

ANA HOLDINGS sets out new growth targets for FY2020

TOKYO, January 29, 2016 - ANA HOLDINGS (hereafter "ANA HD") today unveils new growth targets for the next five years as part of its FY2016-2020 ANA Group Corporate Strategy.

In line with its vision of becoming the world's leading airline group by customer satisfaction and value creation, ANA HD sets out demanding goals for improving its operational, financial and environmental performance and announces plans to introduce new aircraft into its fleet, the Airbus A380.

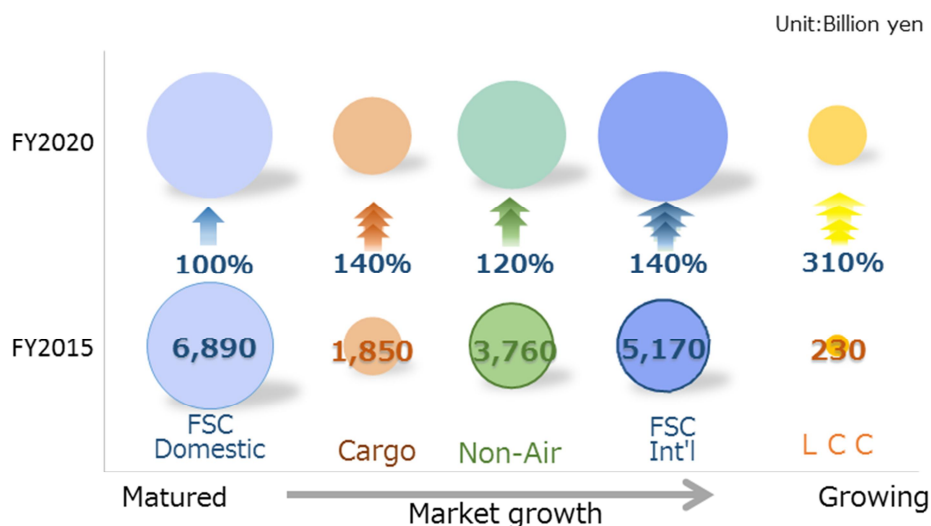
Over the next five years, ANA HD plans to:

- Increase both international passenger and cargo revenues by 40% and triple revenues from its LCC division
- Grow international seating capacity by a half and expand the size of the group fleet to approximately 300, of which three-quarters will be fuel-efficient aircraft
- Maintain domestic mainline revenues and seat capacity at current levels
- Establish Vanilla Air as the number one LCC in the Tokyo Metropolitan area
- Introduce three new Airbus A380 onto the Tokyo-Honolulu route
- Achieve operating profit of ¥200 billion in FY2020 (previous target 2025)

The latest corporate strategy takes into account a range of factors including cost benefits from falling fuel prices, the growth in inbound tourism to Japan, the planned increase in takeoff and landing slots in Tokyo area in line with the Tokyo 2020 Olympic and Paralympic Games and continued economic growth in regions such as Asia. Set against this, ANA has also factored in concerns surrounding the slowdown in the economies of China and other emerging countries and stagnation in the resources sector.

1. Overall Business Portfolio

While maintaining profitability in its core full-service domestic passenger business, ANA HD will actively expand its full-service international passenger business, LCC business and cargo business. In addition, ANA HD will continue to improve the profitability of its non-airline businesses, working to build an optimum portfolio for the maximization of overall profitability.



2. Expansion of the airline business

By targeting both business and leisure markets and improving the ability of ANA HD's full-service and LCC brands to attract customers, ANA HD is aiming to expand the airline business and establish stable profitability foundations.

(1) Full-service Business

i) International passenger services

Actively expanding our network and drive overall group profitability

ANA is aiming to further develop its dual-hub airport strategy in the Tokyo Metropolitan area by improving connectivity with "Tokyo Triple-bank" model. ANA will create three time zones per day, at Haneda with its focus on morning and late night and at Narita on evening, to enable easier and more convenient flight connections.

ANA also plans to further expand its network by;

- Engaging in more integrated joint ventures or seeking new partnership with other carriers
- Continuing to strengthen its existing routes
- Expanding new services to "white spots" in Asia and Central and South America

It will also strengthen the share of the resort/leisure market. To support this, ANA HD will introduce three new Airbus A380 aircraft onto routes between Tokyo and Honolulu. The A380 allows us to efficiently expand seating capacity at a lower cost per seat while offering a flexible range of cabin classes.

