

ANA HOLDINGS INC.

- Financial Results for the Six Months ended September 30, 2018

Shinya Katanozaka

President and CEO

November 2, 2018



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Thank you for participating in our meeting for the financial results for the six months ended September 30, 2018.

Before I begin, I want to take a moment to express our sincere condolences to the people of western Japan who suffered from heavy rains and typhoons that hit one after another, and the people of Hokkaido who were affected by an earthquake.

Our Group promotes the “Take a trip to Hokkaido” project, which supports reconstruction and recovery efforts in Hokkaido. We, as the ANA Group, are conducting united efforts to make contributions by promoting the use of Hokkaido airports and stimulation initiatives for the various regions of Hokkaido.

I will discuss the following four topics today:

- 1) Overview of the fiscal year 2018 first half financial results
- 2) Impact of flight cancellations in the Air Transportation Business and second half business plan
- 3) Enhancing basic quality
- 4) Our initiatives for the second half of FY2018

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1. Financial Results for the Six Months
ended September 30, 2018 《Outline》



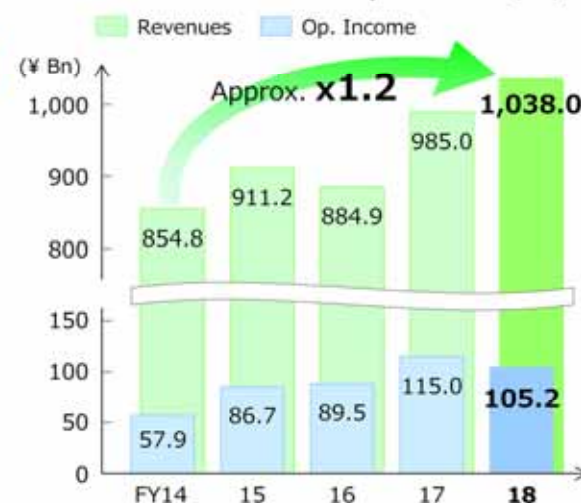
Outline of Financial Results FY2018 Second Quarter

Under solidifying management platform, revenues resulted in record high for 1H

1. Financial Results of FY2018 1H (Consolidated)

(¥ Billion)	1H/FY18 Results	Diff. vs. 1H/FY17	YoY
Op. Revenues	1,038.0	+53.0	+5.4%
Air Transportation	915.8	+50.4	+5.8%
Op. Income	105.2	-9.8	-8.6%
Air Transportation	101.0	-8.1	-7.5%
Op. Income Margin	10.1%	-1.5pt	-
Ordinary Income	102.9	-9.8	-8.7%
Net Income Attributable to Owners of the parent	73.7	-44.6	-37.7%
EBITDA	181.9	-7.1	-3.8%

2. Trends of Revenues & Op. Income (1H)



> Points

- 1) Revenues : International Business led top-line growth in both passenger and cargo
- 2) Op. Income : Profit outperformed the original plan despite decline year on year

I will start with a summary of the financial results for the first half of fiscal 2018.

In the Air Transportation Business, our success in capturing steady demand in International Passengers and Cargo Businesses drove top-line growth. Operating revenues increased by 5.4 percent from the previous year to 1,038.0 billion yen, representing two consecutive years of record high revenues.

Operating income was 105.2 billion yen. Income decreased year on year by 8.6 percent but earnings transitioned above our original plan.

The graph on the right shows transitions in first half revenues and operating income for the past five years. As you can see, for the first time we surpassed revenues of 1 trillion yen. We also exceeded operating income of 100 billion yen and an operating income margin above 10 percent. Compared to FY2014 when we started the expansion of the International Business at Haneda Airport, revenues increased by 20 percent.

Please turn to Page 5.

Air Transportation Business

Along the Corporate Strategy, each business progresses as planned under the strong demand

	FY2018 Themes of Strategy	Progress in 1H
International Passenger	Strengthen network competitive advantage	1) Capture quite strong demand continuously (RPK : yoy+6.8%) 2) Pursue yield improvement (Yield : yoy+4.9%)
Domestic Passenger	Maintain stable revenue platform	1) Secure stable demand while ASK decrease (L/F : yoy+1.7pt) 2) Enhance yield Management (Unit Price in 2Q : yoy+1.4%)
International Cargo	Improve profitability	1) Optimize supply to demand (Freighter L/F : yoy+5.4pt) 2) Improve Unit Price by fare raise (Unit Price : yoy+21.1%)
LCC	Optimize network in view of merger	1) Restructure overlapping route (Narita-Kansai route → Peach only) 2) Expand new routes (Narita-Ishigaki, Kansai-Kushiro, etc.)

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Next, I will explain our progress for the Air Transportation Business during the first half of this fiscal year, the first year of our current mid-term corporate strategy.

For the International Passenger Business, advancing globalization among Japanese companies supported stable business demand. At the same time, inbound travelers with the high unit price also increased. Strong demand trends continued both in Japan and overseas as RPK increased by 6.8 percent year on year. Yield also increased by 4.9 percent, which exceeded plans.

For the Domestic Passenger Business, the first half load factor increased by 1.7 points year on year. Although ASK decreased on the impact of factors such as typhoons and earthquakes, we benefitted from sales strategies such as promotional fares. Second quarter unit prices increased year on year as overall the Domestic Passenger Business recorded stable earnings as a revenue platform for the Group.

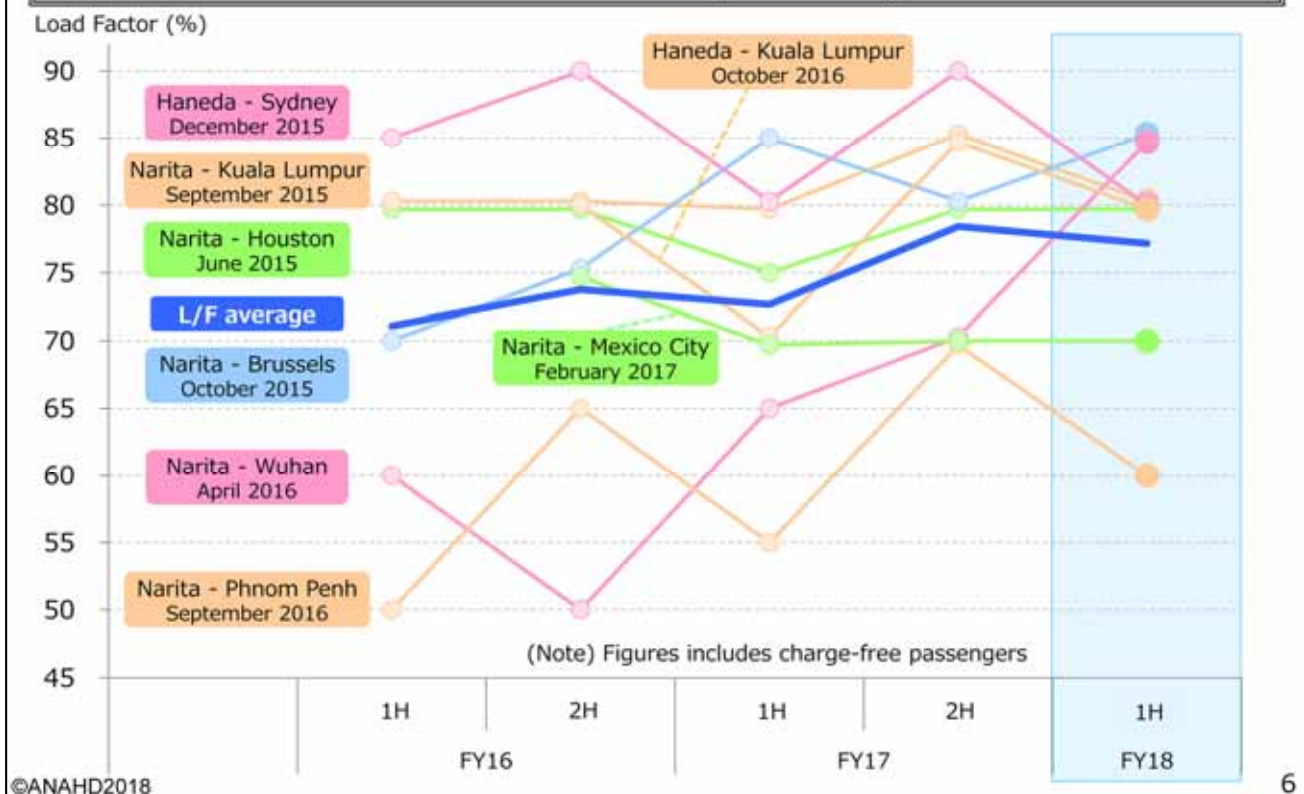
For the International Cargo Business, we implemented demand and supply optimization to promote freighter network optimization. By implementing fare raises based on destination-specific supply and demand balance, we succeeded in increasing the first half unit price by 21.1 percent year on year.

