

ANA HOLDINGS Unveils Long-term Strategic Vision and Updates on FY2014-2016 Mid-term Corporate Strategy

TOKYO, January 30, 2015 - ANA HOLDINGS (hereafter “ANA HD”) today unveils its long-term corporate strategic vision for the ten-year period up to FY2025 and provides an update on the progress of its mid-term corporate strategy for FY2014-2016.

The ten-year vision is designed to take advantage of the possible further expansion of takeoff and landing slots at airports in Tokyo metropolitan area, the boost that the 2020 Tokyo Olympics and Paralympics will provide to the Japanese economy and growing inbound tourism. Key targets include:

- An increase in operating revenue to ¥2,500 billion and an operating profit target ¥200 billion
- Growth in international passenger services of 50% from FY2015 to FY2025
- A further expansion of the group’s airline fleet including orders for 15 new aircraft announced today

With respect to the FY2014-FY2016 mid-term corporate strategy, ANA HD confirms that:

- The group remains on course to achieve a planned ¥136.5 billion in cost savings from FY2011 by the end of FY2016
- Management targets for improvements in revenue, operating profit and operating margin remain unchanged
- Further development of the Tokyo dual-hub airport strategy, Narita and Haneda, will take place.

10-Year Outlook and ANA HD's Strategic Goals

Over the next ten years, Japan’s population is expected both to decline and grow older as a result of the falling birth rate, presenting economic and fiscal challenges for the country and its airline industry. However, at the same time, Japan will receive a major boost by hosting the Olympic and Paralympic Games in 2020, by which time the country is targeting an increase in overseas visitor numbers to 20 million a year. Also, further expansion of slots at Tokyo metropolitan airports are expected to happen. Outside Japan, the global economy is also expected to continue growing, driven mainly by Asia. ANA HD’s long-term strategic vision and its growth strategy to FY 2025 is planned against this backdrop.

1. Key Strategic Plans for Each Business Segment

International Passenger Services

ANA’s international services will become its core business, increasing profitability with the launch of new routes and positioning the group as Japan’s ‘bridge to the world’. To achieve this, ANA will focus investment to meet increased demand between North America and Asia. It will:

- Capture an increasing share of the growing demand for travel to Japan
- Target a 50% increase in revenues by FY2025 so that international overtakes domestic revenue

Domestic Passenger Services

In a market where gradual shrink is expected, ANA aims to maintain market share and improve efficiencies by:

- Increasing profitability through “dynamic fleet assignment” - matching aircraft size to peaks and troughs of demand
- Making more effective use of infrastructure and resources

Cargo services

ANA aims to capture the growing global demand by positioning itself as a leading combination cargo carrier utilizing both freighter and passenger aircraft. In particular, it will:

- Capture intra-Asia cargo demand by expanding its network from/to the Okinawa hub
- Expand its trans-Pacific capacity through joint venture partnerships to improve competitiveness

LCC

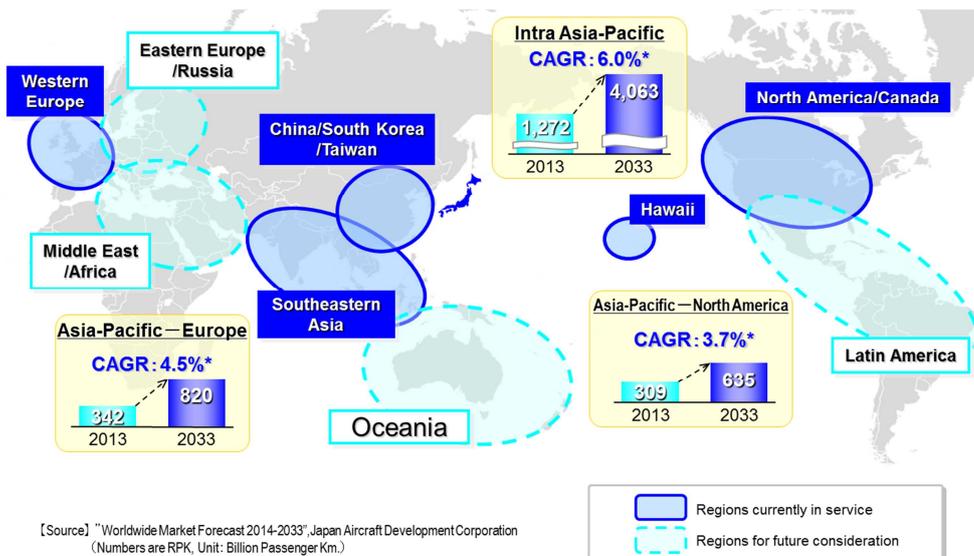
ANA HD will expand its LCC as its fourth core business by meeting increased demand from passengers travelling within Japan and from/to overseas destinations.