By the end of FY2020, ANA plans to achieve capacity (based on ASKs) of 151% compared to FY 2015.

ii) Domestic passenger services

Seeking solid improvements in efficiency while maintaining market share

By maximizing use of wide-body aircraft in times of high demand and narrow-body aircraft in times of low demand, ANA is aiming to improve profitability.

ANA intends to capture growing demand from inbound tourists to connect to domestic flights, especially from the Asian region where economic growth continues.

ANA will also improve the travel experience through the provision of new services including in-flight Wi-Fi, free access to the latest news on real-time live TV, and the introduction of new seat products. During the period of the strategy, ANA HD is scheduled to take delivery of the first Mitsubishi Regional Jet (MRJ) and to start operation principally on domestic local routes.

By the end of FY2020, ANA plans to achieve capacity (based on ASKs) of 96% and operating revenue 100% compared to FY 2015.

iii) Cargo Business

Developing an integrated logistic service across Asia

ANA HD will further develop a logistic service that covers all of Asia, where growth is rapid, harnessing cargo freighters and infrastructure; the Okinawa Cargo Hub.

ANA HD aims to achieve profitability in the air freighter business by FY2017 and become one of the world's top five carriers in terms of freight handled by FY2020.

By the end of FY 2020, ANA plans to achieve capacity (on a tons-kilo basis) of 138% compared to FY 2015.

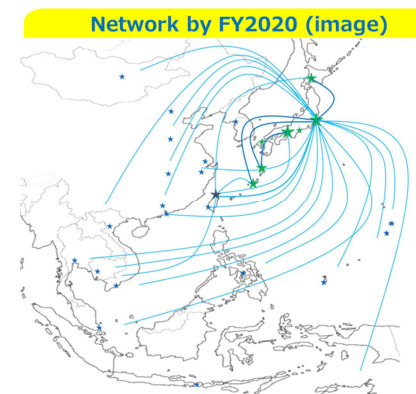
(2) LCC Business (Vanilla Air)

Creating new demand in the Japanese market and capturing demand of visits to Japan

ANA HD aims to grow Vanilla Air into the number one LCC brand in the Tokyo area and the LCC into a new core business. Vanilla Air will achieve this by:

- Entering into the leisure market for flights out of Japan to new resort destinations not currently served by ANA
- Capturing further demand for inward travel with new routes serving continental China and Okinawa
- Reducing costs and introducing high-performance aircraft

By the end of FY 2020, Vanilla Air plans to achieve capacity (based on ASKs) of 318% compared to FY 2015.