In our LCC business, we advanced preparations for the merger of the two companies. Thus far, the two companies had three overlapped routes on their services. From this fiscal year, we have consolidated the Narita - Kansai route into Peach Aviation. At the same time, we developed LCC demand by effectively applying management resources to launch other new routes.

Next, please turn to Page 6.

Air Transportation Business

Load factors of new routes have steadily increased right after launch



This graph shows transitions in load factor for routes launched since fiscal 2015.

Performance for each route is plotted in intervals of five percentage points. As you can see, we have maintained a high load factor on most routes since the start of operations. The Phnom Penh route is impacted by seasonality factors, such as the effect of the rainy season during the first half of the fiscal year, but load factor is steadily improving mainly on business demand.

The last few years have seen a trend where the launch of new route services results in increased demand for existing routes to nearby destinations. For example, since fiscal 2014, we launched the Munich, Dusseldorf, and Brussels routes. Since then, demand has grown stronger, even for the mainstay Frankfurt route. This fiscal year, the first half load factor reached nearly 85 percent for all routes to European destinations.

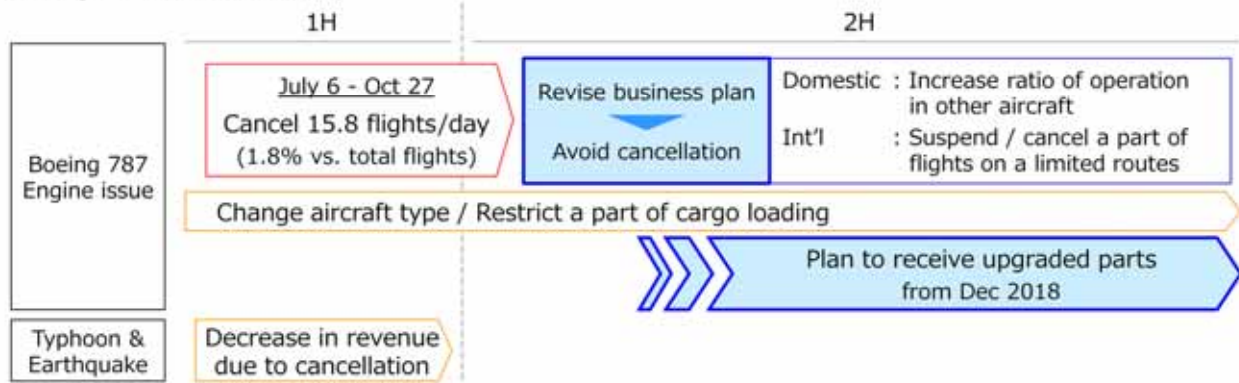
Our analysis of this trend is that network expansion and strategic aircraft deployment have increased ANA Group competitiveness, which in turn is driving rapid demand stabilization on newly established routes.

Please turn to Page 7.

Air Transportation Business

Implement appropriate measures for flight irregularities, stabilize operation

1. Impact of Cancellation



2. Impact for capacity (ANA)

ASK		1H	2H
Domestic Passenger	YoY (vs. original)	- 2.3% (- 1.5%)	+ 1% (+ 1%)
Int'l Passenger	YoY (vs. original)	+ 4.6% (- 0.6%)	+ 0% (- 4%)

Measures	
Reduce Impact	Domestic : Maintain ASK along the original plan
	Int'l : Guide passengers to other ANA flights etc.
Add measures	Capture further demands Improve unit price & yield

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Next, I will discuss the impact of planned flight cancellations and our second half business plans for the ANA brand.

First, I will explain the impact of planned flight cancellations. To prioritize safety while addressing the Boeing 787 engine issue, beginning in July it was necessary that we implement flight cancellations on certain routes.

On the other hand, for our winter flight schedule beginning from the end of October, we are avoiding flight cancellations by revising the business plan we drafted at the beginning of the year. We are scheduled to receive upgraded parts beginning in December and will implement permanent measures to resolve the technical issues we currently are facing.

The impact on ASK attributable to these flight cancellations is as shown at the bottom of the slide. As you can see, both Domestic Passenger and International Passenger Business recorded first half ASK that was below plans. During the second half, we plan to maintain ASK on par with our original plan for Domestic business. For the International Passenger Business, we will minimize the impact on revenues by suspending and/or decreasing some flights on a limited route while also guiding passengers who have booked on those flights to other ANA flights. From there, we will implement additional revenue improvement measures to take advantage of favorable demand trends.

Please turn to Page 8.

Enhancing Basic Quality

Conduct measures for “Solidify management platform”, based on the Corporate Strategy

1. Basic policy

Safety is our promise to the public and is the foundation of our business

Place the highest priority on Safety



2. Status of Investment, Expense



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This slide explains our initiatives to enhance basic quality.

Since fiscal 2017, the ANA Group has engaged in initiatives to solidify our management platform as preparation for our next growth stage.

The first measure is “Stand firm on Safety”. Safety is our promise to the public and is the foundation of our business. I order all Group members to prioritize safety in everything we do.

The second measure is “Improve quality and services”. As we prepare to head into a new growth stage, we will aim to improve customer convenience while offering superior quality.

The third measure is “Secure and develop human resources.” In addition to securing human resources to support future growth, through effective education we will foster the development of future Group leaders. We will increase productivity by enhancing motivation for each employee.

The bottom graph shows the status of investments and expenses related to these initiatives. We implemented nearly 40 percent of annual planned investments during the first half and will also continue as planned during the second half.

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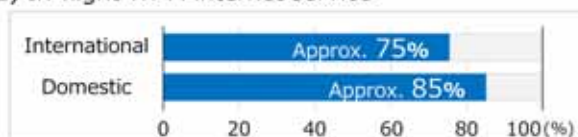
Enhancing Basic Quality

1) Stand firm on Safety

- 1) Strengthening maintenance structure, shortening the cycles of engine inspection
- 2) ICT to improve operational quality
 - i) Utilize mobile terminals
 - ii) Support pilots to brush up their skills by "Furikaeri", Video-Based Flight Review Application

2) Improve quality and services

1) In-flight Wi-Fi internet service



* Figures show the progress of Wi-Fi system installation as of the end of Sep, 2018

2) Universal Service

- i) Upgrade facilities and equipment in domestic airports
- ii) Work on Universal Service Training for all employees

3) Secure and develop human resource

- 1) Hiring personnel for our future growth
 - i) Increase number of pilots and flight attendants
 - ii) Improve working conditions of airport ground staff
- 2) Training & Education to enhance quality
 - i) Build "ANA Group Training Center"



3) Society 5.0 (Utilizing AI, IoT)

- i) Expand "ANA Baggage Drop" in major airports
- ii) Start demonstration experiment for aircraft towing



Next, I will introduce some of our initiatives related to enhancing basic quality.