Non-Air business

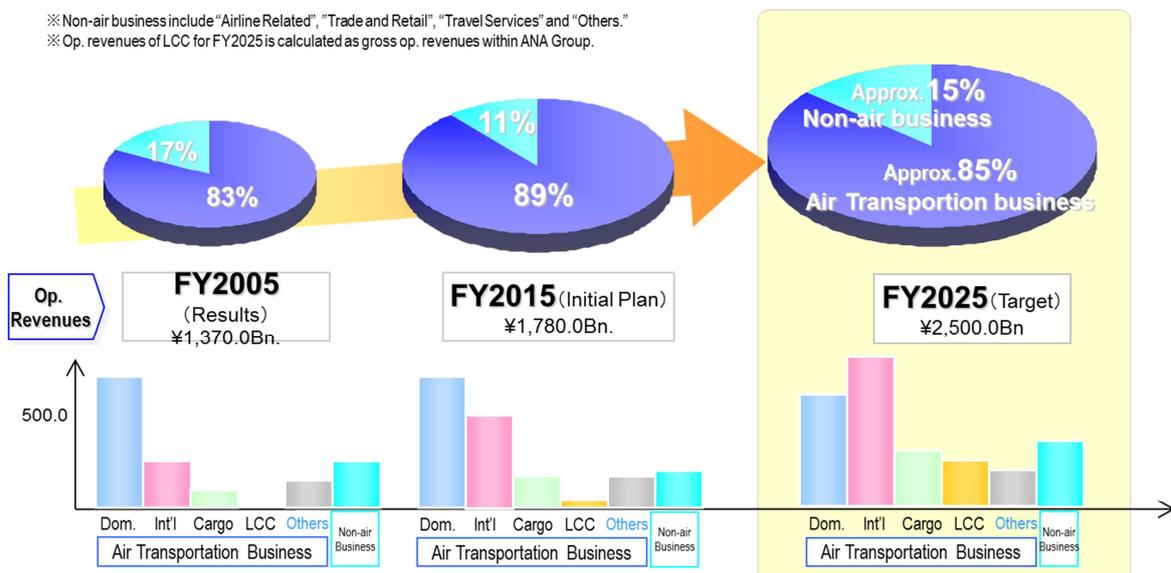
This division will remain ANA HD's fifth core business segment through the development of new businesses and the strict assessment of existing businesses.

Together, the above plans will allow ANA HD to target Operating Revenue ¥2,500 billion and Operating Profit of ¥200 billion by FY2025

Planned Expansion of ANA Group's International Route Network (Vision)



