auditing firm that is the Company's accounting auditor
7. A person who has received a large donation (*5) from the Group
8. A person who is a close relative (*6) of a director, Audit & Supervisory Board Member, Corporate Executive Officer or key employee of the Company or a consolidated subsidiary
9. A person whose close relative comes under any of 1 through 7 above
10. A person who came under any of 1 through 8 above in the past three years
11. In addition to the preceding items, a person who has a special reason for not being able to fulfill his/her duties as an independent Outside Officer, including a conflict of interest with the Company

Note that even in the event that any one of the items 1 through 11 above apply, the Outside Officer is effectively independent as long as the reason is explained and disclosed at the time of appointment as an Outside Officer.

- *1. "A person for whom the Group is a key business partner" is defined as a business partner that accounts for more than 2% of consolidated net sales.
"A person who is a key business partner of the Group" is defined as a business partner who accounts for more than 2% of consolidated net sales of the Group.
- *2. "A person who is a key lender" is a financial institution from whom outstanding loans of the Group exceed 2% of the total consolidated assets of the Company at the end of the most recent fiscal year.
- *3. "A major shareholder" is a shareholder who holds 10% or more of voting rights directly or in another name at the end of the most recent fiscal year, or an executive officer thereof if the shareholder is a corporation.
- *4. "A large sum of money or other economic benefit" is a benefit exceeding an average of 10 million yen per year over the past three fiscal years.
- *5. "A large donation" is a donation that exceeds an average of the higher of 10 million yen or 2% of the consolidated sales of the recipient from the Group over the past three fiscal years.
- *6. "A close relative" is a spouse or a relative within two degrees of kinship.

END

Business Report

(April 1, 2016 to March 31, 2017)

1. Present state of the ANA Group

(1) Business of the Fiscal Year

(i) Progress and results of business

In the year under review (April 1, 2016 to March 31, 2017, hereinafter, the "Fiscal Year"), Japan's economy has continued to experience a gradual recovery, with personal consumption generally picking up in accordance with continued improvements in corporate earnings and the job environment. Regarding the environment surrounding the airline industry, demands were generally strong mainly due to an increase in foreign visitors to Japan in a continued moderate recovery in domestic and overseas economies.

Under these economic conditions, the ANA Group has implemented "a proactive speedy management" for making simple and timely decisions on new investments and the creation of innovation and strategic investment focused on efforts to "expand airline business domains" and "create new business and accelerate the growth on existing businesses," the pillars of the FY2016-2020 ANA Group Corporate Strategy.

As a result of the above, consolidated results for the fiscal year under review show operating revenues of 1,765.2 billion yen (down 1.4% year-on-year) mainly due to a decrease in air transportation revenues lead by factors including the influence of exchange rates. However, due to efforts to reduce operating expenses, operating income was 145.5 billion yen (up 6.7% year-on-year), ordinary income was 140.3 billion yen (up 7.4% year-on-year), and net income attributable to owners of ANA HOLDINGS INC. was 98.8 billion yen (up 26.4% year-on-year).

ANA, which is the core company of the Group, has been awarded with the highest rating of "5 STAR" for its customer satisfaction for five years in row by SKYTRAX, UK based company. The Company was also selected as a "Nadeshiko Brand" by Ministry of Economy, Trade and Industry and Tokyo Stock Exchange for the second consecutive year for being an enterprise that was proactively utilizing female employees.

An overview of the Fiscal Year by segment is given on the following pages:

Consolidated Results

Operating Revenues	JPY 1,765.2 billion Up 1.4% YoY	Operating Income	JPY 145.5 billion Up 6.7% YoY
Ordinary Income	JPY 140.3 billion Up 7.4% YoY	Net Income Attributable to Owners of ANA HOLDINGS INC.	JPY 98.8 billion Up 26.42% YoY

Segment Results

Segment	Operating revenues (billions of yen)	Segment income (billions of yen)	Segment assets (billions of yen)	Ratio of segment operating revenues to total operating revenues (%)
Air Transportation	1,536.3	139.5	2,088.2	72.0
Airline Related	264.4	8.3	149.5	12.4
Travel Services	160.6	3.7	58.9	7.5
Trade and Retail	136.7	4.3	56.2	6.4
Other	34.7	1.3	19.5	1.6
Total	2,132.9	157.3	2,372.4	-
Adjustments	(367.6)	(11.7)	(58.0)	-
Amount reported on the consolidated financial statements	1,765.2	145.5	2,314.4	-

(Note) Operating revenues include inter-segment transactions. Segment income is adjusted to be consistent with the operating income on the Consolidated Statement of Income.

Air Transportation Business

Air Transportation Business is our core business through which we strive to be "the world's leading airline group," a goal set forth in our Management Vision. In regard to its scale, the ANA Group's Air Transportation Business currently ranks 8th in the world in terms of the number of passengers within our domestic services, and 14th in the world in terms of total number of passengers, including those within our international services.*

* Source: International Air Transport Association (IATA)

WATS (World Air Transport Statistics) 2016

Composition of operating revenues by segment: 72.1%

● Air Transportation Business - Domestic Passenger Business

Results of Domestic Passenger Business

	2015 (66 th Fiscal Year)	2016 (The Fiscal Year)
Passenger revenues (billions of yen)	685.6	678.3
Number of passengers (millions)	42.66	42.96
Available seat-kilometers (billions)	59.4	59.0
Revenue passenger-kilometers (billions)	38.4	38.9
Load factor (%)	64.7	66.0

● Air Transportation Business - International Passenger Business

Results of International Passenger Business

	2015 (66 th Fiscal Year)	2016 (The Fiscal Year)
Passenger revenues (billions of yen)	515.6	516.7
Number of passengers (millions)	8.16	9.11
Available seat-kilometers (billions)	54.7	60.1
Revenue passenger-kilometers (billions)	40.6	45.6
Load factor (%)	74.3	75.8

In domestic passenger business, despite the impact of the Kumamoto earthquakes that occurred in April, typhoons that occurred from July onwards and the snowfall in December, passenger numbers increased from the previous fiscal year due to the establishment of various discount fares to match demand trends, but revenues fell year-on-year due to a decline in the unit price from the previous fiscal year as a result of factors such as intensifying competition.

In terms of the route network, in efforts to capture demand, ANA flied the Haneda-Miyako route and resumed the Kansai-Miyako route, with effect from the summer timetable, subsequently operated midnight flights ("Galaxy Flights") on the Haneda-Okinawa route for a limited period in summer, and increased seasonal flights on certain routes. Furthermore, with the start of operation of the Airbus A321neo in November, ANA worked to improve seat occupancy by refining *Pittato Fleet* (the Dynamic Fleet Assign Model) arrangements, which provide for the assignment of aircraft with precision based on the number of reservations.

On the marketing front, in addition to *Tabiwari Time Sales*, ANA made efforts to strengthen sales by offering flexible fare adjustments based on the number of reservations on certain routes from October.

In terms of services, in addition to the refurbishment of the departure counter at Domestic Terminal No. 2 of Haneda Airport in April, ANA revamped the website (*ANA SKY WEB*) and mobile site (*ANA SKY MOBILE*) for domestic reservations system in September, improving their ease of use including visibility and operability. Furthermore, ANA introduced payment for the *ANA Wi-Fi Service* using ANA mileage on domestic flights in December, and increase the number of channels on the *ANA SKY Live TV Service*, in our efforts to enhance in-flight entertainment.

In terms of disaster support, ANA operated a total of 175 temporary flights at the time of Kumamoto earthquakes in April, and also launched the "*Let's Visit Kyushu*" project to support the rapid recovery of the tourism industry in Kyushu. In addition, ANA implemented projects to support Hokkaido, which was affected by successive typhoons from late August, and Tottori Prefecture, which suffered damages in an earthquake in October.

In international passenger business, although outbound leisure demand on European routes from Japan was affected by terrorist attacks in the first half of the fiscal year, the number of passengers and revenues surpassed levels from the previous fiscal year due to solid business travel demand from Japan through the year and the capture of robust travel demand to Japan.

In the route network, ANA strengthened Asian network by launching the Narita-Wuhan route in April and the Narita-Phnom Penh route, the only direct flight from Japan to Phnom Penh, in September. Capitalizing on the convenience of Haneda Airport, ANA also made efforts to capture business demand by serving the Haneda-New York route, the Haneda-Chicago route and Haneda-Kuala Lumpur route effective from the winter

timetable, and ANA also launched Narita-Mexico City route in February this year and made efforts to capture business demand to Mexico where Japanese companies are making significant inroads. ANA also increased the number of flights on the Narita-Ho Chi Minh City route and introduced code sharing flights based on business and capital partnership agreements with Vietnam Airlines in an effort to provide greater convenience for connecting passengers between North America and Asia and to capture robust demand for visitors from Asia to Japan.

On the marketing front, focusing on routes from China, ANA offered discount fares on inbound flights to Japan to stimulate inbound visitor demand, and also made efforts to stimulate demand by further improving convenience for Chinese customers by enabling the purchase of ANA tickets on the travel site operated by China's Alibaba Group.

In term of services, ANA has worked to improve product quality through moves such as the introduction of *ANA Business Staggered* full-flat seat in business class service on medium-range international routes, mainly in Southeast Asia, in addition to the launch of a "*chef service*" offering Sushi and other dishes prepared on the spot to customers in the ANA lounge for international flights at Narita Airport from June. ANA also became the first Japanese airline to provide content for visually- and hearing-impaired passengers in its entertainment program on certain aircraft on international routes in November.

● Air Transportation Business - Cargo Services

Results of Cargo and Mail Business

	2015 (66 th Fiscal Year)	2016 (The Fiscal Year)
Cargo and mail revenues (billions of yen)	155.3	132.4
Cargo revenues (billions of yen)	145.0	124.1
Mail revenues (billions of yen)	10.3	8.2
Cargo volume (thousand tons)	1,277	1,405
Mail volume (thousand tons)	68	62

● Air Transportation Business - Others

Revenues of Other Air Transportation Business

2015 (66th Fiscal Year): 196.5 billion yen

2016 (The Fiscal Year): 208.7 billion yen

Results of Vanilla Air Inc.

	2015 (66 th Fiscal Year)	2016 (The Fiscal Year)
Number of passengers (thousands)	1,691	2,129
Available seat-kilometers (millions)	3,393	4,221
Revenue passenger-kilometers (millions)	2,892	3,622
Load factor (%)	85.3	85.8

In domestic cargo services, in addition to efforts to improve unit prices, ANA worked to increase revenues by serving temporary cargo flights on the Okinawa-Haneda route during the period of high demand for flowers from Okinawa, but sluggish demand as a whole throughout the fiscal year and a reduction in perishable cargo handled out of Hokkaido due to poor weather led to weaker year-on-year performance in both cargo volume and revenues.

In international cargo services, although there was a decrease in fuel surcharge revenue caused by falling fuel prices due to a strong yen during the first half of the fiscal year, unit prices improved in the second half, and ANA captured demand related to electronic components, semiconductors and automobile parts destined for Asia and China from Japan, and demand for apparel and electronic components bound for North America from China. In dedicated cargo aircraft, ANA captured strong trilateral cargo traffic while matching supply and demand through a revision of the route network in the second half of the year. ANA also make efforts to improve profitability by increasing revenues through the operation of extra flight and charter flights to meet demand. As a result, cargo volume recorded a year-on-year increase. On the other hand, the revenues recorded a year-on-year decrease due to the reduction of cargo revenues of cargoes from overseas as affected by foreign currency exchanges and the offset of revenues and expenses after abolishing the international cargo agency commissions.

Revenues in "Others in Air Transportation" are derived mainly from the mileage program, LCC Vanilla Air Inc., in-flight sales and maintenance service contracts.

Vanilla Air Inc. increased the number of its aircraft by four to operate with 12 aircrafts, and newly launched the Kansai-Taipei (Taoyuan) route in April, the Taipei (Taoyuan)-Ho Chi Minh City route and the Okinawa-Taipei (Taoyuan) route in September, and the Narita-Cebu route in December. In the domestic network, Vanilla Air Inc. launched the Narita-Hakodate route and the Narita-Kansai route in February this year, and the Kansai-Hakodate route and Kansai-Amami Oshima route in March this year. Also, in addition to providing promotional fares to capture demand, in November, Vanilla Air Inc. made it possible for passengers to make combined bookings for connecting flights operated by Scoot Pte Ltd., which is a member of Value Alliance, an alliance of LCCs, via Vanilla Air Inc.'s website.