To address safety, we are conducting detailed maintenance work based on ANA internal standards, which require a shorter cycle of engine inspection compared to the manufacturer recommended standards. We are enhancing safety initiatives, including using mobile terminals to share flight and maintenance information in real time.

We are addressing quality and services by completing the installation of in-flight Wi-Fi internet services on nearly 80 percent of applicable aircraft. On the Domestic Business, we are improving customer convenience by offering free Wi-Fi service, expanding in-flight entertainment, and installing seat monitors. We are enhancing Universal Services by renovating airport counters and boarding gates to provide a more pleasant boarding experience for customers including wheelchair passengers. We will continue to enhance employee training as we aim to provide the world's best Universal Services.

We are proactively engaged in hiring personnel for future growth. We conduct personnel development for ANA pilots based on long-term 10 year personnel plans. For the LCC business, Peach Aviation will also begin its internal pilot development program. We are also in the process of constructing an ANA Group Training Center, which will bring together training for all sorts of occupations, including pilots, flight attendants, mechanics, and airport ground staff, in a single location. In addition to centralizing the multiple training facilities located around Haneda Airport, we will adopt advanced technologies and equipment like VR & AR, to improve the quality of our training. This will enable us to simultaneously pursue human resource development and safety improvements. Furthermore, we will utilize AI and IoT, such as introducing automated baggage check-in systems at domestic airports, to improve productivity.

Please turn to Page 10.

Initiatives in FY2018 Second Half

Carry out strategies along the original plan, proceed to the next growth stage

1. Business Strategy



- 1) Control impact of B787 Engine issue
- 2) Expand network
 - Start Haneda-Vienna route in Feb, 2019



- 3) Prepare Merger steadily
 - Shift aircraft and human resources (Vanilla Air → Peach Aviation)
 - Change in Vanilla's management



- 4) Solidify management platform in line with the annual plan
- 5) Control Unit Cost

2. Financial Strategy

- 1) Issue Green Bond
 - i) Increase market recognitions for our ESG initiatives
 - ii) Pursue sustainable growth in accordance with the Corporate Strategy

Maturity	10 years
Issue Amount	10 billion yen
Issue Date	Oct 24 th , 2018
Use of Proceeds	A part of the construction fees of ANA Group Training Center

3. FY2018 Profit and Dividend plan

(Op. Income: ¥165.0 Billion, Dividend per Share : ¥70)

1) 1H results was beyond the original plan i) Revenues : over ¥1 trillion ii) Op. Income : over ¥100 billion iii) Op. Margin : over 10%	2) Firm demand trend still continues in 2H i) Demand Keeps growing in our group - Stimulate another demand by "Hokkaido Fukko Wari" (*) ii) Yield forecast is outperforming the original plan	3) Watch below closely i) Trend of crude oil market ii) Negotiations with the engine manufacturer about compensation
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* Discount fare for Hokkaido reconstruction

Next, I will explain our initiatives for the second half of this fiscal year.

First, I will discuss our business strategy. ANA will appropriately address the Boeing 787 engine issue and establish a production structure for the next fiscal year and beyond. Beginning in mid-February of next year, we will utilize late night slots at Haneda Airport to start new services to Vienna. We will steadily expand our network in accordance with our mid-term corporate strategy.

For the LCC business, the merger between Peach Aviation and Vanilla Air is proceeding according to plan. As previously announced, the Peach Aviation CEO will also take a leadership role at Vanilla Air. We will gradually consolidate management resources into Peach Aviation in order to improve management efficiency.

We will continue to implement planned initiatives to solidify our management platform. At the same time, we will control unit costs to improve our cost competitiveness.

As part of our financial strategy, we issued green bonds in October. In gaining market support for our Group's policy on environmental initiatives, we were able to draw the interest of a broad range of investors and issue bonds to a well-balanced share of investors.

Lastly, as you can see in the bottom half of the slide, we forecast that this trend of revenue growth will continue during the second half. While continuing to carefully watch crude oil markets and negotiations with engine manufacturers regarding compensation, we will focus on solidifying our business platform in preparation for our next growth stage.

This concludes my presentation. Thank you for your attention.

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2. Financial Results for the Six Months ended September 30, 2018 《Details》



I will provide a detailed explanation of our financial results for the six months ended September 30, 2018

Please turn to page 15.

Highlights of Financial Results

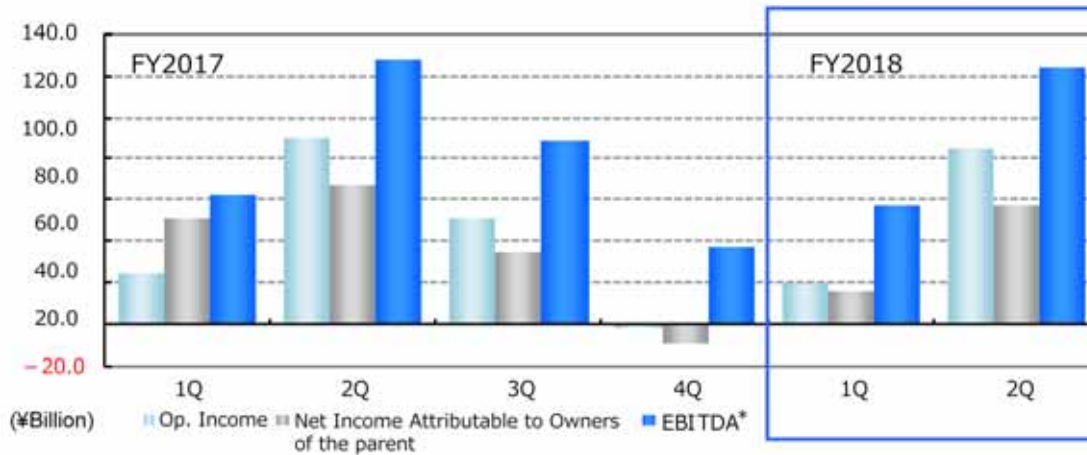
Comparison of Financial Results for FY2018 1-2Q and FY2017

[FY2018 1-2Q Cumulative Results (Consolidated)]

- > Op. Income : ¥105.2Bn (YoY -¥9.8Bn)
- > Net Income Attributable to Owners of the parent : ¥73.7Bn (YoY -¥44.6Bn)
- > EBITDA* : ¥181.9Bn (YoY -¥ 7.1Bn)

[2Q[Jul.-Sep.] (Consolidated)]

- > Op. Income : ¥85.1Bn
- > Net Income Attributable to Owners of the parent : ¥57.6Bn
- > EBITDA* : ¥124.3Bn



* EBITDA : Op. Income + Depreciation and Amortization

Consolidated Financial Summary

Income Statements	(¥Billion)	1H/FY2017	1H/FY2018	Difference	2Q/FY2018	Difference
Operating Revenues		985.0	1,038.0	+ 53.0	553.1	+ 19.8
Operating Expenses		869.9	932.8	+ 62.8	468.0	+ 24.3
Operating Income		115.0	105.2	- 9.8	85.1	- 4.5
Operating Income Margin (%)		11.7	10.1	- 1.5pt	15.4	- 1.4pt
Non-Operating Income/Expenses		- 2.3	- 2.2	+ 0.0	- 1.6	+ 0.0
Ordinary Income		112.7	102.9	- 9.8	83.5	- 4.4
Special Gain/Losses		43.9	0.0	- 43.9	0.0	- 8.4
Net Income Attributable to Owners of the parent		118.3	73.7	- 44.6	57.6	- 9.6
Net Income		119.7	74.2	- 45.5	58.0	- 10.4
Other Comprehensive Income		16.6	43.4	+ 26.7	13.2	+ 1.2
Comprehensive Income		136.4	117.6	- 18.7	71.3	- 9.1

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This slide shows an overview of our consolidated income statements.

Operating revenues increased by 53.0 billion yen, up 5percent year on year, to 1,038.0 billion yen. On the other hand, operating expenses increased by 62.8 billion yen, up 7 percent year on year, to 932.8 billion yen.