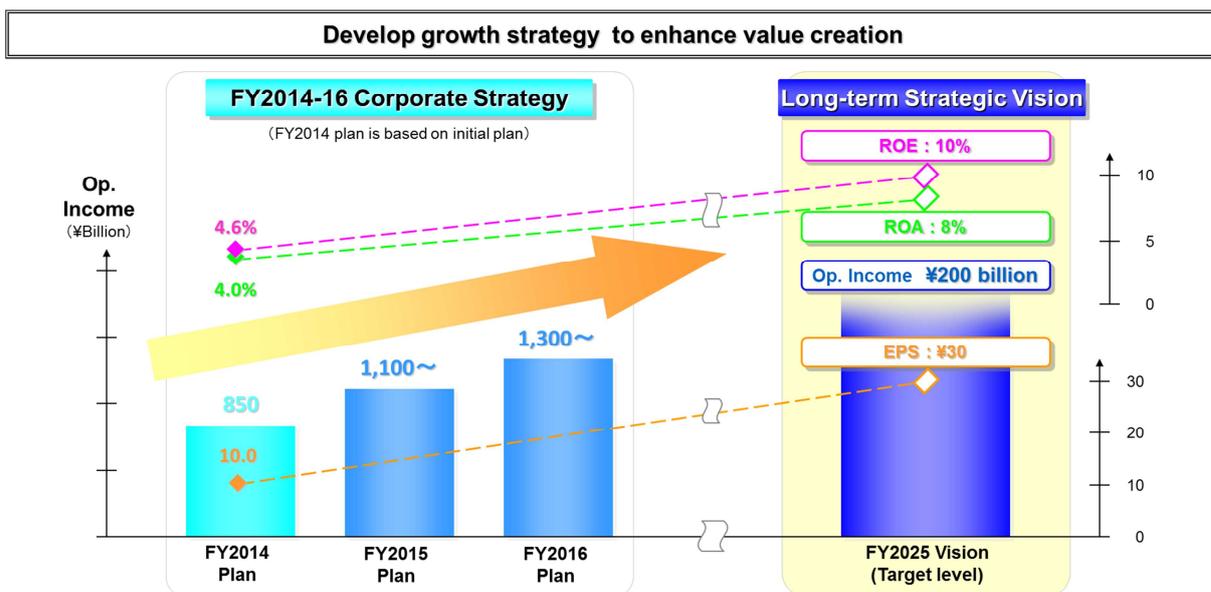
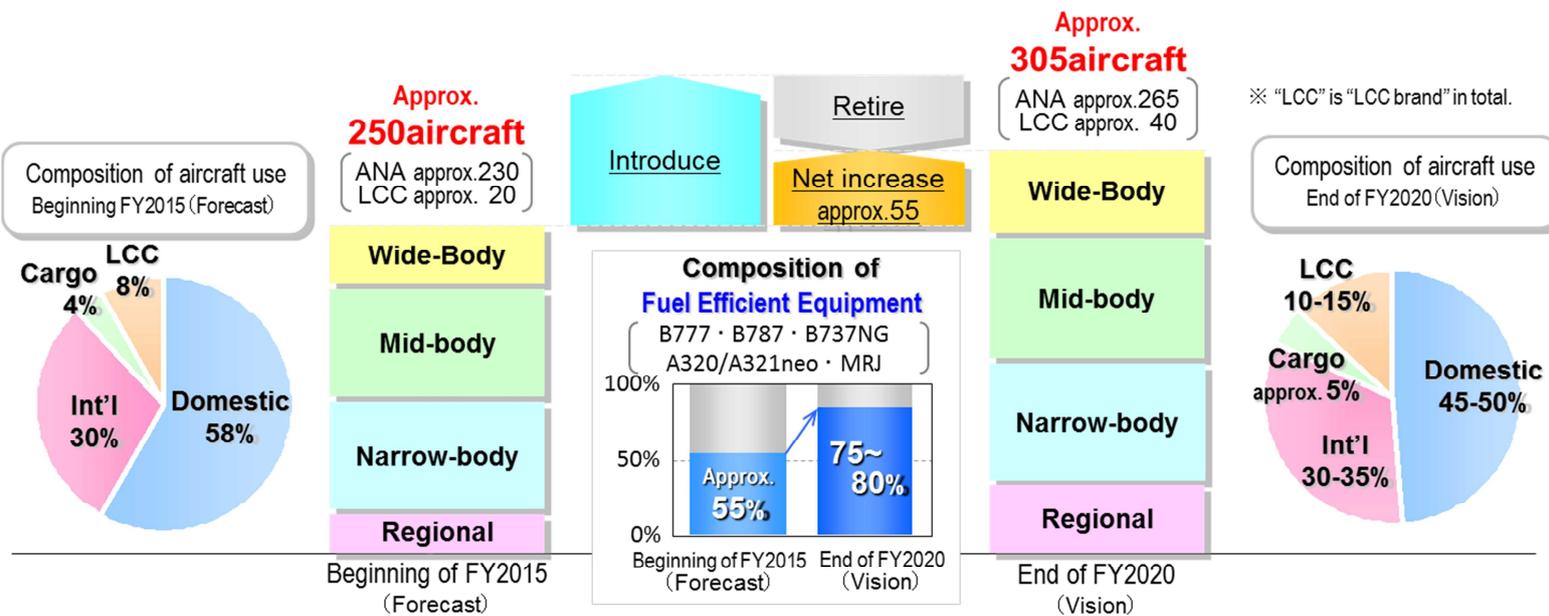
※ Non-air business include "Airline Related", "Trade and Retail", "Travel Services" and "Others."
 ※ Op. revenues of LCC for FY2025 is calculated as gross op. revenues within ANA Group.



2. Fleet Expansion Underpinning Long-term Growth Strategies

ANA HD's announced last March for 70 new aircraft to support its growth and to replace some existing older planes. In addition to this, ANA HD today announces orders for 15 new aircraft to enable further flexibility of aircraft to match demand and to take advantage of the expected increase in airport slots in the Tokyo area. The new order consists of three Boeing 787-10s, five Boeing 737-800s, and seven Airbus A321s.

By the end of FY2020 ANA HD expects its total fleet to number approximately 305 aircraft, of which ANA will operate approximately 265 and LCCs approximately 40. The comparable figure for the beginning of FY2015 will be 250 aircraft – of which 230 will be operated by ANA and 20 by LCCs.