Airline Related Business

In the Airline Related business, ANA Group companies are involved in airport ground support, aircraft maintenance, vehicle maintenance, cargo and logistics, catering, contact center and other businesses that support the Air Transportation and other businesses.

These companies also accept outsourcing work from airlines outside of the ANA Group to expand and further enhance the group's business.

Composition of operating revenues by segment: 12.4%

- **Airline Related Business**

Results of Airline Related Business

	2015 (66 th Fiscal Year)	2016 (The Fiscal Year)
Airline related revenues (billions of yen)	231.9	264.4
Segment income (billions of yen)	(4.2)	8.3

Airline Related business recorded highs for operating revenues and operating income due to increased contracts for outsourcing ground handling services including passenger check-ins and luggage handling at Haneda and Kansai airports.

Furthermore, ANA X Inc., a new company which began its operation in December, was established to implement one-to-one marketing to meet the needs of individual customers through the mileage program and other services.

Travel Services

In Travel Services, ANA Sales Co., Ltd., is involved in airline ticketing in which it sells tickets for both individual and corporate customers, and travel services in which it plans and markets travel packages that combine the air transportation services offered by the ANA Group with accommodations and other travel options. A wide variety of travel services are offered, including travel package such as *ANA Sky Holiday* for domestic travel and *ANA Hallo Tour* and *ANA Wonder Earth* for overseas travel as well as travel savings plans.

Composition of operating revenues by segment: 7.5%

- **Travel Services Business**

Results of Travel Services Business

	2015 (66 th Fiscal Year)	2016 (The Fiscal Year)
Travel services revenues (billions of yen)	167.3	160.6
Segment income (billions of yen)	4.2	3.7

In domestic travel services, turnover increased year-on-year for the dynamic package product *Tabisaku* thanks to capture of demand to induce early booking and strengthening of sales promotions and effects of the *Kyushu Fukko Wari* discount campaign was also implemented. However, operating revenues decreased year-on-year due to a decline in turnover for the mainstay *ANA Sky Holidays* following the Kumamoto earthquakes and sluggish growth in its customers to key destinations in the Hokkaido, Kanto and Okinawa regions.

In overseas travel services, although turnover of *ANA Hallo Tours* was solid for Hawaii and Oceania where an effort was made to strengthen sales, turnover for European destinations decreased due to the impact of terrorist attacks, resulting in a year-on-year decline in operating revenues.

Inbound travel to Japan also saw a year-on-year fall in turnover due to the impact of increasingly stiff competition.

Trade and Retail

All NIPPON AIRWAYS TRADING Co., Ltd. and other group companies are involved in aircraft parts procurement; aircraft import, export, leasing, and sales; airport retail operations (ANA DUTY FREE SHOP and ANA FESTA); and other businesses related to air transportation. It also imports and sells paper, pulp and food products (bananas, etc.); imports and exports semiconductors and electronic components; provides advertising agency services; and operates an online shopping site.

Composition of operating revenues by segment: 6.4%

● **Trade and Retail Business**

Results of Trade and Retail Business

	2015 (66 th Fiscal Year)	2016 (The Fiscal Year)
Trade and retail revenues (billions of yen)	140.2	136.7
Segment income (billions of yen)	5.3	4.3

In the retail business, as the purchasing behavior of tourists to Japan underwent changes due to the strong yen and a hike in tariffs by China, sales at the "ANA DUTY FREE SHOP" airport duty free stores and "ANA FESTA" airport merchandise stores remained robust due to an increase in passengers on international routes and an improvement in products suited to changes in the preferences of visitors to Japan. However, performance fell slightly short of that of the previous fiscal year, resulting in a year-on-year decline in operating revenues.

In the food business, sales of fresh foods such as bananas remained strong, but operating revenues decreased due to a decline in the turnover of processed foods including nuts and dried fruit.

In the aerospace & electronics business, operating revenues decreased year-on-year due to the impact of a decline in semiconductor-related orders and the appreciation of the yen.

Other Business

ANA FACILITIES CO., LTD. and ANA SKY BUILDING SERVICE CO., LTD. are involved in real estate asset management and comprehensive maintenance and management business for buildings and facilities, and ANA Business Solutions Co., Ltd. is involved in temporary staffing services. As a think tank for the ANA Group, ANA Strategic Research Institute Co., Ltd. offers research and consulting services concerning medium- and long-term challenges related to airline company management.

Composition of operating revenues by segment: 1.6%

- **Other Business**

Results of Other Businesses

	2015 (66 th Fiscal Year)	2016 (The Fiscal Year)
Other revenues (billions of yen)	33.7	34.7
Segment income (billions of yen)	1.6	1.3

As a result of solid performance in the real estate business, operating revenues for the year in Other increased year-on-year, and operating income decreased year-on-year.

(ii) Capital expenditure

- (a) Capital expenditure for the Fiscal Year totaled 254,425 million yen, and the principal facilities completed during the Fiscal Year are as follows:

Boeing 787-9:	10 (owned or leased)
Boeing 787-8:	1 (leased)
Airbus A321ceo:	4 (leased)
Airbus A320neo:	2 (owned)
Airbus A320-200:	1 (leased)

- (b) Major facilities retired during the Fiscal Year:

Boeing 777-200:	4 (sold)
Boeing 767-300:	1 (sold)
Boeing 737-700:	2 (sold)
Boeing 737-500:	3 (sold)

- (c) Expansion of major facilities ongoing during the Fiscal Year:

Boeing 777-9X:	20 (on order)
Boeing 777-300:	6 (on order)
Boeing 787-10:	3 (on order)
Boeing 787-9:	23 (on order)
Airbus A380:	3 (on order)
Airbus A321neo:	26 (on order)
Airbus A320neo:	5 (on order)
BombardierDHC8-400:	3 (on order)
Mitsubishi Aircraft MRJ90:	15 (on order)

(iii) Financing activities

- (a) On June 30, 2016, the Company took out a long-term syndicated loan of 40 billion yen from a few private financial institutions to obtain funds for equipment.
- (b) During the Fiscal Year, the Company issued the following corporate bonds:
June 9, 2016 The 32nd Unsecured Straight Bond 20 billion yen
September 12, 2016 The 33rd Unsecured Straight Bond 20 billion yen
- (c) To improve balance sheets and the financial account balance, the Company has entered into long-term commitment line contracts (150 billion yen in total) with major Japanese financial institutions.

(2) Assets, profit and loss for the last three fiscal years

	2013 (64th Fiscal Year, Consolidated)	2014 (65th Fiscal Year, Consolidated)	2015 (66th Fiscal Year, Consolidated)	2016 (The Fiscal Year, Consolidated)
Fiscal Year (millions of yen)				
Operating revenues	1,570,145	1,713,457	1,791,187	1,765,259
Ordinary income	42,928	67,129	130,725	140,375
Net income attributable to owners of ANA HOLDINGS INC.	18,886	39,239	78,169	98,827
Year-end (millions of yen)				
Total assets	2,173,607	2,302,437	2,228,808	2,314,410
Net assets	751,291	803,552	794,900	924,175
Shareholder's equity	746,070	798,280	789,896	919,157
Per share information (yen)				
Net income per share	5.41	11.24	22.36	28.23
Net assets per share	213.82	228.45	225.87	262.44
Management indicator (%)				
Return on assets (ROA)	3.2	4.2	6.1	6.5
Return on equity (ROE)	2.5	5.1	9.8	11.6
Equity ratio	34.3	34.7	35.4	39.7

(Notes)

1. Net income per share is calculated based on the average number of outstanding shares during the fiscal year (after deduction of the number of shares of treasury stock). Net assets per share are calculated based on the number of outstanding shares at the end of the fiscal year (after deduction of the number of the shares of treasury stock). The number of shares of treasury stock (ordinary shares) includes the number of shares held by the ANA Group Employee Stock Ownership Trust and the number of shares held by the Trust for Delivery of Shares to the member of the Board of Directors.
2. Revenue and sales cost of jet fuel which is resold to airlines outside the group used to be recorded in aggregate. Effective from the 65th fiscal year, however, revenue of such jet fuel is offset by its purchasing cost and the net amount is recorded in operating revenues to appropriately reflect its business performance. This change in the accounting policy is applied retroactively, and the figures on the consolidated statement for the 64th period are retroactively adjusted accordingly.

(3) Material subsidiaries (as of March 31, 2017)

(i) Material subsidiaries

Company name	Amount of capital stock (millions of yen)	Ratio of voting rights holding (%)	Principal business
All NIPPON AIRWAYS CO., LTD.	25,000	100.0	Air transportation
Air Japan Co., Ltd.	50	100.0	Air transportation
ANA WINGS CO., LTD.	50	100.0	Air transportation
Vanilla Air Inc.	7,500	100.0	Air transportation
ANA Cargo Inc.	100	100.0	Cargo business
Overseas Courier Service Co., Ltd.	100	91.5	Express shipping
ANA Systems Co., Ltd.	80	100.0	Development and operation of computer systems
ANA Sales Co., Ltd.	1,000	100.0	Planning and sale of travel packages, etc.
All NIPPON AIRWAYS TRADING Co., Ltd.	1,000	100.0	Trading and retailing

(Note) As of the end of the Fiscal Year, the Company had no specified wholly-owned subsidiary.

(ii) Progress and results of business combinations

During the Fiscal Year, as of April 1, 2016, the Company acquired 66.6% of the issued share capital of AIR OKINAWA COMPANY LTD. (equivalent to 75.4% of the voting power), making it a consolidated subsidiary. In addition, the subsidiary changed its trade name to ANA Okinawa Airport Co., Ltd. as of that day.

The Company has sixty-three (63) consolidated subsidiaries, including nine (9) material subsidiaries described in (i) above, and seventeen (17) equity-method subsidiaries and affiliates.

For the Fiscal Year, operating revenues were 1,765,259 million yen (down 1.4% from the previous fiscal year), ordinary income was 140,375 million yen (up 7.4% from the previous fiscal year), and net income attributable to owners of ANA HOLDINGS INC. was 98,827 million yen (up 26.4% from the previous fiscal year).

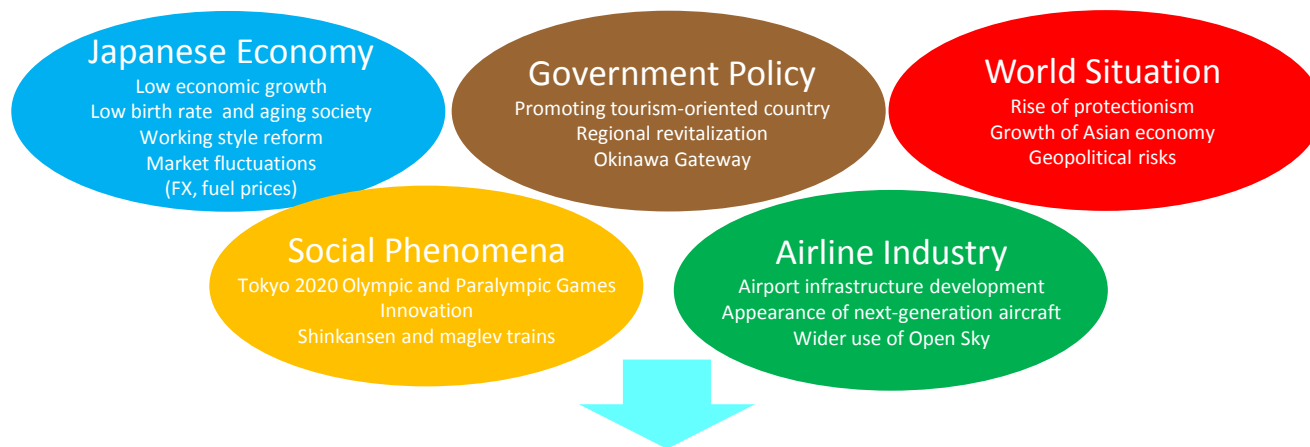
(4) Current issues facing the ANA Group

FY2016-2020 ANA Group Corporate Strategy (2017 Rolling Plan)

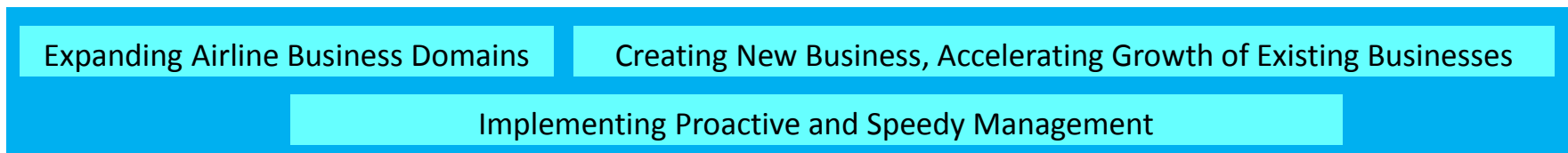
▼ Environment Recognition

While the domestic market offers prospects for slow economic growth with declining birthrate and aging population, the global business environment is expected to become more complicated and change rapidly, as exemplified by the reinforcement of protectionism policy in the EU. Meanwhile, with political backup, Tokyo 2020 Olympic and Paralympic games are expected to attract even more international tourists to Japan and bring business opportunities enabling future growth.