As a result, operating income decreased 9.8 billion yen year on year to 105.2 billion yen, ordinary income decreased 9.8 billion yen to 102.9 billion yen, and net income attributable to owners of the parent decreased 44.6 billion yen to 73.7 billion yen.

The year-on-year difference in net income is due to normalizing after having recorded a total of approximately 44 billion yen during the first half of the previous fiscal year as a special gain on the revaluation of stock resulting from the consolidation of Peach Aviation.

Please see page 16.

Consolidated Financial Summary

Financial Position	(¥Billion)	Mar 31, 2018	Sep 30, 2018	Difference
		Assets	2,562.4	2,626.6
Shareholders' Equity	988.6	1,076.2	+ 87.5	
Ratio of Shareholders' Equity (%)	38.6	41.0	+ 2.4pt	
Interest Bearing Debts	798.3	793.5	- 4.8	
Debt/Equity Ratio (times) *	0.8	0.7	- 0.1	
Net Interest Bearing Debts **	440.8	451.2	+ 10.4	

* D/E ratio in case of including off-balanced lease obligation of ¥3.6 billion (¥20.5 billion as of Mar 31, 2018) is 0.7 times (0.8 times as of Mar 31, 2018).

** Net Interest Bearing Debts: Interest Bearing Debts - (Current Assets (Cash and Deposits + Marketable Securities))

This page shows our consolidated financial position.

Total assets increased by 64.2 billion yen to 2,626.6 billion yen compared to the end of the previous fiscal year.

Shareholders' equity increased by 87.5 billion yen to 1,076.2 billion yen.

The shareholders equity ratio was 41.0 percent, a 2.4 point increase from the end of the previous fiscal year.

Interest-bearing debt decreased by 4.8 billion yen to 793.5 billion yen, resulting in a debt/equity ratio of 0.7 times, an improvement over the end of the previous fiscal year.

Please turn to page 17.

Consolidated Financial Summary

Statements of Cash Flow

(¥Billion)

	1H/FY2017	1H/FY2018	Difference
Cash Flow from Operating Activities	206.5	159.7	- 46.7
Cash Flow from Investing Activities	- 210.8	- 122.8	+ 88.0
Cash Flow from Financing Activities	67.1	- 40.8	- 107.9
Net Increase/Decrease in Cash and Cash Equivalents	63.1	- 2.9	- 66.0
Cash and Cash Equivalents at the beginning of the year	309.0	270.5	} - 2.9
Cash and Cash Equivalents at the end of the current period	372.2	267.6	
Depreciation and Amortization	74.0	76.7	+ 2.7
Capital Expenditures	196.8	169.5	- 27.3
Substantial Free Cash Flow (excluding time/negotiable deposits of more than 3 months)	+ 39.8	+ 24.5	- 15.2
EBITDA	189.1	181.9	- 7.1
EBITDA Margin (%)	19.2	17.5	- 1.7pt

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This slide shows cash flow.

Cash flow from operating activities resulted in income of 159.7 billion yen

Cash flow from investing activities resulted in expenditures of 122.8 billion yen due to capital expenditures, mainly for aircraft.

Cash flow from financing activities resulted in expenditures of 40.8 billion yen due to loan repayments, bond redemption, and dividends payout.

Substantial free cash flow, which is based on excluding capital transfers for time and negotiable deposits of more than three months from investing activities, resulted in revenues of 24.5 billion yen.

Please see page 18.

Consolidated Financial Summary

Results by Segment (¥Billion)

	1H/FY2017	1H/FY2018	Difference	2Q/FY2018	Difference	
Operating Revenues	Air Transportation	865.4	915.8	+ 50.4	489.3	+ 20.8
	Airline Related	141.5	145.2	+ 3.6	75.2	- 0.5
	Travel Services	83.5	79.7	- 3.8	43.6	- 3.5
	Trade and Retail	69.1	75.0	+ 5.8	38.1	+ 2.4
	Others	18.6	19.4	+ 0.7	10.0	+ 0.2
	Adjustment	- 193.2	- 197.1	- 3.8	- 103.2	+ 0.3
	Total	985.0	1,038.0	+ 53.0	553.1	+ 19.8
Operating Income	Air Transportation	109.2	101.0	- 8.1	82.7	- 3.3
	Airline Related	6.8	7.6	+ 0.7	3.4	+ 0.8
	Travel Services	2.2	0.6	- 1.5	0.7	- 0.8
	Trade and Retail	2.2	1.7	- 0.4	1.0	- 0.2
	Others	1.6	1.2	- 0.4	0.6	- 0.4
	Adjustment	- 7.2	- 7.2	+ 0.0	- 3.5	- 0.5
	Total	115.0	105.2	- 9.8	85.1	- 4.5

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These are our results by segment.

Operating revenues increased for Air Transportation, Airline-Related and Trade and Retail Businesses. Operating revenues for various Group businesses increased with the expansion of International Business.

Operating revenues decreased for Travel Services due to the impact of declining sales for domestic leisure/package travel.

Now, I will go over the details of our Air Transportation Business.

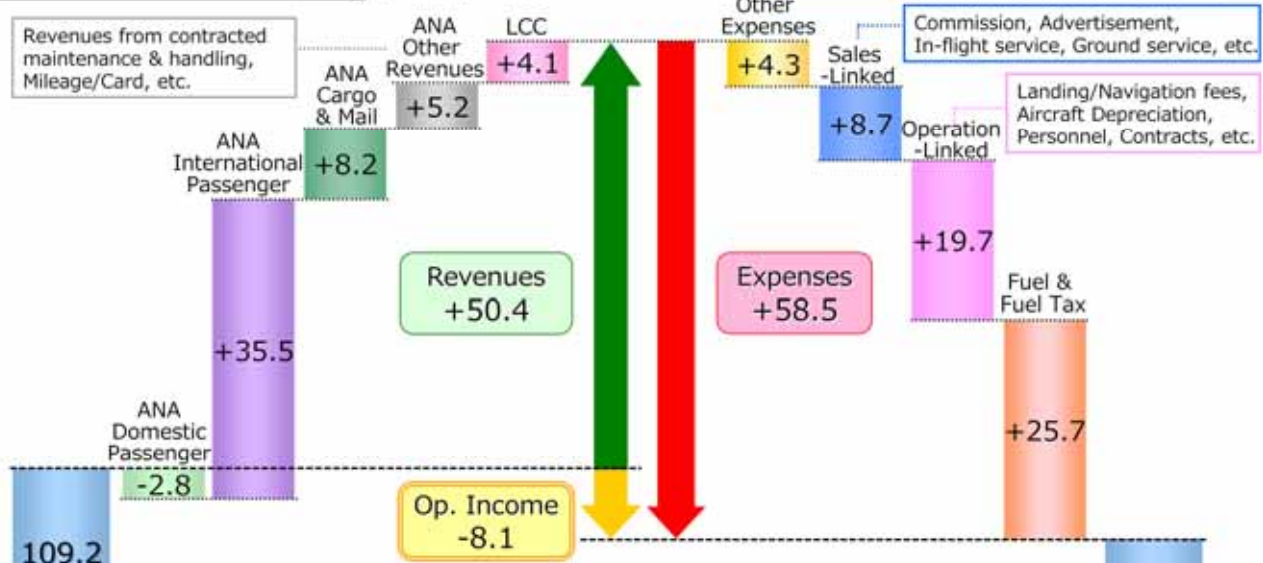
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Air Transportation Business