3. Creating New Businesses and Accelerating Growth of Existing Non-Air Businesses

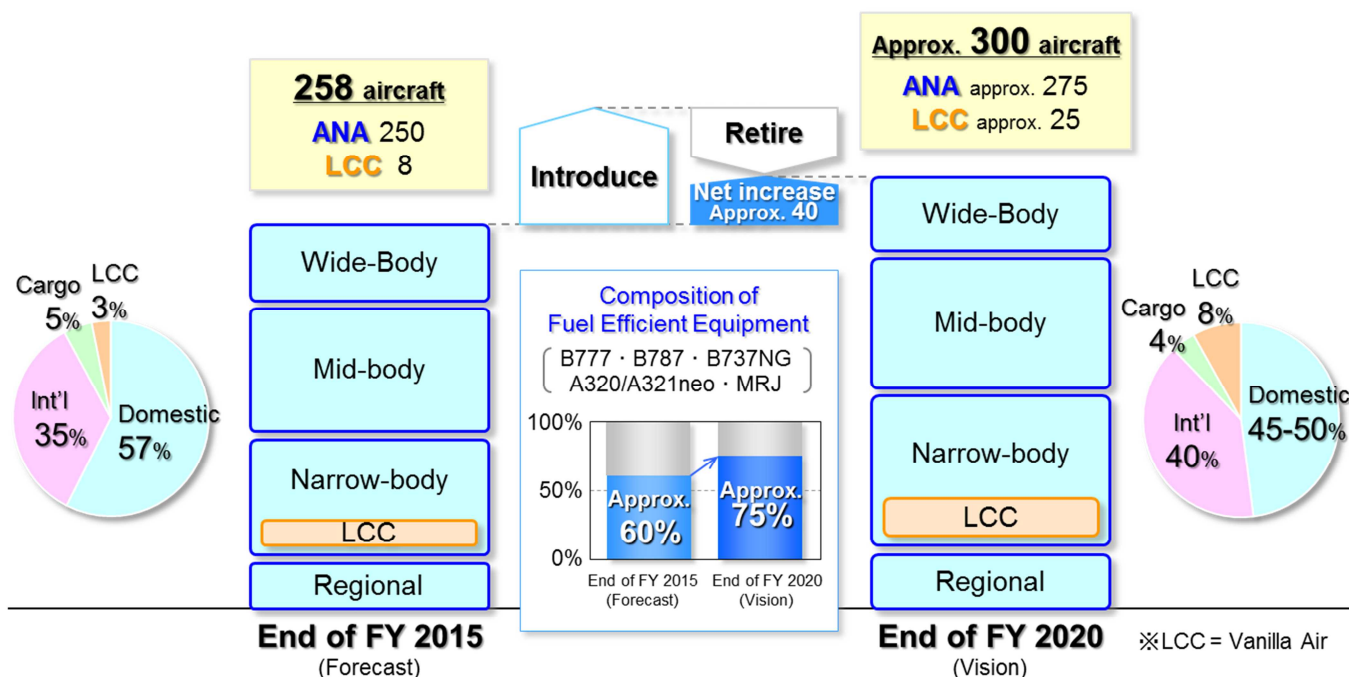
Capture expenditure by foreign visitors to Japan and creation of new businesses

While prioritizing existing businesses, ANA HD will accelerate the expansion of other business areas. In the pilot training business, ANA HD is steadily capturing the strong and growing demand for training services by strengthening alliances between its businesses in Japan, Asia and North America. In the aircraft maintenance business, MRO Japan is aiming to make maximum use of the advantages of Okinawa in order to win business from both domestic and overseas airlines.

4. Fleet Strategy

Steady Introduction of New Aircraft to Support the Growth of the Airline Business

ANA HD will continue to expand the size of its full-service and low-cost fleets. ANA HD also plans to increase the proportion of modern, fuel-efficient aircraft in its fleet from approximately 60% at present to approximately 75% by the end of FY2020.



5. Value Creation Goals and Shareholder Return

Achieving goals of ¥200 billion in operating profit, of 10% ROE in the long-term strategic vision

ANA HD will maintain the levels of profit and return on equity required to support its ambitious investment plans and growth strategy. In particular, ANA HD aims to achieve operating profits of ¥200 billion in FY2020 rather than FY2025, as set out last year in its long-term strategic vision.

	FY15(Forecast)	FY16(Planned)	FY17(Planned)	FY20(Planned)
Operating Revenue	1,790.0	1,830.0	1,930.0	2,160.0
Operating Profit	125.0	145.0	170.0	200.0
Operating margin ratio	7.0%	7.9%	8.8%	9.3%
R O E	8.1%	9.4%	10.7%	9.8%
R O A	5.7%	6.5%	7.4%	7.6%

Unit : Billion yen

ANA HD will continue to assess new ways of improving overall shareholder returns while maintaining a stable base of a 5-yen dividend per share.

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About ANA HOLDINGS INC.

ANA HOLDINGS is an aviation group with global operations and a total of 62 consolidated subsidiaries and 18 equity method affiliates. It is divided into passengers and cargo services segments as well as airline related business such as Catering and IT Services. ANA HD formed in April 2013 and is the parent company of ANA; full service carrier and Vanilla Air; LCC. ANA HD promotes a multi-brand strategy to leverage the strength of ANA brand and stimulate demand in markets not completely covered by its full-service airline offering, while expanding market share for the Group as a whole, leading to enhanced value. ANA has about 240 aircraft flying to 81 destinations and carrying about 47 million passengers. ANA is the largest airline in Japan by revenues and passenger numbers. ANA is a member of Star Alliance. Management vision of ANA HD is “It is our goal to be the world’s leading airline group in customer satisfaction and value creation.”