Under such circumstances, we will promote our growth strategy, focusing mainly on implementing "FY2016-20 ANA Group Mid-term Management Strategy" established in January 2016 for the realization of our management vision to "be the world's leading airline group in customer satisfaction and value creation."



▼ Pillars of Strategy

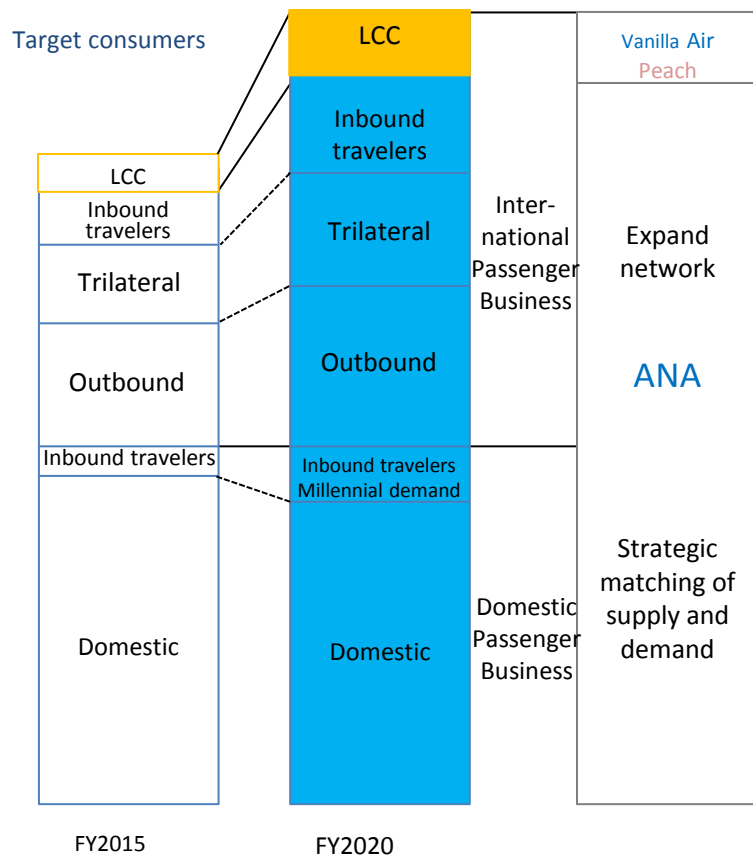


Ensuring Safety
(Reassuring our customers by establishing structure and culture for safety)

Expanding Airline Business Domains

Aiming to establish a stable profit base and to expand airline business domain by targeting all segments of demand and increasing the attractiveness of the ANA and LCC business brand

International passenger business	Progressive network expansion to drive Group growth
Domestic passenger business	Further efforts to match supply and demand and to raise demand from the millennial generation and foreign tourists visiting Japan, and thereby maintain profitability
Cargo business	Rapid improvement in profitability by reorganization of route network, structural reform and introduction of new products
LCC business	Growing the LCC business into the fourth core businesses by acquiring the leading share among Japanese LCC, combining Vanilla Air Inc. and Peach Aviation Limited which will be consolidated

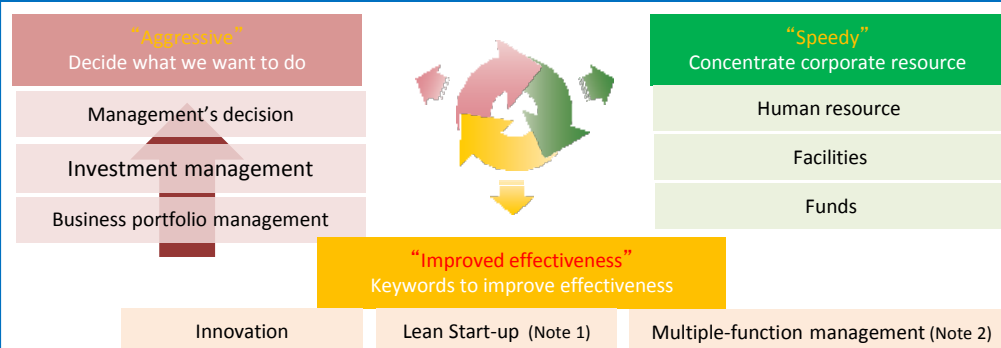


Creating New Business and Accelerating Growth of Existing Business

Focusing on creation of new business through continued strategic investment, while expanding the existing business domains and accelerating the selection and concentration of existing businesses toward optimized resource allocation

Existing Business	Restructuring of duplicative businesses
	Withdrawal from / outsourcing of low-performance business
	Expansion of business domains
New Business	Utilization of ANA brand value
	Utilization of tangible/intangible assets such as customer base
	Utilization of state of the art ICT technology

Implementing Proactive and Speedy Management



Note 1: Methodology which involves building simple prototypes to test with potential users, thereby creating products together with users, or withdrawing if there are no needs

Note 2: Methodology which involves establishing organizations/functions having non-traditional judging criteria and processes to reform operations and services using new businesses and new technology.

Value Creation Target

	FY2017	FY2020
Operating revenues	JPY 1,910 billion	JPY 2,160 billion
Operating income	150 billion	200 billion
Operating margin	7.9%	9.3%
Net income attributable to owners of ANA HOLDINGS INC.	JPY 125 billion	JPY 115 billion
ROE	12.9%	9.8%
ROA	7.4%	7.6%

* Net income attributable to owners of ANA HOLDING INC for FY2017 includes extraordinary income of JPY 33.8 billion (expected) due to Peach Aviation Limited becoming a consolidated subsidiary.

Outlook for the Next Fiscal Year

Air Transportation Business

- Domestic Passenger Business

In domestic passenger business, demand for travel within Japan by foreign visitors is expected to increase air transportation demand despite a decline trend in the country's aggregate population and an anticipated increase in competition with rivals. Under such circumstances, ANA Group is working to ensure profitability by promoting measures to match capacity with demand by diversifying the fleet lineup such as the introduction of the Airbus A321neo to further refine "Pittato Fleet" (the Dynamic Fleet Assign Model) arrangements.

In the route network, in addition to launching a new Nagoya-Miyako route from June 2017, efforts will be made to expand the network according to passenger demand.

In sales and services, ANA will steadily capture inbound demand to Japan by enhancing its presence through initiatives such as "ANA Discover Japan Fare" for visitors to Japan, and make efforts to stimulate demand by carefully reviewing the level of various "Tabiwari" discounts based on demand. Furthermore, ANA will make intend to enhance services as a full-service carrier by establishing a new "ANA SUITE LOUNGE," which is ANA's finest lounge for premium members, on domestic routes at New Chitose Airport in September this year.

- International Passenger Business

In international passenger business, efforts will be made to further increase profitability, and strengthen overseas marketing aimed at capturing robust inbound tourist demand.

In the route network, in addition to increasing the new Haneda-Jakarta route in August this year, efforts will be made to capture business demand and inbound demand by capitalizing on the convenience of Haneda Airport's proximity to downtown Tokyo.

In sales and services, in addition to offering fares with prices that fluctuate dynamically based on status of reservations, ANA will strive to further enhance its presence in overseas markets and stimulate inbound demand through continued efforts at promotions to convey the ANA brand and the appeal of Japan, with its sights set on the 2020 Tokyo Olympic and Paralympic Games. Furthermore, Boeing 787-9 aircraft will be introduced on all flights on the Haneda/Narita-Honolulu routes from the summer timetable, and those ANA will work to further improve products and services as a full-service carrier by providing "Premium Economy" service and "ANA Business Staggered" full-flat seat in business class.

- Cargo Operations

In domestic cargo, overall trends in demand for domestic cargo are sluggish, and available cargo space is decreasing due to the operation of smaller aircraft. Under these

circumstances, ANA will utilize its sales reservation system and its extensive passenger flight route network to steadily capture demand.

In international cargo, demand originating in Japan, which performed well since the second half of fiscal 2016, is expected to remain steady. In particular, demand for automotive parts originating in Japan and bound for Asia, China, North America and Europe is expected to continue. Furthermore, by flexibly revising the route network of cargo aircraft, ANA will endeavor to strengthen its ability to respond to demand fluctuations, and maintain and improve profitability. In the Okinawa cargo hub, ANA aims to capture more express cargo and value-added cargo than in the past and continue to strengthen its revenue base through the provision of high value-added services utilizing the strengths of its network.

● Fleet Plan

The Fleet Plan is scheduled to introduce and retire the following aircraft with an expansion of international operations and initiatives to match capacity and demand on domestic routes through the introduction of smaller aircraft.

Aircraft to be introduced	
Model	No. of Aircraft
Boeing 787-9	6
Airbus A321neo	6
Airbus A320neo	3
Bombardier DHC8-400	3
Total	18

Aircraft to be retired	
Model	No. of Aircraft
Boeing 777-200	3
Boeing 767-300	4
Airbus A320-200	4
Boeing 737-500	5
Total	16

● Air Transportation Business - Others

In LCC operations, Vanilla Air Inc. will work to improve profitability of existing routes and further improve its network, in addition to offering fares that are appealing to customers according to trends in demand. Its fleet plan is to introduce three Airbus A320-200 for a total of 15 aircraft.

In addition, Peach Aviation Limited. will accelerate growth once consolidated into the ANA Group, and will establish and expand domestic and international routes from Sendai Airport as a further hub following Kansai Airport and Naha Airport. Its fleet plan is to introduce two Airbus A320-200 for a total of 20 aircraft.

With Vanilla Air Inc. and Peach Aviation Limited. combined, the ANA Group aims to have the leading share among Japanese LCCs, create new demand in the Japanese market, and capture robust inbound demand.

Airline Related Business

Foreign airlines are expected to increase flights due to strong inbound demand to Japan, and the aim is for airline related operations to contribute to Group revenues through contracts to supply passenger and cargo handling services in domestic airports, and supply in-flight meals for these airlines.

Travel Services

In travel services, efforts will be made to make travel products such as "Tabisaku" dynamic package products that can be reserved from the website more competitive by improving the ANA SKY WEB's search and reservation functions for both domestic and international travel.

In domestic travel services, while proceeding to enhance dynamic package products, the Company will make an effort to expand sales by strengthening "ANA Sky Holiday" products and enhancing the benefits of early booking.

In international travel services, efforts will be made to strengthen sales through the improvement of added value of tour products to Hawaii and the enhancement of the product lineup including strengthening the product appeal of "ANA Hallo Tour" and expanding high value-added products such as "'ANA Wonder Earth,' which offers unique and luxury experiences", and "'Otona no Yutori Tabi,' which offers leisurely travel contents."

Furthermore, in travel to Japan, by utilizing the system for inbound passengers supporting Japanese, English and Chinese (simplified and traditional) that began operation in February this year to provide greater convenience, efforts will be made to capture growing inbound tourist demand.

Trade and Retail

In Trade and Retail, efforts will be made to expand earnings by actively pursuing areas expected to grow in the future by strengthening of global marketing centered on Asian markets across all divisions and capitalizing on strengths developed in existing businesses.

In retail, the strengthening of marketing and merchandizing through more effective use of customer data will increase revenues in "ANA DUTY FREE SHOPS", "ANA FESTA", web sales and in-flight sales.

In food, efforts will be made to strengthen sales including increasing our market share of bananas, one of its mainstay products.