Operating Revenues and Expenses		1H/FY2017	1H/FY2018	Difference	2Q/FY2018	Difference	
		(¥Billion)					
Operating Revenues	ANA Domestic Passenger	355.1	352.3	- 2.8	195.4	- 5.0	
	ANA International Passenger	295.5	331.0	+ 35.5	174.8	+ 18.7	
	ANA Cargo & Mail	74.2	82.5	+ 8.2	41.1	+ 3.1	
	ANA Others	96.2	101.4	+ 5.2	50.7	+ 1.5	
	LCC	44.2	48.3	+ 4.1	27.2	+ 2.3	
	Total	865.4	915.8	+ 50.4	489.3	+ 20.8	
Operating Expenses	Fuel and Fuel Tax	145.8	171.5	+ 25.7	85.8	+ 12.7	
	Landing and Navigation Fees	61.9	61.3	- 0.5	31.0	- 0.7	
	Aircraft Leasing Fees	55.3	60.7	+ 5.4	31.1	+ 3.3	
	Depreciation and Amortization	70.8	73.5	+ 2.7	37.5	+ 1.8	
	Aircraft Maintenance	65.4	69.0	+ 3.6	31.9	- 0.7	
	Personnel	98.8	103.4	+ 4.5	51.7	+ 1.5	
	Sales Commission and Promotion	50.5	54.6	+ 4.1	26.9	+ 0.8	
	Contracts	109.4	117.9	+ 8.5	59.1	+ 3.9	
	Others	97.9	102.4	+ 4.4	51.2	+ 1.3	
		Total	756.1	814.7	+ 58.5	406.6	+ 24.1
	Op. Income	Operating Income	109.2	101.0	- 8.1	82.7	- 3.3
	EBITDA	180.1	174.6	- 5.4	120.3	- 1.5	
	EBITDA Margin (%)	20.8	19.1	- 1.7pt	24.6	- 1.4pt	

Air Transportation Business

Changes in Op. Income



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This is a year-on-year comparison of changes in operating income for our Air Transportation Business.

Operating revenues increased by 50.4 billion yen. Operating revenues for Domestic Passenger Business decreased year on year due to the unprecedented impact of typhoons and earthquakes, as well as flight cancellations attributable to Boeing 787 engine issues. International Passenger and Cargo & Mail Businesses contributed significantly to top-line growth.

Operating expenses increased by 58.5 billion yen. The expansion of the business scope resulted in increased operation-linked expenses. Plus, although we are adding a fuel surcharge to fares in the International Business, this was not enough to cover fuel expenses which increased ahead of fuel surcharges due to continuous crude oil price raise during the first half of the fiscal year.

As a result of the above, operating income decreased by 8.1 billion yen year on year to 101.0 billion yen.

As shown in the table at the bottom, we were able to control unit cost in line with our plan.

Please turn to page 22.

Air Transportation Business

Domestic Passenger Operations					
(ANA brand only)	1H/FY2017	1H/FY2018	% YoY	2Q/FY2018	% YoY
Available Seat Km (million)	30,051	29,372	- 2.3	14,821	- 5.2
Revenue Passenger Km (million)	20,481	20,511	+ 0.2	10,842	- 3.1
Passengers (thousands)	22,499	22,340	- 0.7	11,671	- 3.9
Load Factor (%)	68.2	69.8	+ 1.7pt*	73.2	+ 1.7pt*
Passenger Revenues (¥Billion)	355.1	352.3	- 0.8	195.4	- 2.5
Unit Revenue (¥/ASK)	11.8	12.0	+ 1.5	13.2	+ 2.9
Yield (¥/RPK)	17.3	17.2	- 0.9	18.0	+ 0.5
Unit Price (¥/Passenger)	15,785	15,772	- 0.1	16,747	+ 1.4

* Difference

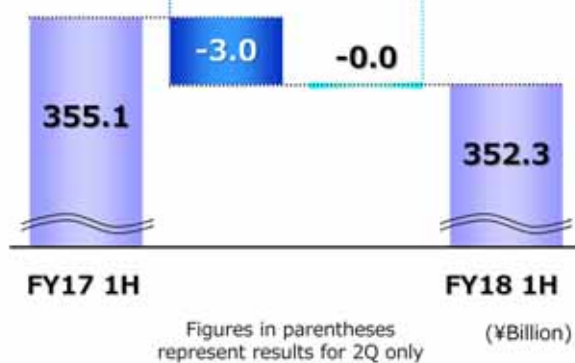
Air Transportation Business

Domestic Passenger Operations

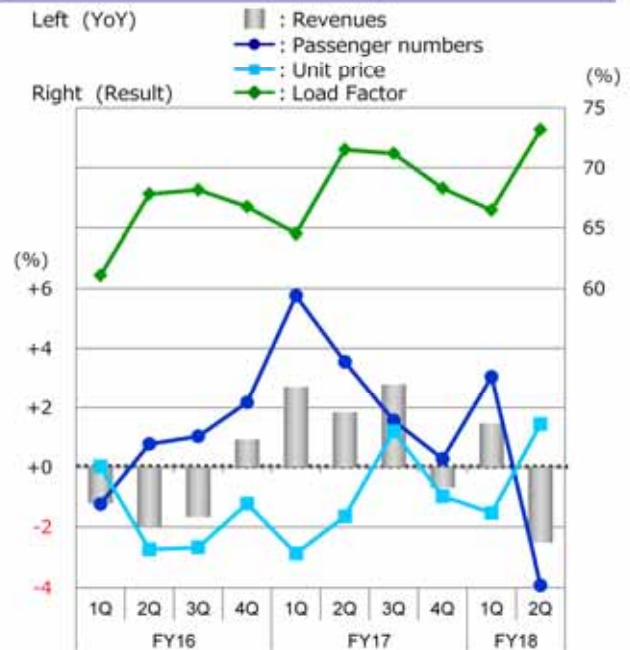
(ANA brand only)

FY18 1H Revenue Change Factors

Passenger Factors		Unit Price Factors	
Demand trend	+1.0 (+0.5)	Pricing management	-0.5(+0.0)
Marketing Measures	+3.0 (-0.5)	Passenger class mix change	-1.5 (-0.0)
Weather impact, etc.	-7.0 (-7.5)	Competition with others, etc.	+2.0(+2.5)



Trends of Quarterly Results



This shows the status of our Domestic Passenger Operations.

Please see the figures on the left, which shows an analysis of the factors for the 2.8 billion yen decrease in first half revenues.

Passenger factors resulted in decreased revenues of 3.0 billion yen, mainly due to the impact of typhoons and earthquakes.

With load factor increasing during the peak demand season, for unit price factors we implemented fare strategies to capture high unit price demand.

As shown on page 21, second quarter ASK decreased by 5.2 percent year on year. By enhancing sales strategies to address such conditions, we increased second quarter load factor to 73.2 percent and improved unit price by 1.4 percent year on year.

Please turn to page 24.

Air Transportation Business

International Passenger Operations

(ANA brand only)

	1H/FY2017	1H/FY2018	% YoY	2Q/FY2018	% YoY
Available Seat Km (million)	31,852	33,315	+ 4.6	16,706	+ 3.8
Revenue Passenger Km (million)	24,156	25,788	+ 6.8	13,279	+ 5.8
Passengers (thousands)	4,761	5,172	+ 8.6	2,663	+ 5.9
Load Factor (%)	75.8	77.4	+ 1.6pt*	79.5	+ 1.5pt*
Passenger Revenues (¥Billion)	295.5	331.0	+ 12.0	174.8	+ 12.0
Unit Revenue (¥/ASK)	9.3	9.9	+ 7.1	10.5	+ 7.9
Yield (¥/RPK)	12.2	12.8	+ 4.9	13.2	+ 5.9
Unit Price (¥/Passenger)	62,062	64,000	+ 3.1	65,627	+ 5.8

* Difference

Air Transportation Business

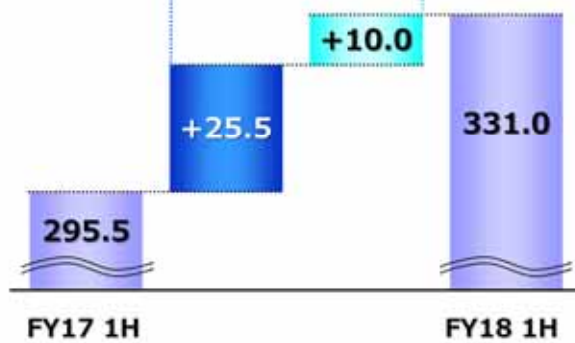
International Passenger Operations

(ANA brand only)