Update on ANA HD Mid-term Corporate Strategy FY2015-2016

1. Optimizing Business Portfolio

1) Full-Service Carrier Business

International passenger service:

Further development of the Tokyo dual-hub airport strategy

- Use additional slots at Narita and Haneda to launch new routes
- Exploit Tokyo's position as a connecting hub between Asia and North America
- Strengthen Tokyo dual-hub airport strategy for increased travel demand to Japan or between Asia and North America via Tokyo
- Increase revenues from outside Japan and stronger marketing through joint venture schemes
- Introduce an international standard reservation system (ALTEA)

Domestic passenger service:

Secure profitability pursuing supply-demand balance

- "Dynamic fleet assignment" to match size of aircraft to peaks and troughs of demand
- Innovative fare strategies to combat competition from other modes of transport such as Shinkansen bullet train
- Prepare for introduction of new fleets – MRJ, A320/A321 neo

2) Cargo Services

Achieve profitability in the freight business and further expand operations

- Achieve profitability and expand business through introduction of two new freighter aircraft and reorganization of Okinawa hub
- Better yield management to improve unit prices
- Increase income from joint ventures with Lufthansa and United Airlines

3) LCC Business (Vanilla Air)

Develop business to achieve profitability in FY2015

- Slow down introduction of new aircraft(eight rather than 10 in FY2015), making sure profits are achieved
- Improve yield and revenue management through better pricing and seat management
- Expand its international network from FY2016

4) Diversified Business – Trade and Retail, Travel

- Expand duty-free shop business to capture demand from visitors to Japan and develop outlet management business in Asia with strong `Japanese brand`
- Introduce high value travel products to attract premium customers and expand domestic travel products

- Stabilize `HAnavi`, a joint venture with H.I.S. (Japanese major travel agency), planned to launch in April and seek for new opportunities

5) Airline-Related Businesses

- Maintenance Repair and Overhaul (MRO): Start business in FY2015, followed by completion of new hangar at Okinawa in FY2016, for small and mid-sized aircraft such as MRJ (Mitsubishi Regional Jet) on contract from other airlines
- Pilot training: Achieve profitability in North American business (Pan Am), install additional simulators in Asian business (Pan Am Thailand) and expand Japanese business (panda) with airline partners

2. Cost Restructuring to Improve Competitiveness

ANA HD has a current target of reducing cost by a total of ¥136.5 billion between FY2011 and 2016. It will achieve ¥86.5 billion in cost reduction (including ¥34.0 billion as planned in FY2014) by the end of FY2014 and further reduction of ¥50.0 billion is planned between FY2015 and 2016. These savings will reduce unit costs* by ¥1.5. * Reduction from beginning of FY2011. Fuel expenses are not included.

3. Management Targets for FY2015-FY2016

ANA HD's targets over the two-year period are unchanged.

Target Operating Profit ¥130.0 billion, Operating margin ratio 7.0% in FY2016

[Projection of Consolidated Result]	FY 2013 (Results)	FY 2014 (Planned)	FY 2015 (Planned)	FY 2016 (Planned)
Operating Revenue	1,601.0	1,700.0	1,780.0	1,850.0
Operating Profit	65.9	85.0	110.0	130.0
Operating margin ratio	4.1%	5.0%	6.2%	7.0%
Recurring Profit	42.9	55.0	80.0	100.0
Net Profit	18.8	35.0	45.0	60.0

Unit: Billion yen (second decimal point rounded down)

- Secure cash flow for necessary investment to grow
- Become more tolerant to volatility
- Achieve sustainable growth to meet equity market expectations
- Enhance financial capability through improving profitability and healthy balance sheet
- Develop further competitiveness between airlines



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world
leading
airline
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About ANA HOLDINGS INC.

ANA HOLDINGS is an aviation group with global operations and a total of 63 consolidated subsidiaries and 18 equity method affiliates. It is divided into passengers and cargo business segments as well as airline related business such as Catering and IT Services.

ANA HD formed in April 2013 and is the parent company of ANA; full service carrier and Vanilla Air; LCC. ANA HD promotes a multi-brand strategy to leverage the strength of ANA brand and stimulate demand in markets not completely covered by its full-service airline offering, while expanding market share for the Group as a whole, leading to enhanced value.

ANA HD has about 240 aircraft flying to 81 destinations and carrying about 46 million passengers. ANA is the largest airline in Japan by passenger numbers.

Management vision of ANA HD is “It is our goal to be the world’s leading airline group in customer satisfaction and value creation.” ANA is a member of Star Alliance.