Other

In other areas, through structural reforms and expansion of external trading in existing businesses, the ANA will demonstrate its comprehensive strength of the Group as a whole and contribute to profit growth of the entire Group.

Through these initiatives, the ANA Group will capture business opportunities, ensure value creation, and build a stable business structure.

We would like to thank our shareholders for their continued support.

(5) Key principles of capital policies

The Company has the following three key principles underlying its capital policies:

(i) Growth of shareholder value through improvement of ROE

- ▶ The Company seeks sustainable profit growth and improvement of capital efficiency (ROE) to deliver sustainable growth of shareholder value.
- ▶ The Company seeks to improve its ROE with a focus on "profitability (return rate)" and "asset effectiveness (turnover)" while maintaining a sound balance sheet.

(ii) Maintenance of sound balance sheet – level of shareholders' equity

- ▶ The Company will maintain the required level of shareholders' equity to ensure capturing of expanding business opportunities from the following viewpoints:
 - The level of shareholders' equity is sufficient to cover risks associated with its business activities.
 - The level of shareholders' equity is sufficient to obtain and maintain credit ratings that are required for supporting of continued capital investment.

(iii) Shareholders' return

- ▶ The Company views the return of profits to shareholders as an important management issue. While securing resources for investing in growth, such as aircraft fleet for future business expansion, the Company intends to enhance shareholders' return giving due consideration to its free cash flow and other metrics, provided that the Company maintains its financial health.

(6) Principal businesses of the ANA Group (as of March 31, 2017)

Segment	Nature of business
Air Transportation	Air transportation by scheduled and non-scheduled flights on domestic and international routes, and other related businesses
Airline Related	Airport ground support, maintenance, information and telecommunications, and logistics businesses
Travel Services	Planning, development, sale and other related businesses for travel packages
Trade and Retail	Trading and retailing business
Other	Building maintenance, real estate and other businesses

(7) Principal offices and plants of the ANA Group (as of March 31, 2017)

Company name	Offices and location	
(Group-wide)		
ANA HOLDINGS INC.	Head Office	5-2, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo
(Air Transportation)		
ALL NIPPON AIRWAYS CO., LTD.	Head Office	Minato-ku, Tokyo
	Domestic Sales Branches	Tokyo Sales Office, Hokkaido Sales Office, Tohoku Sales Office, Chubu Sales Office, Kansai Sales Office, Chugoku-Shikoku Sales Office, Kyushu Sales Office, Okinawa Sales Office
	Domestic Airport Branches	Narita Airport Office, Tokyo Airport Office, Osaka Airport Office, Kansai Airport Office, Chitose Airport Office, Chubu Airport Office, Fukuoka Airport Office, Okinawa Airport Office
	Overseas Branches	Beijing, Tianjin, Dalian, Shenyang, Qingdao, Shanghai, Hangzhou, Chengdu, Wuhan, Xiamen, Guangzhou, Hong Kong, Taipei, Seoul, Mumbai, Delhi, Yangon, Bangkok, Hanoi, Ho Chi Minh, Singapore, Kuala Lumpur, Jakarta, Manila, Phnom Penh, Sydney, San Francisco, San Jose, Seattle, Los Angeles, Houston, Chicago, New York, Washington D.C., Honolulu, Vancouver, Mexico City, London, Frankfurt, Paris, Brussels
Air Japan Co., Ltd.	Head Office	Narita-shi, Chiba
ANA WINGS CO., LTD.	Head Office	Ota-ku, Tokyo
Vanilla Air Inc.	Head Office	Narita-shi, Chiba
(Airline Related)		
ANA Cargo Inc.	Head Office	Minato-ku, Tokyo
Overseas Courier Service Co., Ltd.	Head Office	Minato-ku, Tokyo
ANA Systems Co., Ltd.	Head Office	Ota-ku, Tokyo
(Travel Services)		
ANA Sales Co., Ltd.	Head Office	Chuo-ku, Tokyo
(Trade and Retail)		
ALL NIPPON AIRWAYS TRADING CO., LTD.	Head Office	Minato-ku, Tokyo

(8) Aircraft used by the ANA Group (as of March 31, 2017)

Aircraft	Number of aircraft			Number of seats
	Owned	Leased	Total	
Boeing 777-300	23	6	29	212 - 514
Boeing 777-200	17	7	24	223 - 405
Boeing 787-9	20	1	21	215 - 395
Boeing 787-8	31	5	36	169 - 335
Boeing 767-300	25	12	37	202 - 270
Boeing 767-300F	8	4	12	–
Boeing 737-800	24	12	36	166 / 167
Boeing 737-700	7	–	7	120
Boeing 737-500	17	–	17	126
Airbus A321ceo	–	4	4	194
Airbus A320neo	2	–	2	146
Airbus A320-200	10	12	22	166
Bombardier DHC8-400	21	–	21	74
Total	205	63	268	

(Note)

In addition to the above, there are eighteen (18) aircraft owned or leased by the Company which are leased to other entities.

(9) Employees (as of March 31, 2017)**(i) Employees of the ANA Group**

Segment	Number of employees		Change in the number since the previous fiscal year end	
Air Transportation	15,797	(410)	+678	(+29)
Airline Related	18,062	(2,174)	+2,073	(+203)
Travel Services	1,523	(154)	+31	(-9)
Trade and Retail	1,420	(1,030)	+40	(+63)
Other	2,291	(263)	+139	(-22)
Group-wide (common)	150	(0)	+9	(0)
Total	39,243	(4,031)	+2,970	(+264)

(Notes)

1. Number of employees means the number of full-time employees, and the number of temporary employees is stated in brackets.
2. Number of employees excludes employees of the Company and its consolidated subsidiaries who are temporarily transferred to companies other than the Company's consolidated subsidiaries.
3. Number of employees includes employees of companies other than the Company's consolidated subsidiaries who are temporarily transferred to the Company or its consolidated subsidiaries.
4. The numbers of employees shown on the Group-wide (common) represent those who belong to the holding company that cannot be classified into any specific segment.
5. The number of full-time employees and temporary employees of the Airline Related business increased by 2,073 and 203, respectively, as compared to the previous consolidated fiscal year end. The increase in the number of full-time employees was primarily due to the facts that, as of April 1, 2016, the Company made AIR OKINAWA COMPANY LTD. (which changed its trade

name to ANA Okinawa Airport Co., Ltd. as of the same date) its consolidated subsidiary by acquiring the outstanding shares of the same; and that the respective airport companies increased their hires in order to expand their services provided to foreign airlines based on entrustment. The increase in the number of temporary employees was brought about mainly by increased hires of contract employees due to growth in production.

(ii) Employees of the Company

Number of employees	Change in the number since the previous fiscal year end	Average age	Average service years
150 (0)	+9 (0)	47.2	2.60

(Notes)

1. Number of employees means the number of full-time employees, and the number of temporary employees is stated in brackets.
2. Number of employees excludes employees of the Company who are temporarily transferred to another company.
3. Number of employees includes employees of another company who are temporarily transferred to the Company.
4. The average service years (2.60 years) represents the average years in service from the effective date of the absorption-type company split (April 1, 2013) of the employees of the Company, who are primarily composed of employees seconded from All NIPPON AIRWAYS CO., LTD., a consolidated subsidiary of the Company.

(10) Main loan lenders (as of March 31, 2017)

(Millions of yen)

Name of Loan Lender	Amount of Loan
Sumitomo Mitsui Banking Corporation	71,950
Mizuho Bank, Ltd.	69,919
Development Bank of Japan Inc.	34,088
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	31,708
Sumitomo Mitsui Trust Bank, Limited	30,493

(Notes)

1. In addition to the above, 299,743 million yen is outstanding on the loan guaranteed by Japan Bank for International Cooperation.
2. In addition to the above, the ANA Group Employee Stock Ownership Trust has outstanding borrowings of 277 million yen from Mizuho Bank, Ltd.
3. In addition to the above, the consolidated subsidiaries of the Company have outstanding borrowings of 865 million yen from Sumitomo Mitsui Banking Corporation and 344 million yen from Mizuho Bank, Ltd.

2. Current Status of the Company

(1) Status of shares (as of March 31, 2017)

- (i) Authorized shares: 5,100,000,000 shares
- (ii) Outstanding shares: 3,516,425,257 shares
(Including 5,154,640 treasury shares)
- (iii) Number of shareholders: 521,569
(A decrease of 1,865 from the previous Fiscal Year end)
- (iv) Major shareholders (the top ten shareholders):

Name of shareholders	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	121,289	3.45
Japan Trustee Services Bank, Ltd. (Trust account)	99,317	2.83
Nagoya Railroad Co., Ltd.	73,067	2.08
Japan Trustee Services Bank, Ltd. (Trust account 5)	68,193	1.94
Japan Trustee Services Bank, Ltd. (Trust account 1)	50,204	1.43
Japan Trustee Services Bank, Ltd. (Trust account 2)	50,132	1.43
Japan Trustee Services Bank, Ltd. (Trust account 9)	41,770	1.19
Japan Trustee Services Bank, Ltd. (Trust account 7)	40,979	1.17
Tokio Marine & Nichido Fire Insurance Co., Ltd.	40,397	1.15
ANA Group Employee Stock Ownership Association	35,226	1.00

(Notes)

1. The shareholding ratio is calculated excluding the number of treasury shares (5,154,640 shares).
2. Fractions of less than a thousand shares are rounded down.

Breakdown of shares by shareholder type (as of March 31, 2017)

Financial institutions	24.65 %
Securities companies	1.22 %
Other domestic corporations	12.54 %
Foreigners	10.38 %
Individuals and others	51.03 %
Shares held by the Company	0.15 %
Central and local governments	0.03 %
Total	3,516,425,257 shares

(2) Status of stock acquisition rights

No stock acquisition rights are outstanding.

(3) Members of the Board of Directors and Audit & Supervisory Board Members

(i) Status of Directors and Audit & Supervisory Board Members (as of March 31, 2017)

Position in the Company	Name	Responsibility and material concurrent positions
Chairman of the Board of Directors, Representative Director	Shinichiro Ito	Chairman of the Board of Directors; Outside Director and Member of Audit and Supervisory Committee of Mitsubishi Heavy Industries, Ltd.
President & Chief Executive Officer, Representative Director	Shinya Katanozaka	Chairman of Group Management Committee; Head of CSR Promotion Committee; In charge of Internal Audit
Senior Executive Vice President	Shigeyuki Takemura	In charge of Government & Industrial Affairs, Strategic Planning-Asia Pacific
Director	Kiyoshi Tonomoto	Chairman of CSR Promotion Committee; In charge of Executive Secretariat, Legal & Insurance, Director of Corporate Communication, the Company
Director	Toyoyuki Nagamine	In charge of Human Resources Strategy, Okinawa Region, Director of Corporate Planning, the Company
Director	Yuji Hirako	In charge of Finance, Accounting & Investor Relations, Facilities Planning
Director	Osamu Shinobe	President & Chief Executive Officer of ALL NIPPON AIRWAYS CO., LTD.; Chairman of All Japan Air Transport and Service Association Co., Ltd.
Outside Director	Shosuke Mori	Senior Advisor of The Kansai Electric Power Co., Inc.; Outside Director of Hankyu Hanshin Holdings, Inc.; Outside Director of The Royal Hotel, Ltd.; Chairman of the Kansai Economic Federation
Outside Director	Ado Yamamoto	Chairman and Representative Director, Nagoya Railroad Co., Ltd.; Outside Director, Yahagi Construction Co., Ltd.; Chairman of Nagoya Chamber of Commerce & Industry
Outside Director	Izumi Kobayashi	Outside Director, MITSUI & CO., LTD.; Governor of Japan Broadcasting Corporation
Outside Audit & Supervisory Board Member (Full-time Member)	Sumihito Okawa	Outside Audit & Supervisory Board Member, Kandenko Co., Ltd.
Audit & Supervisory Board Member (Full-time Member)	Yoshinori Maruyama	-
Audit & Supervisory Board Member (Full-time Member)	Eiji Kanazawa	-
Outside Audit & Supervisory Board Member	Shingo Matsuo	Advisor of Kyushu Electric Power Co., Inc.; Honorary Chairman of Kyushu Economic Federation

Position in the Company	Name	Responsibility and material concurrent positions
Outside Audit & Supervisory Board Member	Eiji Ogawa	Professor, Graduate School of Commerce and Management, Hitotsubashi University; Chairman of Council on Customs, Tariff, Foreign Exchange and Other Transactions for International Bureau of Ministry of Finance