FY18 1H Revenue Change Factors

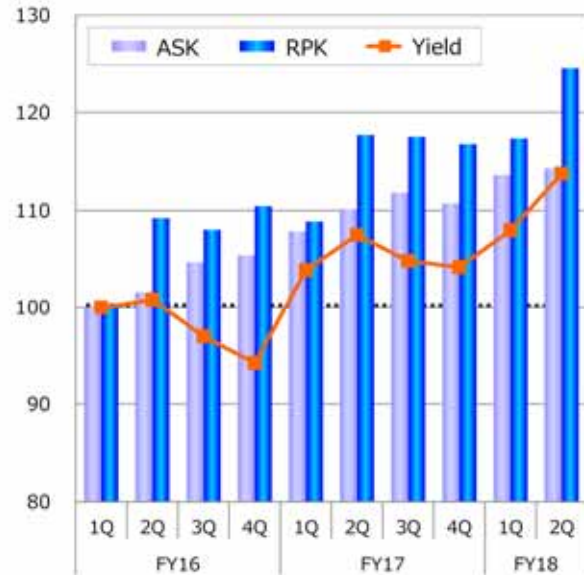
Trends of Quarterly Results

Passenger Factors		Unit Price Factors	
Available Seat	+6.0 (+3.0)	Yield management	+1.0 (+0.5)
Marketing measures	+15.0 (+6.5)	Passenger class/route mix change	-2.5 (+2.5)
FSC	+1.0 (+0.5)	Foreign exchange	+1.0 (+0.5)
Others	+3.5 (-1.0)	FSC	+10.5 (+6.0)



Figures in parentheses represent results for 2Q only (¥Billion)

Index : FY16 1Q=100



This is the status of our International Passenger Operations.

Please see the figures on the left, which shows an analysis of the factors for the 35.5 billion yen increase in first half revenues.

Passenger factors resulted in increased revenues of 25.5 billion yen due to capturing a broad range of demand along with ASK expansion.

Unit price factors resulted in increased revenues of 10.0 billion yen due to fuel surcharge increases and the benefits of a focused effort to enhance yield management.

Next, please see page 25.

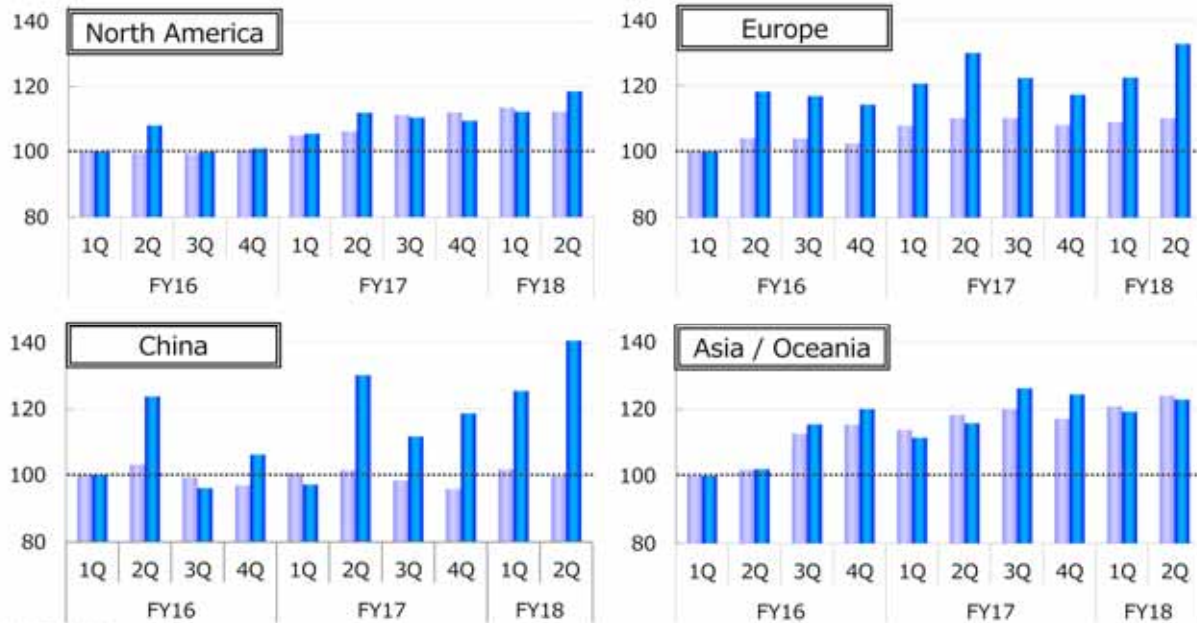
Air Transportation Business

International Passenger Operations

(ANA brand only)

Trends of ASK & RPK by Destination

Index : FY16 1Q=100 ■ : ASK ■ : RPK



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25

This shows ASK and RPK trends by destination.

RPK during the second quarter increased year on year for all destinations.

For China routes, shown in the bottom left, total supply volume, including other airlines, for routes between Japan and China was largely unchanged year on year. However we saw the continued trend of increasing demand, particularly among inbound travellers from China. There was also a notable increase in yield for China routes.

Other destinations also captured strong demand along with increased ASK.

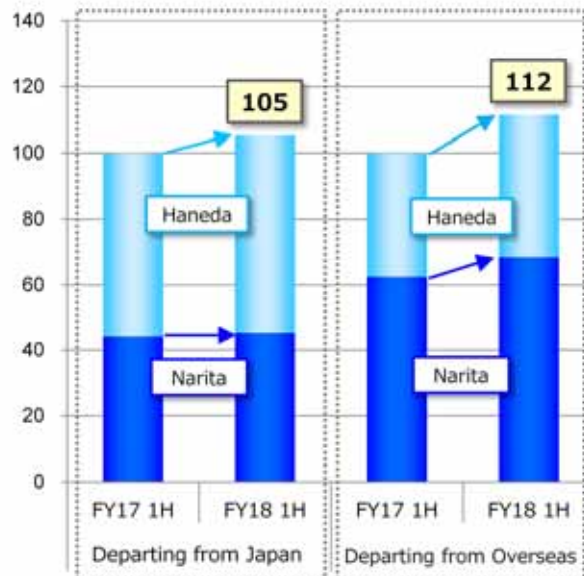
Please see page 26.

Air Transportation Business

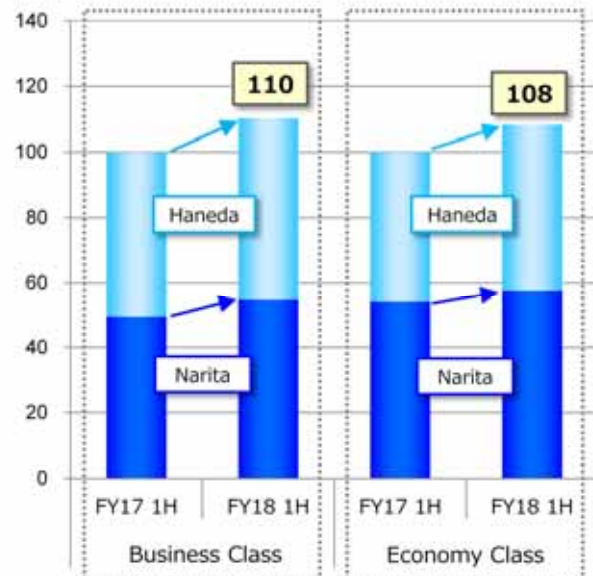
Trends in International Passenger Operations

(ANA Brand Only)

Results by Point of Departure (YoY)

Number of Passengers
(Index : FY17 1H=100)

Results by Class (YoY)

Number of Passengers
(Index : FY17 1H=100)

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This slide shows an analysis of demand by point of departure and seat class.