(Notes)

1. Directors Shosuke Mori, Ado Yamamoto, and Izumi Kobayashi are Outside Directors.
2. Audit & Supervisory Board Members Sumihito Okawa, Shingo Matsuo and Eiji Ogawa are Outside Audit & Supervisory Board Members.
3. The Company has notified to the Tokyo Stock Exchange that Outside Directors Shosuke Mori Ado Yamamoto, and Izumi Kobayashi and Outside Audit & Supervisory Board Members Sumihito Okawa, Shingo Matsuo and Eiji Ogawa are Independent Directors/Audit & Supervisory Board Members.
4. Audit & Supervisory Board Member Sumihito Okawa worked for a financial institution, and has an extensive knowledge of finance and accounting.
5. Audit & Supervisory Board Member Eiji Kanazawa has been in charge of the finance and accounting operations of the Company for a long time, and has extensive knowledge of finance and accounting.
6. Audit & Supervisory Board Member Eiji Ogawa has been in research of international finance as a university professor for a long time, and has extensive knowledge of finance and accounting.
7. Director Osamu Shinobe retired as Chairman of The Scheduled Airlines Association of Japan as of the closing of its annual meeting held on May 20, 2016.
8. Director Osamu Shinobe took office as Chairman of All Japan Air Transport and Service Association Co., Ltd. at its annual meeting held on May 20, 2016. He resigned as Chairman of All Japan Air Transport and Service Association Co., Ltd. at its annual meeting held on May 22, 2017.
9. Director Osamu Shinobe resigned as President & Chief Executive Officer of All NIPPON AIRWAYS CO., LTD. as of March 31, 2017.
10. Director Yuji Hirako took office as President & Chief Executive Officer of All NIPPON AIRWAYS CO., LTD as of April 1, 2017.
11. Director Yuji Hirako took office as Chairman of All Japan Air Transport and Service Association Co., Ltd. at its annual meeting held on May 22, 2017.
12. Director Shosuke Mori retired as Chairman of the Kansai Economic Federation as of the closing of its annual meeting held on May 29, 2017.
13. Director Ado Yamamoto took office as Chairman of Nagoya Chamber of Commerce & Industry at its extraordinary general meeting of members held on November 1, 2016.
14. Director Izumi Kobayashi was newly appointed and took office as Governor of Japan Broadcasting Corporation as of June 20, 2016.
15. Director Izumi Kobayashi retired as Director of Suntory Holdings Limited as of March 27, 2017.
16. Shigeyuki Takemura, Kiyoshi Tonomoto, Toyoyuki Nagamine and Yuji Hirako among Directors concurrently hold the office of Corporate Executive Officer.
17. Directors Shigeyuki Takemura and Kiyoshi Tonomoto both resigned as Directors of the Company as of March 31, 2017.
18. As shown below, the positions of the Directors were changed as of April 1, 2017:
Shinichiro Ito: Chairman of the Board;
Osamu Shinobe: Member of the Board of Directors, Vice Chairman; and
Toyoyuki Nagamine: Senior Executive Vice President, Representative Director, Corporate Executive Officer

(ii) Outline of contracts for limitation of liability

In accordance with Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into contracts for limitation of damage liability prescribed in Article 423, Paragraph 1 of the Companies Act with each of the Outside Directors and Audit & Supervisory Board Members setting forth the maximum extent of the damage liability payable thereunder shall be limited to the amount set forth in Article 425, Paragraph 1 of the Companies Act.

(iii) Payment of remuneration, etc., to members of the Board of Directors and Audit & Supervisory Board Members

Category	Number of persons entitled to payment	Total amount of remuneration (millions of yen)	Total amount by remuneration type (millions of yen)		
			Basic remuneration	Bonus	Share remuneration
Directors (Outside Directors)	10 (3)	462 (40)	318 (40)	81 (-)	61 (-)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	5 (3)	113 (52)	113 (52)	- (-)	- (-)
Total	15	575	432	81	61

(Notes)

1. It was resolved at the 66th Ordinary General Meeting of Shareholders of the Company held on June 20, 2011 that the maximum amount of remuneration of Directors per year would be 960 million yen.
2. It was resolved at the 60th Ordinary General Meeting of Shareholders of the Company held on June 28, 2005 that the maximum amount of remuneration of Audit & Supervisory Board Members per month would be 10 million yen.
3. Separately from the amount of remuneration authorized by the resolution referred to in the Note 1 above, the amount of the share remuneration represents an amount charged in accordance with the share remuneration plan approved by a resolution passed at the 70th Ordinary General Meeting of Shareholders of the Company held on June 29, 2015.
4. Figures in the table have been rounded down to the nearest million yen.

(iv) Policies applicable to the determination of remuneration, etc.

a. Directors' remuneration

i. Basic policies

- To ensure transparency, fairness and objectivity of remuneration and establish a remuneration level worth his/her roles and responsibilities;
- To reinforce incentives for achieving management goals by introducing performance-linked remuneration based on management strategies; and
- To improve mid-term and long-term corporate values, aiming at establishing a remuneration scheme which enables the Company to share profits with shareholders.

ii. Process

Director's remuneration is determined by the Board of Directors within the amount authorized by the General Meeting of Shareholders by reference to opinions provided by the Remuneration Advisory Committee.

The Remuneration Advisory Committee, acting as an advisory body for the Board of Directors, established the remuneration system and standards for the Company's Directors, taking into consideration other companies' levels as researched by an external special agency upon our request. A majority of the members of the Remuneration Advisory Committee are Outside Directors and outside experts.

iii. Remuneration system

In addition to the "basic remuneration" with a fixed amount, remuneration of a Director (other than Outside Directors) also includes the "bonus" linked to the Company's performance and the "share remuneration plan" as a long-term incentive, in the expectation that they will serve as sound incentives for realizing the Company's sustainable growth.

Outside Directors only receive the fixed remuneration (monthly remuneration) in light of their responsibility for supervising the Company's operations from an independent standpoint.

The retirement allowance system was abolished in 2004.

b. Audit & Supervisory Board Members' remuneration

Audit & Supervisory Board Members only receive the fixed remuneration (monthly remuneration) in light of their responsibility for auditing the Company's operations from an independent standpoint.

For your information, the standards for the remuneration are determined by reference to other companies' levels researched by an external special agency upon our request.

The retirement allowance system was abolished in 2004.

(v) Matters concerning outside officers

To further strengthen proper and swift decision-making by, and supervising and monitoring functions of, the Board of Directors, the Company provides the following policies concerning the structure and operations of the Board of Directors in its "Fundamental Policy on Corporate Governance." For the independence guidelines for Outside Directors and Outside Audit & Supervisory Board Members, please refer to page 24 hereof.

<Structure>

The total number of Directors is to be no more than 20 as stipulated by the Articles of Incorporation. The Board of Directors is to be adequately composed of members that are diverse in various ways, including experience, knowledge, and expertise and gender, to facilitate ample discussion, swift and rational decision-making and the supervision and monitoring of business execution.

Several Outside Directors are selected from among candidates that are independent from the Company to further strengthen proper decision-making and supervising and monitoring functions of the Board of Directors.

<Operations>

As a general rule, the Board of Directors meets every month. Swift decisions are made on important agenda for the Group overall. In addition, advice is gleaned appropriately from the Outside Directors.

- a. Material concurrent positions as an executive officer at other corporations, etc. and relationship between that corporation, etc. and the Company

Name/Title	Material concurrent position	Relationship with the Company
Shosuke Mori Outside Director	Senior Advisor of The Kansai Electric Power Co., Inc.	No special relationship
	Chairman of the Kansai Economic Federation	No special relationship
Ado Yamamoto Outside Director	Chairman and Representative Director of Nagoya Railroad Co., Ltd.	No special relationship
	Chairman of Nagoya Chamber of Commerce & Industry	No special relationship
Shingo Matsuo Outside Audit & Supervisory Board Member	Advisor of Kyushu Electric Power Co., Inc.	No special relationship
	Honorary Chairman of Kyushu Economic Federation	No special relationship
Eiji Ogawa Outside Audit & Supervisory Board Member	Professor, Graduate School of Commerce and Management, Hitotsubashi University	No special relationship

- b. Material concurrent positions as an outside officer, etc. at other corporations, etc. and relationship between that corporation, etc. and the Company

Name/Title	Material concurrent position	Relationship with Company
Shosuke Mori Outside Director	Director (Outside Director) of Hankyu Hanshin Holdings, Inc.	No special relationship
	Director (Outside Director) of The Royal Hotel, Ltd.	No special relationship
Ado Yamamoto Outside Director	Outside Director of Yahagi Construction Co., Ltd.	No special relationship
Izumi Kobayashi Outside Director	Director (Outside Director) of Suntory Holdings Limited	No special relationship
	Director (Outside Director) of MITSUI & CO., LTD.	No special relationship
	Governor of Japan Broadcasting Corporation	No special relationship
Sumihito Okawa Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member of Kandenko Co., Ltd.	No special relationship

c. Principal activities during the Fiscal Year

Name/Title	Activities
Shosuke Mori Outside Director	Shosuke Mori attended eleven (11) out of the thirteen (13) meetings of the Board of Directors that were held during the Fiscal Year, where he proactively provided opinions and suggestions on, among other subjects, security measures and developments in global business environment, taking advantage of his considerable experience and broad knowledge developed principally as a corporate executive manager in a business of a highly public nature. In addition, he exchanged opinions with Representative Directors outside of the board meetings as appropriate, and provided necessary advice. From the fiscal year 2013 and the fiscal year 2016, he holds the office of a chairman of the Remuneration Advisory Committee and the Personnel Advisory Committee, respectively.
Ado Yamamoto Outside Director	Ado Yamamoto attended twelve (12) out of the thirteen (13) meetings of the Board of Directors that were held during the Fiscal Year, where he proactively provided opinions and suggestions on, among other subjects, security measures, service quality and the Group's business operations, taking advantage of his considerable experience and broad knowledge developed principally as a corporate executive manager in a transportation business. In addition, he exchanged opinions with Representative Directors outside of the board meetings as appropriate, and provided necessary advice. From the fiscal year 2016, he holds the office of a member of the Remuneration Advisory Committee and the Personnel Advisory Committee.

Izumi Kobayashi Outside Director	Izumi Kobayashi attended twelve (12) out of the thirteen (13) meetings of the Board of Directors that were held during the Fiscal Year, where she proactively provided opinions and suggestions on, among other subjects, the Group's management strategies, communications with customers and promotion of diversity including promotion of women's active participation in the workforce based on her global background, taking advantage of her considerable experience and broad knowledge developed principally as a representative of a financial institution and multilateral development bank. In addition, she exchanged opinions with Representative Directors outside of the board meetings as appropriate, and provided necessary advice. From the fiscal year 2013 and the fiscal year 2016, she holds the office of a member of the Remuneration Advisory Committee and the Personnel Advisory Committee, respectively.
Sumihito Okawa Outside Audit & Supervisory Board Member	Sumihito Okawa attended all thirteen (13) meetings of the Board of Directors and all thirteen (13) meetings of the Audit & Supervisory Board that were held during the Fiscal Year, where he proactively made statements on, among other subjects, investment projects and the Group's management strategies, taking advantage of his considerable experience and broad knowledge developed principally as a representative of a policy finance institution. In addition, he implemented visiting audits of each of the offices and divisions located in and outside Japan as well as attending the Management Committee of ANA Group and the other meetings as a Full-time Audit & Supervisory Board Member.
Shingo Matsuo Outside Audit & Supervisory Board Member	Shingo Matsuo attended all thirteen (13) meetings of the Board of Directors and all thirteen (13) meetings of the Audit & Supervisory Board that were held during the Fiscal Year, where he proactively made statements on, among other subjects, safety-centered business operations, investment projects, the Group's management strategies and revitalization of the Board of Directors, taking advantage of his considerable experience and broad knowledge developed principally as a corporate manager in business of a highly public nature. Further, he exchanged opinions with Representative Directors as appropriate.
Eiji Ogawa Outside Audit & Supervisory Board Member	Eiji Ogawa attended all thirteen (13) meetings of the Board of Directors and all thirteen (13) meetings of the Audit & Supervisory Board that were held during the Fiscal Year, where he proactively made statements on, among other subjects, investment projects, foreign exchanges and the Group's management strategies, taking advantage of his considerable experience and broad knowledge developed principally as an expert in international finance and other similar areas. Further, he exchanged opinions with Representative Directors as appropriate.

(4) Status of Independent Auditor

(i) Name: Deloitte Touche Tohmatsu LLC

(ii) Amount of remuneration:

(Millions of Yen)

	Payment
Amount of remuneration of Independent Auditor for the Fiscal Year	52
Total of amount and other financial profit payable by the Company and subsidiaries to the Independent Auditor	174

(Notes)

1. The material subsidiaries of the Company, All NIPPON AIRWAYS TRADING CO., LTD. and ANA Systems Co., Ltd. are audited by an accounting firm other than the Independent Auditor of the Company.
2. The audit agreement by and between the Company and the Independent Auditor does not distinguish the amount of the audit fee etc. for the auditing based on the Companies Act from that of the audit fee for the auditing based on the Financial Instruments and Exchange Act, and it is difficult in practical terms to classify them. Therefore, the total amount is described in the above chart.
3. The Audit & Supervisory Board of the Company reviewed the validity of performance of duties in the audit plan prepared by the Independent Auditor and the estimated amount of remuneration, using the “Practical Guidelines for Cooperation with Accounting Auditors” released by Japan Corporate Auditors Association as a guide, and determined that the fees, etc. of the Independent Auditor was appropriate, and expressed consent as provided for in Article 399, Paragraphs 1 and 2 of the Companies Act.

(iii) Non-audit services

The Company consigns the Independent Auditor to prepare comfort letters in connection with issuances of corporate bonds as services other than those set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

(iv) Policy on decision of removal and non-reappointment of Independent Auditor

The Accounting Auditor will be removed by the Audit & Supervisory Board with the consent of all the Audit & Supervisory Board Members, if the Accounting Auditor falls under any of the Items of Article 340, Paragraph 1 of the Companies Act. In this case, the fact of and reason for the removal will be reported at the first shareholders meeting convened after the removal.

In addition, the Audit & Supervisory Board may determine contents of a resolution concerning removal or non-reappointment of the Independent Auditor to be submitted to the General Meeting of Shareholders, if the Audit & Supervisory Board determines that the Accounting Auditor has difficulties in properly performing its services or that it is appropriate to do so for further improving the reliability and appropriateness of audit.

(5) System for ensuring the appropriateness of business operations

The outline of the matters determined regarding the system for ensuring that the performance of duties by the Directors is in compliance with laws and the articles of incorporation and the system for ensuring that the business of the Company is otherwise operated in an appropriate manner is as described below (last modified on April 28, 2017).

(i) System for ensuring Directors and employees compliance with laws and the articles of incorporation

- * We established the "ANA Group Compliance Rules" and the "Group CSR Risk Compliance Committee" consisting of Full-time Directors and Full-time Audit & Supervisory Board Members. In these committees, important policies and matters concerning compliance are discussed, drafted and promoted under the supervision of the President of the Company. In addition, these committees have established the "CSR Guidelines" as a code of conduct to which the ANA Group Directors and employees must adhere when performing their duties, and created an environment in which the said "CSR Guidelines" are accessible by all of the members.
- * We have set up a "Compliance Hot-line" as a consultation and report desk addressing compliance issues within the ANA Group, and created the "Group Internal Audit Division" which conducts group internal audits to develop a system to ensure compliance.
- * We aim to raise awareness of compliance by assigning "CSR Promotion Officers" as the people in charge of CSR activities and by assigning "CSR Promotion Leaders" as promoters of CSR activities to the Company and its subsidiaries in order to educate executives and employees on their compliance obligations and by establishing a special website on the Intranet of the Group.

(ii) System for maintaining and managing information relating to the performance of duties by Directors

- * Information relating to the performance of duties by Directors, such as important decision-making by the Board of Directors or reports to Directors, is maintained and managed in accordance with the laws and "Document Management Rules" concerning the preparation, organization, storage and disposal of documents, irrespective of the recorded media. Such information is stored in a system which enables Directors and employees to access the information at any time.
- * Important documents relating to the performance of duties are circulated to, and are accessible by Audit & Supervisory Board Members at any time.
- * The "Group Internal Audit Division" conducts internal audits with respect to the maintenance and management of documents in order to ensure effective maintenance and management.

(iii) Rules and other systems regarding the management of risk of loss

- * The "ANA Group Total Risk Management Rules" stipulate the basic rules for total risk management in the ANA Group, and the "Group CSR Risk Compliance Committee," consisting of Full-time Directors and Full-time Audit & Supervisory Board Members, has been established. In these committees, important policies and matters concerning total risk management are discussed, planned and facilitated under the supervision of the President of the Company.
- * The "CSR Promotion Officers" as the people in charge of CSR activities and the "CSR Promotion Leaders" as a promoter of CSR activities are assigned to the Company and its subsidiaries in order to facilitate risk management activities.

(iv) System for ensuring efficient execution of Director's duties

- * In order to clarify the significance of our existence and the role of the ANA Group, we have established the corporate philosophy for our Group. Under the corporate vision of our Group, we share a common future goal of the Group.
- * In order to achieve the corporate vision for our Group, we have established a Group Corporate Plan and we are introducing a system in which all employees set their own business goals using these Plans. We believe the system will help employees clarify their own goals that might very well overlap with each other. In addition, we make sure that all goals and plans are reviewed regularly in order to conduct our business more adequately and efficiently.
- * In order to clarify the range of authorization and discretion of executives, we have established regulations such as the "Regulation of Segregation of Duties" and the "Regulation of Authority of Management" to stipulate the division of roles, the authority and responsibility of the conduct of duties and the system of command and order, etc.
- * Through adopting the Corporate Executive Officer System, we promote prompt decision making. In addition, important matters in the course of execution of business are carefully deliberated by the "Management Committee" using a collegial system.

(v) System for ensuring appropriateness of the business operations of the ANA Group comprised of the Company and its subsidiaries

- a. System of reporting to the Company matters regarding the performance of duties by directors and other officers of subsidiaries
 - i. The status of business operations at subsidiaries needs to be reported to the "Management Committee." Also, the status of audits conducted by audit & supervisory board members of subsidiaries needs to be reported to the "Group Audit & Supervisory Board Members Liaison Meeting."

- b. Rules and other systems regarding the management of risk of loss at subsidiaries
 - i. Based on the "ANA Group Total Risk Management Rules," the Company has increased its management stability and efficiency through the establishment of the risk and crisis management system across the Group.
 - ii. The status of the risk and crisis management system needs to be reported to the "Group CSR Risk Compliance Committee" to manage progress.
 - iii. The "CSR Promotion Leaders" being promoters of CSR activities at subsidiaries hold meetings of the "CSR Promotion Leaders Meeting" on a regular basis to share information and get education on the risk and crisis management.
- c. System for ensuring efficient execution of duties of directors and other officers of subsidiaries
 - i. Based on the ANA Group's corporate philosophy, the Company has established the "Group Corporate Governance Rules" as fundamental principles governing the management of subsidiaries.
 - ii. Pursuant to the "Group Corporate Governance Rules," the Company has executed the "Group Management Rules" with each of its subsidiaries in order to exercise necessary control over their management in the aim of attaining their respective operational goals.
- d. System for ensuring compliance with laws and the articles of incorporation by directors, other officers and employees of subsidiaries
 - i. The Company promotes education on and raises awareness of compliance based on the "ANA Group Compliance Rules."
 - ii. The Company has established the "Group Internal Audit Division" in charge of group internal audits, which conducts audits of operations and accounting at the Company and each group company.
- (vi) Matters regarding employees who assist the duties of Audit & Supervisory Board Members where the Audit & Supervisory Board Members request that such employees be appointed
 - * Directors have established the "Audit & Supervisory Board Members Office," which is an organization that assists with the Audit & Supervisory Board Members' duties, upon the request of the Audit & Supervisory Board Members, and assigned a requisite number of employees to it.

(vii) Matters regarding the independence of the employees described in the preceding Item (vi) from Directors and matters regarding ensuring effectiveness of instructions given by Audit & Supervisory Board Members to these employees

- * Employees who belong to the Audit & Supervisory Board Members Office shall comply with the instructions and orders of Audit & Supervisory Board Members, and Directors shall make decisions on personnel matters regarding these employees through consultation with Audit & Supervisory Board Members.

(viii) System of reporting to Audit & Supervisory Board Members

- a. System of reporting from Directors and employees to Audit & Supervisory Board Members
 - i. Directors and employees report to Audit & Supervisory Board Members on important matters regarding the management and business operations of the Company including matters relating to compliance, risk management and internal control, as well as their performance of duties, etc., through important internal meetings such as a meeting of the Board of Directors and the "Management Committee."
 - ii. Employees make reports on the operation of the business to Audit & Supervisory Board Members by means of an internal document sent around for managerial approval in accordance with the "Rules for Request for Decision."
- b. System of reporting from directors, audit & supervisory board members, executive officers and employees of subsidiaries or those who received a report from any of the foregoing to the Audit & Supervisory Board Members
 - i. Any material event occurred at a subsidiary is required to be reported to the Company pursuant to the "ANA Group Total Risk Management Rules," and information so reported is communicated to Audit & Supervisory Board Members.
 - ii. Full-time Audit & Supervisory Board Members and audit & supervisory board members of respective subsidiaries hold meetings of the "Group Audit & Supervisory Board Members Liaison Meeting" on a regular basis to report and exchange information on the auditing results.
 - iii. "Group Internal Audit Division" and Independent Auditor make reports to, and exchange information with, Audit & Supervisory Board Members on the auditing results of subsidiaries as necessary.
 - iv. Consultations and reports brought to the "Compliance Hot-line" from employees and others of subsidiaries are summarized, and material issues are escalated to the "Group CSR Risk Compliance Committee" and Audit & Supervisory Board Members.

- (ix) System for ensuring that persons who made a report under the preceding Item (viii) will not be treated disadvantageously as a result of making the report
- * "ANA Group Rules on Handling of Whistleblowing" provides that it is prohibited to treat persons who made a report under the preceding Item (viii) disadvantageously for the reason of making the report.
- (x) Matters regarding treatment of costs or debts incurred by Audit & Supervisory Board Members in performing their duties
- * Directors assist Audit & Supervisory Board Members in audits, and allocate a budget for audit costs in order to secure the effectiveness of audits.
- (xi) Other systems for securing the effectiveness of auditing by Audit & Supervisory Board Members
- * Directors and Audit & Supervisory Board Members have regular meetings in order to increase communication, and Audit & Supervisory Board Members attend important meetings including the meeting of the Board of Directors and "Group Management Committee" where they directly comment on the performance of duties by Directors.
 - * Directors have cooperated in the establishment of a system that can enhance the effectiveness of audits through coordination between Audit & Supervisory Board Members and the "Group Internal Audit Division."

(6) Outline of the status of operation of system for ensuring the appropriateness of business operations

The outline of the status of operation of the system for ensuring the appropriateness of business operations is as described below.

(i) Overall internal control system

The Company is a company with audit & supervisory board members (*kansayaku setchi-gaisha*). The Board of Directors and the Audit & Supervisory Board are responsible for supervising and auditing the performance of duties by Directors. To strengthen their supervising and monitoring functions, the Company includes Outside Directors and Full-time Outside Audit & Supervisory Board Members in the Boards' composition.

The Company adopts a holding company structure because, in the current challenging business environment, it is essential to have a management system that enables the Company to fully exercise its competitive advantages. Also, the Company has appointed personnel with substantial experience and high degree of expertise as directors and other officers of its subsidiary group companies, and delegated operational powers to them. This enables the Company and its subsidiaries to operate functionally and effectively.

The Board of Directors of the Company, the holding company in the Group, establishes management policies and goals for the Group overall and is responsible for supervising business operations at respective group companies. The Chairman, Representative Director presides over meetings of the Board of Directors. All Directors including Outside Directors and all Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members attend meetings of the Board of Directors. During the Fiscal Year, the Board of Directors held 13 meetings including 1 extraordinary meeting.

In addition to statutorily required bodies, the Company also has the "Group Management Committee" chaired by the President and CEO, Representative Director, which has a role to supplement the Board of Directors and is tasked with discussing agendas more speedily and thoroughly. The Group Management Committee consists of 7 Full-time Directors and 3 Full-time Audit & Supervisory Board Members as well as presidents of respective group companies and others designated by the chairman. During the Fiscal Year, there were 47 Group Management Committee meetings.