Each graph shows fiscal 2018 first half passenger numbers compared to the previous fiscal year. The light blue indicates passenger numbers of Haneda departures and the dark blue indicates Narita departures with 100 representing the total number of departures from both airports during the first half of the previous fiscal year. As you can see, we recorded growth for each category.

Please see the figure on the left. Passengers departing from Japan increased year on year due to capturing firm business and leisure demand.

Passengers departing from overseas significantly outpaced those from Japan, recording a 12 percent growth rate year on year. During the four-year period between fiscal 2014 and fiscal 2017, we have expanded ASK on ANA's International Business by 60 percent and increased the number of overseas destinations serviced from 32 to 42 cities. Our network expansion has established a solid position in overseas markets.

The graph on the right shows results by seat class. We recorded a high rate of growth for passenger numbers for Haneda and Narita combined, with business class and economy class growing 10 percent and eight percent year on year, respectively.

Next, please see page 30.

Air Transportation Business

Domestic Cargo Operations	1H/FY2017		1H/FY2018		2Q/FY2018	
			% YoY		% YoY	
Available Ton Km (million)	912	868	- 4.8	442	- 9.3	
Revenue Ton Km (million)	222	205	- 7.7	104	- 10.5	
Revenue Ton (thousand tons)	216	197	- 8.6	101	- 11.5	
Load Factor (%)	24.4	23.6	- 0.7pt*	23.7	- 0.3pt*	
Cargo Revenues (¥Billion)	15.1	14.0	- 7.6	6.9	- 12.3	
Unit Revenue (¥/ATK)	16.6	16.1	- 3.0	15.8	- 3.4	
Yield (¥/RTK)	68.3	68.3	+ 0.1	66.4	- 2.0	
Unit Price (¥/kg)	70	71	+ 1.1	68	- 0.9	

* Difference

Air Transportation Business

International Cargo Operations	1H/FY2017	1H/FY2018	% YoY	2Q/FY2018	% YoY
Available Ton Km (million)	3,391	3,590	+ 5.9	1,792	+ 4.4
Revenue Ton Km (million)	2,222	2,253	+ 1.4	1,119	- 0.5
Revenue Ton (thousand tons)	500	483	- 3.3	237	- 7.3
Load Factor (%)	65.5	62.8	- 2.8pt*	62.4	- 3.1pt*
Cargo Revenues (¥Billion)	54.8	64.2	+ 17.1	32.1	+ 15.2
Unit Revenue (¥/ATK)	16.2	17.9	+ 10.6	18.0	+ 10.4
Yield (¥/RTK)	24.7	28.5	+ 15.5	28.8	+ 15.8
Unit Price (¥/kg)	110	133	+ 21.1	135	+ 24.4

* Difference

(Figures on this page include results on P.29)

Air Transportation Business

[Ref.] International Freighter Operations	1H/FY2017	1H/FY2018	% YoY	2Q/FY2018	% YoY
Available Ton Km (million)	541	607	+ 12.0	299	+ 8.8
Revenue Ton Km (million)	347	422	+ 21.5	206	+ 15.1
Revenue Ton (thousand tons)	189	177	- 6.0	84	- 14.2
Load Factor (%)	64.2	69.6	+ 5.4pt*	68.8	+ 3.7pt*
Cargo Revenues (¥Billion)	13.7	18.2	+ 33.3	9.0	+ 28.2
Unit Revenue (¥/ATK)	25.3	30.1	+ 19.0	30.2	+ 17.8
Yield (¥/RTK)	39.5	43.3	+ 9.7	43.9	+ 11.4
Unit Price (¥/kg)	72	103	+ 41.8	107	+ 49.4

*Difference

Air Transportation Business

LCC Operations

(Peach Aviation and Vanilla Air in Total)

	1H/FY2017	1H/FY2018	% YoY	2Q/FY2018	% YoY
Available Seat Km (million)	5,842	6,000	+ 2.7	3,052	+ 1.4
Revenue Passenger Km (million)	5,111	5,228	+ 2.3	2,681	- 0.4
Passengers (thousands)	3,885	4,067	+ 4.7	2,069	+ 1.1
Load Factor (%)	87.5	87.1	- 0.3pt*	87.8	- 1.6pt*
Operating Revenue (¥Billion) **	44.2	48.3	+ 9.5	27.2	+ 9.6
Unit Revenue (¥/ASK)	7.6	8.1	+ 6.6	8.9	+ 8.1
Yield (¥/RPK)	8.7	9.3	+ 7.0	10.1	+ 10.1
Unit Price (¥/Passenger)	11,378	11,898	+ 4.6	13,144	+ 8.5

* Difference

** Op. Revenues include ancillary revenues

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Next, regarding our LCC Business, the figures on this slide represent combined figures for Peach Aviation and Vanilla Air.

Operating revenues increased by just under 10 percent year on year to 48.3 billion yen. Load factor for the two companies combined was 87.1 percent, the high level following the first quarter.

As the companies proceed with preparations for their merger, Vanilla Air started a new Narita - Ishigaki route and Peach Aviation also started a Kansai - Kushiro route during the second quarter. Load factors were above 85 percent for both routes, representing a solid start.

Page 32 shows traffic results for each LCC company.

This concludes my presentation. Thank you for your attention.

Air Transportation Business

Peach Aviation

Domestic and International Operations in Total	1H/FY2017	1H/FY2018	% YoY	2Q/FY2018	% YoY
Available Seat Km (million)	3,326	3,618	+ 8.8	1,804	+ 5.3
Revenue Passenger Km (million)	2,923	3,179	+ 8.8	1,581	+ 2.6
Passengers (thousands)	2,507	2,711	+ 8.1	1,345	+ 1.9
Load Factor (%)	87.9	87.9	- 0.0pt*	87.6	- 2.3pt*

Vanilla Air

Domestic and International Operations in Total	1H/FY2017	1H/FY2018	% YoY	2Q/FY2018	% YoY
Available Seat Km (million)	2,516	2,381	- 5.4	1,248	- 3.7
Revenue Passenger Km (million)	2,187	2,048	- 6.3	1,100	- 4.5
Passengers (thousands)	1,378	1,356	- 1.6	723	- 0.4
Load Factor (%)	86.9	86.0	- 0.9pt*	88.2	- 0.7pt*

* Difference

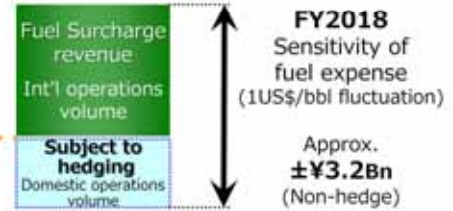
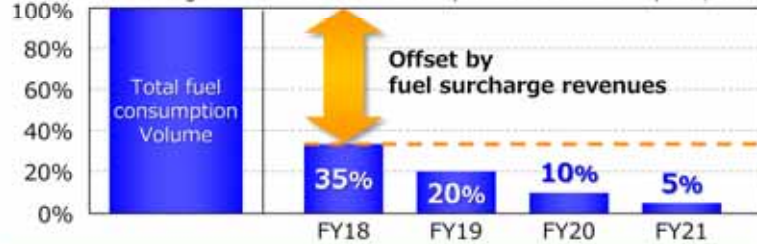
Status of Fuel and Currency Hedging (ANA brand only)

Fuel hedging policy

- 1) Hedging for consumption volume in Domestic Operations (Transaction starts 3 years ahead)
- 2) No hedging for consumption volume in International Operations (Covered by fuel surcharge revenues)

(US\$/bbl)	1H/FY18 Results	FY18 Assumptions
Dubai Crude Oil	73.2	62
Singapore Kerosene	88.0	75