The Company also has the "Management Advisory Council" where the Company asks for straight and unreserved opinions and advice on the ANA Group's overall management from 7 experts in various fields, which will be reflected in the Group's management. There were 4 meetings of the Management Advisory Council during the Fiscal Year.

Full-time Directors and Full-time Audit & Supervisory Board Members also hold meetings of the "Group CSR Promotion Committee"* where they discuss, plan and promote important policies and matters concerning total risk management and compliance (held three times during the Fiscal Year), and meetings with the "CSR Promotion Leaders" as promoters of CSR activities at the Company and respective group companies (held twice during the Fiscal Year), under the supervision of the President of the Company.

In addition to the above, the Company has established the "CSR Guidelines" as a code of conduct to which the ANA Group directors and employees must adhere, and created an environment in which the said "CSR Guidelines" are accessible by all Group directors and employees through a dedicated website.

(ii) Risk management

The Company has established the "ANA Group Total Risk Management Rules" and has promoted a risk management system focusing on increasing the ANA Group's management stability and efficiency. For material issues that may affect the entire Group, the Company has put in place enhanced risk countermeasures to address them individually. To counter various business risks to which the ANA Group has been exposed, the Company has set up and operated a system consisting of the following 2 functions: "Risk Management" function that is designed to prepare in advance for and manage risks; and "Crisis Control" function that is designed to deal with materialized risks.

As part of the preventive "Risk Management" function, the Company has established risk management cycles (i.e. risk identification → analysis → assessment → study and implementation of controls and counter measures → monitoring) aiming at minimizing risks, and applies these cycles across the Group. As for the "Crisis Control" function to deal with materialized risks, the Company has prepared the "Crisis Management Manual (CMM)" describing responsive systems for the Group overall. The Company has also drawn up the "Emergency Response Manual (ERM)" as a manual subordinated to the CMM, in order to respond in particular to any crisis that may affect aircraft operations directly. Based on the ERM, the Company has conducted practical emergency drills in preparation for accident and hijacking every year since 2002. The Company held an accident drill and a hijacking drill during the Fiscal Year.

With respect to "information security," the Company has established "ANA Group Information Security Management Regulations" that provide for our policies on the promotion of information security and bylaws containing specific operational rules. These are applicable to the entire Group. While raising awareness of information security within the Group by distributing handbooks and providing e-learning, the Company has also set up a system to monitor compliance. In this way, the Company has enhanced its measures to ensure information security. During the Fiscal Year, the Company delivered one e-learning session to all employees of the Group, tasked all business units of each group company to run a self-check and caused a division in charge of information security to assess compliance at 36 locations. Results of these activities are reported to the "Group CSR Promotion Committee"* each time.

(iii) Compliance

To promote compliance with laws and other regulations governing its business activities, the Company has established a compliance system based on the "ANA Group Compliance Rules." Under the oversight of the "Group CSR Promotion Committee,"* an advisory body for the Board of Directors, the Company has been committed to raising awareness of compliance across the ANA Group, being led by the "CSR Promotion Leaders" assigned to the Company and respective group companies.

Also, the Company has set down "ANA Group Anti-Bribery Rules" to address anti-bribery laws of various countries and distributed educational handbooks targeting at all employees of the Group. Through these and other efforts, the Company has developed a system to minimize legal risks globally and prevent incidents which may jeopardize the Company's corporate value. In addition to the said handbook, the Company sends personnel from "Legal & Insurance" to 2 branches in Europe to provide education on anti-bribery laws in both Japanese and English, together with explanation on competition laws of relevant countries. The Company intends to continue these efforts in the regions where we operate.

In addition, for the purpose of strengthening the Group-wide compliance system, the Company has clarified contact points between the Legal & Insurance division and respective group companies to develop and operate a structure to facilitate two-way communications. Also, the Company has educated members of all group companies on an ongoing basis about various laws and regulations including aviation, anti-trust and labor laws and regulations.

As for the whistleblowing system, the Company has set up report desks both in the Company and outside (at a law firm) pursuant to the "ANA Group Rules on Handling of Whistleblowing" in an effort to collect information concerning, and solve, compliance issues. During the Fiscal Year, besides educating and providing information to members of all group companies, the Company has improved methods of investigation and a system to share information with Audit & Supervisory Board Members in the aim of strengthening its functions to collect information concerning, and solve, compliance issues. Results of these activities are reported to the "Group CSR Promotion Committee"* each time.

(iv) Internal audit

The "Group Internal Audit Division" (consisting of 11 members as of March 31, 2017) directly reporting to the President conducts operational audits, accounting audits and evaluations of the "Internal Controls over Financial Reporting" required under the Financial Instruments and Exchange Act for the Company and respective group companies from an independent and objective standpoint. There are two types of audit: "regular audit" that is conducted in accordance with an annual plan prepared in response to risk analysis results; and "special audit" that is conducted as necessary at the instruction or request of the management. Audit results are reported to the President monthly, and any material issues are communicated to Audit & Supervisory Board Members as appropriate. The audit results are also reported to the Board of Directors semiannually. Any material accounting and/or financial findings from audits are notified to the Independent Auditor through the Finance Division to ask for the Independent Auditor's guidance and advice as necessary. In this way, the Company has enhanced mutual cooperation with the Independent Auditor.

During the Fiscal Year, the Group Internal Audit Division audited 68 locations within the Group according to the Division's decision to focus on: the consistency between the Group Management Plan and respective divisions' action plans; and management of operations at respective divisions. As for the "Internal Controls over Financial Reporting" required under the Financial Instruments and Exchange Act, the Group Internal Audit Division conducted the evaluation of the validity of the Company Level

Control, Operational Process Control, Accounting and Financial Reporting Process Control and IT General Control, both at the Company and at each group company.

(v) Audit by Audit & Supervisory Board Members

5 Audit & Supervisory Board Members (among which 3 are Outside Audit & Supervisory Board Members) including 3 Full-time Members conduct audits by audit & supervisory board members (*kansayaku kansa*). Each of the Audit & Supervisory Board Members attends meetings of the Board of Directors, and Full-time Members attend other important meetings, too. By attending these meetings, Audit & Supervisory Board Members examine the process of making important decisions and the status of business operations. At these meetings, they state their opinions about Directors' performance of duties. They also receive reports on material issues relating to corporate management and business operations of the Company and respective group companies from Directors and employees.

Each Audit & Supervisory Board Member conducts audits of the Company and respective group companies in accordance with an audit plan, and then report to and share with Representative Directors the results of the audits at a regular meeting with them (held four times during the Fiscal Year). Audit & Supervisory Board Members also have a regular meeting with Outside Directors (three times during the Fiscal Year), Directors (four times during the Fiscal Year), the Independent Auditor (eleven times during the Fiscal Year), the Group Internal Audit Division (eighteen times during the Fiscal Year) and audit & supervisory board members of respective group companies (called the Group Audit & Supervisory Board Members Liaison Meeting; held three times during the Fiscal Year). Through these meetings, Audit & Supervisory Board Members share information and exchange opinions more broadly, seeking to improve their audit practices and the effectiveness of audits.

During the Fiscal Year, Audit & Supervisory Board Members held 13 meetings, where they reported, discussed or resolved their audit policies and material audit issues.

The Company also has the "Audit & Supervisory Board Members Office" that directly reports to the Audit & Supervisory Board and is independent from business units. Employees exclusively assigned to support Audit & Supervisory Board Members follow their instructions and orders. Personnel matters relating to these employees are determined in consultation with Audit & Supervisory Board Members.

Any material issues reported through the whistleblowing system are escalated to the "Group CSR Promotion Committee"* and Audit & Supervisory Board Members on a regular basis. The Company expressly provides for the protection of whistleblowers in its internal rules, which are enforced in an appropriate manner.

Audit & Supervisory Board Members' claims for costs incurred in performing their duties have been properly dealt with in accordance with the relevant provisions of the Companies Act, and thus, the effectiveness of audits has been secured.

* Effective April 1, 2017, "Group CSR Promotion Committee" was renamed "Group CSR Risk Compliance Committee."

Consolidated Balance Sheet
(As of March 31, 2017)

(Millions of Yen)

Assets		Liabilities	
<u>Current assets</u>	666,725	<u>Current liabilities</u>	572,647
Cash and deposits	60,835	Accounts payable	179,220
Notes and accounts receivable	155,887	Short-term loans payable	70
Marketable securities	257,950	Current portion of long-term debt payable	93,292
Inventories (Merchandise)	9,951	Current portion of bonds payable	20,000
Inventories (Supplies)	54,961	Finance lease obligations	5,020
Deferred income taxes - current	36,173	Accrued income taxes	11,288
Other	91,323	Advance ticket sales	150,614
Allowance for doubtful accounts	(355)	Accrued bonuses to employees	41,362
<u>Fixed assets</u>	1,647,161	Other	71,781
<u>Net property and equipment</u>	1,360,263	<u>Long-term liabilities</u>	817,588
Buildings and structures, net	100,922	Bonds payable	125,000
Flight equipment, net	1,007,716	Long-term debt payable	469,655
Machinery, equipment and vehicles, net	30,693	Finance lease obligations	16,840
Tools and fixtures, net	10,683	Deferred tax liabilities-non-current	1,444
Land	49,887	Accrued corporate executive officers' retirement benefits	675
Leased assets, net	8,473	Net defined benefit liabilities	156,751
Construction in progress	151,889	Asset retirement obligations	1,074
<u>Intangible fixed assets</u>	89,004	Other	46,149
<u>Investments and others</u>	197,894	<u>Total liabilities</u>	1,390,235
Investment in securities	119,368	<u>Net assets</u>	
Long-term loans receivables	4,426	<u>Shareholders' equity</u>	933,162
Net defined benefit asset	1,335	Capital stock	318,789
Deferred income taxes-non-current	52,759	Capital surplus	283,249
Other	21,399	Retained earnings	334,880
Allowance for doubtful accounts	(1,393)	Treasury stock	(3,756)
<u>Deferred assets</u>	524	<u>Accumulated other comprehensive income</u>	(14,005)
		Net unrealized holding gain on securities	20,636
		Deferred (loss) on hedging instruments	(11,799)
		Foreign currency translation adjustments	3,364
		Remeasurements of defined benefit plans	(26,206)
		<u>Non-controlling interests</u>	5,018
		<u>Total net assets</u>	924,175
<u>Total assets</u>	2,314,410	<u>Total liabilities and net assets</u>	2,314,410

Consolidated Statement of Income
(From April 1, 2016 to March 31, 2017)

(Millions of Yen)

<u>Operating revenues</u>	1,765,259
<u>Cost of sales</u>	1,324,846
Gross profit	440,413
<u>Selling, general and administrative expenses</u>	294,874
Operating income	145,539
<u>Non-operating income</u>	15,042
Interest income	502
Dividend income	1,189
Gain on sales of assets	1,957
Equity in earnings of non-consolidated subsidiaries and affiliates	3,610
Gain on donation of non-current assets	3,238
Other	4,546
<u>Non-operating expenses</u>	20,206
Interest expenses	9,804
Foreign exchange loss, net	2,106
Loss on sales of assets	493
Loss on disposal of assets	5,384
Other	2,419
Ordinary income	140,375
<u>Extraordinary income</u>	2,283
Gain on sales of property and equipment	121
Gain on sales of investment securities	1,976
Subsidy	21
Other	165
<u>Extraordinary loss</u>	3,196
Loss on sales of property and equipment	143
Loss on disposal of property and equipment	218
Loss on valuation of stocks of subsidiaries and affiliates	571
Impairment loss	2,208
Other	56
Income before income taxes and non-controlling interests	139,462
Income taxes-current	41,557
Income taxes-deferred	(1,402)
Net income before non-controlling interests	99,307
Net income attributable to non-controlling interests	480
Net income attributable to owners of ANA HOLDINGS INC.	98,827

Consolidated Statement of Changes in Net Assets

<From April 1, 2016 to March 31, 2017>

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at the beginning of the fiscal year	318,789	282,774	253,545	(4,830)	850,278
Changes of items during the fiscal year					
Cash dividends paid			(17,492)		(17,492)
Net income attributable to owners of ANA HOLDINGS INC.			98,827		98,827
(Decrease) resulting from purchase of treasury stock				(31)	(31)
Disposal of treasury stock		475		1,138	1,613
Changes in scope of consolidation				(33)	(33)
Net changes of items other than shareholders' equity during the fiscal year					-
Total changes during the fiscal year	-	475	81,335	1,074	82,884
Balance at the end of the fiscal year	318,789	283,249	334,880	(3,756)	933,162

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gain on securities	Deferred gain (loss) on hedging instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	19,527	(51,620)	3,873	(32,162)	(60,382)	5,004	794,900
Changes of items during the fiscal year							
Cash dividends paid							(17,492)
Net income attributable to owners of ANA HOLDINGS INC.							98,827
(Decrease) resulting from purchase of treasury stock							(31)
Disposal of treasury stock							1,613
Changes in scope of consolidation							(33)
Net changes of items other than shareholders' equity during the fiscal year	1,109	39,821	(509)	5,956	46,377	14	46,391
Total changes during the fiscal year	1,109	39,821	(509)	5,956	46,377	14	129,275
Balance at the end of the fiscal year	20,636	(11,799)	3,364	(26,206)	(14,005)	5,018	924,175

Non-consolidated Balance Sheet

(As of March 31, 2017)

(Millions of Yen)

Assets		Liabilities	
<u>Current assets</u>	365,932	<u>Current liabilities</u>	320,212
Cash and deposits	22,408	Accounts payable	1,127
Accounts receivable	18,049	Short-term loans payable	185,334
Lease investment assets	27,859	Current portion of long-term debt payable	92,994
Marketable securities	257,950	Current portion of bonds payable	20,000
Prepaid expenses	2,565	Finance lease obligations	2,324
Non-operating accounts receivable	21,767	Accrued expenses	8,588
Deferred income taxes-current	571	Accrued income taxes	5,838
Other	14,761	Other	4,003
<u>Fixed assets</u>	1,399,245	<u>Long-term liabilities</u>	641,414
<u>Net property and equipment</u>	1,185,244	Bonds payable	125,000
Buildings	74,950	Long-term debt payable	468,477
Structures	2,082	Finance lease obligations	7,749
Flight equipment	924,677	Accrued corporate executive officers' retirement benefits	58
Machinery and equipment	656	Asset retirement obligations	341
Tools and fixtures	269	Other	39,786
Land	46,338	<u>Total liabilities</u>	961,627
Construction in progress	136,269	<u>Net assets</u>	
<u>Intangible assets</u>	211	<u>Shareholders' equity</u>	783,792
Software	25	Capital stock	318,789
Other	185	Capital surplus	282,810
<u>Investments and others</u>	213,789	Capital reserve	253,812
Investments in securities	74,960	Other capital surplus	28,997
Investments in subsidiaries and affiliates	53,401	Retained earnings	184,754
Long-term loans receivables	35,717	Other retained earnings	184,754
Deferred income taxes-non-current	43,411	Reserve for special depreciation	545
Other	6,298	Reserve for advanced depreciation of non-current assets	173
<u>Deferred assets</u>	463	Retained earnings carried forward	184,036
Bond issuance expenses	463	Treasury stock	(2,561)
		<u>Valuation and translation adjustments</u>	20,221
		Net unrealized holding gain on securities	18,470
		Deferred gain on hedging instruments	1,751
Total assets	1,765,641	Total net assets	804,014
		Total liabilities and net assets	1,765,641

Non-consolidated Statement of Income

(From April 1, 2016 to March 31, 2017)

(Millions of Yen)

<u>Operating revenues</u>	243,561
Rent income	204,506
Dividends from subsidiaries and affiliates	38,724
Other	331
<u>Operating cost</u>	135,935
Operating gross profit	107,626
<u>General administrative expenses</u>	12,592
Operating income	95,033
<u>Non-operating income</u>	4,330
Interest and dividend income	1,779
Gain on sales of assets	1,779
Other	771
<u>Non-operating expenses</u>	12,017
Interest expenses	9,646
Loss on disposal of assets	941
Other	1,429
Ordinary income	87,346
<u>Extraordinary income</u>	2,027
Gain on sales of investment securities	1,975
Other	51
<u>Extraordinary loss</u>	8,998
Loss on sales of property and equipment	37
Loss on valuation of stocks of subsidiaries and affiliates	7,007
Impairment loss	1,954
Income before income taxes	80,375
Income taxes-current	13,243
Income taxes-deferred	2,045
Net income	65,086

Non-consolidated Statement of Changes in Net Assets
(From April 1, 2016 to March 31, 2017)

(Millions of Yen)

(in millions of Yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings			Total retained earnings		
					Reserve for special depreciation	Reserve for advanced depreciation of non-current assets	Retained earnings carried forward			
Balance at the beginning of the fiscal year	318,789	253,812	28,520	282,333	1,220	563	135,383	137,167	(3,632)	734,657
Changes of items during the fiscal year										
Reversal of reserve for special depreciation					(675)		675			
Reversal of reserve for advanced depreciation of non-current assets						(390)	390			
Cash dividends paid							(17,499)	(17,499)		(17,499)
Net income							65,086	65,086		65,086
Purchase of treasury stock									(30)	(30)
Disposal of treasury stock			476	476					1,101	1,578
Net changes of items other than shareholders' equity during the fiscal year										
Total changes during the fiscal year			476	476	(675)	(390)	48,653	47,587	1,070	49,134
Balance at the end of the fiscal year	318,789	253,812	28,997	282,810	545	173	184,036	184,754	(2,561)	783,792

(Millions of Yen)

	Valuation and translation adjustments			Total net assets
	Net unrealized holding gain on securities	Deferred gain on hedging instruments	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	18,085	1,126	19,211	753,869
Changes of items during the fiscal year				
Reversal of reserve for special depreciation				-
Reversal of reserve for advanced depreciation of non-current assets				-
Cash dividends paid				(17,499)
Net income				65,086
Purchase of treasury stock				(30)
Disposal of treasury stock				1,578
Net changes of items other than shareholders' equity during the fiscal year	385	624	1,009	1,009
Total changes during the fiscal year	385	624	1,009	50,144
Balance at the end of the fiscal year	18,470	1,751	20,221	804,014

Auditor's Report regarding Consolidated Financial Statements

This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the latter shall prevail in all respects.

Translation of a report originally issued in Japanese

Independent Auditor's Report

May 15, 2017

The Board of Directors
ANA HOLDINGS INC.

Deloitte Touche Tohmatsu LLC
Yoshiyuki Higuchi
Certified Public Accountant
Designated and Engagement Partner

Hirotsugu Mizuno
Certified Public Accountant
Designated and Engagement Partner

Kenji Akiyama
Certified Public Accountant
Designated and Engagement Partner

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2017 of ANA HOLDINGS INC. (the "Company") and its consolidated subsidiaries, and the related consolidated statements of income and changes in net assets for the fiscal year from April 1, 2016 to March 31, 2017, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ANA HOLDINGS Group and its consolidated subsidiaries as of March 31, 2017, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ANA HOLDINGS Group and its consolidated subsidiaries as of March 31, 2017, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Auditor's Report regarding Non-consolidated Financial Statements

This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the latter shall prevail in all respects.

Translation of a report originally issued in Japanese

Independent Auditor's Report

May 15, 2017

The Board of Directors
ANA HOLDINGS INC.

Deloitte Touche Tohmatsu LLC

Yoshiyuki Higuchi
Certified Public Accountant
Designated and Engagement Partner

Hirotsugu Mizuno
Certified Public Accountant
Designated and Engagement Partner

Kenji Akiyama
Certified Public Accountant
Designated and Engagement Partner

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet as of March 31, 2017 of ANA HOLDINGS INC. (the "Company"), and the related non-consolidated statements of income and changes in net assets for the 67th fiscal year from April 1, 2016 to March 31, 2017, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the non-consolidated financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the non-consolidated financial position of ANA HOLDINGS INC. as of March 31, 2017, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and “the accompanying supplemental schedules” referred to in this report are not included in the attached financial documents.

Audit Report by the Audit & Supervisory Board

This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the latter shall prevail in all respects.

Audit Report

The Audit & Supervisory Board has prepared this Audit Report after deliberation based on the audit reports prepared by each Audit & Supervisory Board Member in relation to the performance of the Directors' duties during the 67th fiscal year starting on April 1, 2016 and ending on March 31, 2017, and hereby reports as follows:

1. Method and details of audit conducted by the Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board determined the audit policy and audit plan, received reports on the status and results of audit from each Audit & Supervisory Board Member, as well as the status of performance of duties from the Directors and the Accounting Auditor, and requested explanations, where necessary.

(2) Each Audit & Supervisory Board Member, in compliance with the Audit & Supervisory Board Members' audit standards established by the Audit & Supervisory Board, and in accordance with the audit policy, etc., communicated with Directors, internal audit department and other employees, etc., collected information, maintained an audit environment, and conducted an audit in the following methods:

(i) Each Audit & Supervisory Board Member attended board meetings, group management strategy meetings and other important meetings, received reports from Directors and employees, etc. regarding the status of performance of their duties, requested explanations, where necessary, reviewed material electronic draft proposal (*denshi ringi*) and draft proposal documents, and inspected the status of business and assets at the head office. As for subsidiaries, Full-time Audit & Supervisory Board Members, concurrently holding the office of Audit & Supervisory Board Members of material subsidiaries, conducted audit activities with their Audit & Supervisory Board Members from the standpoint of performing a consolidated audit of the Company's group of companies, and communicated and exchanged information with their Directors etc. In addition, Full-time Audit & Supervisory Board

Members visited subsidiaries and their major business offices, etc., received reports on business, and requested explanations, as necessary.

- (ii) Each Audit & Supervisory Board Member received regular reports from Directors and employees, etc. on the status of establishment and operation of the system to ensure that the performance of the Directors' duties, as described in the Business Report, complies with the applicable laws and regulations and the Articles of Incorporation, as well as the board resolution concerning the establishment of a system provided in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, which is required in order to ensure the appropriate performance of business by the corporate group comprising a joint stock corporation and its subsidiaries, and the system established based on said resolution (internal control system), and requested explanations, when necessary. As for the internal control concerning financial reporting, each Audit & Supervisory Board Member received from Directors, etc. and Deloitte Touche Tohmatsu LLC the reports on the status of establishment and operation of, and evaluation of, such internal control and the status of audit, and requested explanations, where necessary.
- (iii) Each Audit & Supervisory Board Member monitored and reviewed whether the Accounting Auditor maintains independence and conducts an appropriate audit, and received reports on the status of performance of duties from the Accounting Auditor, and requested explanations, where necessary. In addition, each Audit & Supervisory Board Member received a notice from the Accounting Auditor stating that "a system to ensure appropriate performance of duties" (as indicated in each item of Article 131 of the Ordinance on Company Accounting) is in place in accordance with the "Quality Control Standards for Audit" (Business Accounting Council, October 28, 2005), etc., and requested explanations, as necessary.

Based on the above method, each Audit & Supervisory Board Member reviewed the Business Report and its supporting documents, financial statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Net Assets, and Notes to Non-consolidated Financial Statements) and their supporting documents, and consolidated financial statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets, and Notes to Consolidated Financial Statements) for the subject fiscal year.

2. Results of audit

(1) Results of audit of the Business Report, etc.

- (i) We confirm that the Business Report and its supporting documents accurately present the status of the Company in accordance with the applicable laws and regulations and the Articles of Incorporation.
- (ii) There are no improper actions, or material events which violate any of the applicable laws or regulations or the Articles of Incorporation, in relation to the execution of the Directors' duties.
- (iii) We confirm that the resolution of the board concerning the internal control system is appropriate. There are no matters to note regarding the descriptions of the Business Report and the execution of the Directors' duties in relation to the internal control system.

(2) Results of audit of the financial statements and their supporting documents

We confirm that the method and results of audit by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of audit of the consolidated financial statements

We confirm that the method and results of audit by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 17, 2017

Audit & Supervisory Board of ANA HOLDINGS INC.

Sumihito Okawa, Full-time Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member) (seal)

Yoshinori Maruyama, Full-time Audit & Supervisory Board Member (seal)

Eiji Kanazawa, Full-time Audit & Supervisory Board Member (seal)

Shingo Matsuo, Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member) (seal)

Eiji Ogawa, Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member) (seal)

END