Hedge Ratio to total fuel consumption volume as of Sep. 30, 2018

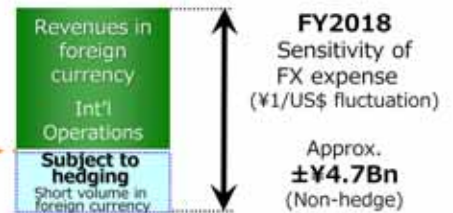
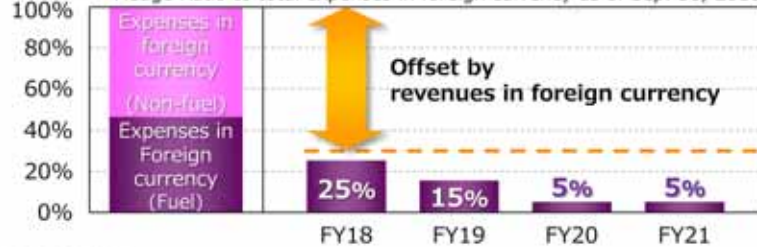


Currency hedging policy

- 1) Hedging for short volume in foreign currency (Transaction starts 3 years ahead)

(JPY/US\$)	1H/FY18 Results	FY18 Assumptions
USD	110.3	110

Hedge Ratio to total expenses in foreign currency as of Sep. 30, 2018



Other Segments excluding Air Transportation Business

Results by Segment (¥Billion)	Airline Related			Travel Services		
	1H/FY2017	1H/FY2018	Difference	1H/FY2017	1H/FY2018	Difference
Operating Revenues	141.5	145.2	+ 3.6	83.5	79.7	- 3.8
Operating Income	6.8	7.6	+ 0.7	2.2	0.6	- 1.5
Depreciation and Amortization	2.3	2.2	- 0.1	0.1	0.2	+ 0.1
EBITDA	9.2	9.8	+0.6	2.4	0.9	- 1.4
EBITDA Margin (%)	6.5	6.8	+ 0.3pt	2.9	1.2	- 1.7pt
	Trade and Retail			Others		
	1H/FY2017	1H/FY2018	Difference	1H/FY2017	1H/FY2018	Difference
Operating Revenues	69.1	75.0	+ 5.8	18.6	19.4	+ 0.7
Operating Income	2.2	1.7	- 0.4	1.6	1.2	- 0.4
Depreciation and Amortization	0.6	0.6	+ 0.0	0.1	0.1	- 0.0
EBITDA	2.8	2.4	- 0.4	1.7	1.3	- 0.4
EBITDA Margin (%)	4.1	3.2	- 0.9pt	9.6	6.9	- 2.7pt

3. Supplemental Reference



Supplemental Reference

Aircraft in Service		Mar 31, 2018	Sep 30, 2018	Difference	Owned	Leased
	Boeing 777-300/-300ER	29	29	-	26	3
	Boeing 777-200/-200ER	21	21	-	17	4
	Boeing 787-9	28	29	+ 1	26	3
	Boeing 787-8	36	36	-	31	5
	Boeing 767-300/-300ER	34	34	-	23	11
	Boeing 767-300F/-300BCF	12	12	-	8	4
	Airbus A321-200neo	2	8	+ 6	-	8
	Airbus A321-200	4	4	-	-	4
	Airbus A320-200neo	3	6	+ 3	6	-
	Airbus A320-200	7	6	- 1	6	-
	Boeing 737-800	36	38	+ 2	24	14
	Boeing 737-700	7	7	-	7	-
	Boeing 737-500	14	12	- 2	12	-
	Bombardier DHC-8-400	24	24	-	24	-
	ANA Total	257	266	+ 9	210	56
	Airbus A320-200	15	15	-	-	15
	Airbus A320-200	20	21	+ 1	-	21
ANA Group Total	292	302	+ 10	210	92	

Supplemental Reference

International Passenger Results by Destination		1H/FY2018 Composition	Difference vs. last year	2Q/FY2018 Composition	Difference vs. last year
(ANA brand only)					
Revenues	North America	30.7	- 0.6	30.4	- 0.2
	Europe	19.8	- 0.6	19.8	- 0.6
	China	15.5	+ 1.8	16.3	+ 1.3
	Asia/Oceania	29.0	- 0.6	28.1	- 0.5
	Resort	5.0	+ 0.0	5.3	- 0.0
ASK	North America	33.4	+ 0.7	33.1	+ 0.6
	Europe	15.5	- 0.6	15.5	- 0.6
	China	10.5	- 0.5	10.4	- 0.6
	Asia/Oceania	35.6	+ 0.3	35.9	+ 0.4
	Resort	5.0	+ 0.1	5.0	+ 0.2
RPK	North America	32.9	- 0.2	32.9	+ 0.0
	Europe	16.4	- 0.8	16.6	- 0.6
	China	10.8	+ 1.0	11.1	+ 0.2
	Asia/Oceania	34.3	- 0.1	33.8	+ 0.1
	Resort	5.5	+ 0.1	5.6	+ 0.3

Supplemental Reference

International Cargo Results by Destination		1H/FY2018 Composition	Difference vs. last year	2Q/FY2018 Composition	Difference vs. last year
Revenues	North America	34.6	+ 3.6	34.6	+ 4.2
	Europe	14.6	- 1.4	14.8	- 1.1
	China	23.5	- 1.0	23.6	- 1.1
	Asia/Oceania	23.6	- 0.2	23.7	- 0.5
	Others	3.6	- 1.0	3.3	- 1.5
ATK	North America	40.9	+ 3.9	40.7	+ 3.9
	Europe	15.2	- 0.8	15.3	- 0.7
	China	15.0	- 1.3	14.8	- 1.5
	Asia/Oceania	26.9	- 0.9	27.4	- 0.7
	Others	1.9	- 0.8	1.7	- 1.0
RTK	North America	41.8	+ 4.7	41.3	+ 5.1
	Europe	17.3	- 3.2	17.8	- 2.8
	China	13.4	- 0.7	13.4	- 0.9
	Asia/Oceania	25.5	+ 0.1	25.6	- 0.4
	Others	2.1	- 0.8	1.8	- 1.1

Mission Statement	Built on a foundation of security and trust, “the wings within ourselves” help to fulfill the hopes and dreams of an interconnected world.
ANA Group Safety Principles	Safety is our promise to the public and is the foundation of our business. Safety is assured by an integrated management system and mutual respect. Safety is enhanced through individual performance and dedication.
Management Vision	It is our goal to be the world’s leading airline group in customer satisfaction and value creation.
ANA’s Way	To live up to our motto of “Trustworthy, Heartwarming, Energetic!”, we work with: <ol style="list-style-type: none"> 1. Safety We always hold safety as our utmost priority, because it is the foundation of our business. 2. Customer Orientation We create the highest possible value for our customers by viewing our actions from their perspective. 3. Social Responsibility We are committed to contributing to a better, more sustainable society with honesty and integrity. 4. Team Spirit We respect the diversity of our colleagues and come together as one team by engaging in direct, sincere and honest dialogue. 5. Endeavor We endeavor to take on any challenge in the global market through bold initiative and innovative spirit.

Cautionary Statement

Forward-Looking Statements. This material contains forward-looking statements based on ANA HOLDINGS INC.'s current plans, estimates, strategies, assumptions and beliefs. These statements represent the judgments and hypotheses of the Company's management based on currently available information. Air transportation, the Company's core business, involves government-mandated costs that are beyond the Company's control, such as airport utilization fees and Fuel taxes. In additions, conditions in the markets served by the Company are subject to significant fluctuations.

It is possible that these conditions will change dramatically due to a number of factors, such as trends in the economic environment, aviation fuel tax, technologies, demand, competition, foreign exchange rate fluctuations, and others. Due to these risks and uncertainties, it is possible that the Company's future performance will differ significantly from the contents of this material.

Accordingly, there is no assurance that the forward-looking statements in this material will prove to be accurate.

This material is available on our website.

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