

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

JCR's Rating Review of Air Transportation Companies

Issuer	Code	Long-Term Issuer Rating		Outlook
Japan Airlines Co., Ltd.	9201	<Affirmation>	A	Stable
ANA HOLDINGS INC.	9202	<Affirmation>	A	Stable

(See page 3 and beyond for details about ratings on individual bonds, etc.)

Rating Viewpoints

- (1) JCR has reviewed long-term issuer ratings for air transportation companies and affirmed them for both Japan Airlines Co., Ltd. and ANA HOLDINGS INC. with Stable outlook.
- (2) The number of passengers for both domestic and international flights remains on the rise. Along with gradual growth of world economy, expansion of LCC's routes and increasing number of foreign visitors to Japan are major causes of the increase. Although it is necessary to watch impact from slowdown of world economy, passenger demand will remain solid against the backdrop of the increasing number of foreign visitors to Japan and Tokyo 2020 Olympic and Paralympic Games.
- (3) Both companies are focusing their efforts on an increase of quality of services and customer satisfaction. They will promote expansion of production through introduction of large aircraft and enhancement and repair of their aircraft, expansion of networks through opening of new routes and alliances with other companies, enhancement of LCC business, and so on. For financial policy, they will continue their management in consideration of rating.
- (4) Their business performance has been solid, although it is affected by increasing fuel price. The increase of costs along with the enhancing of personnel and aircraft is expected to precede the increase of passenger revenue for the time being, and it is assumed that their business performance will level off. JCR sees that further expansion of earnings and income, which is possible by growth of production volume exceeding that of personnel and maintenance expenses, can be seen only in and after the fiscal year ending March 2021 (FY2020). Going forward, JCR will pay attention to allocation of increase in arrival and departure slots at Haneda Airport scheduled for around 2020. JCR considers that an expansion of routes arriving at and departing from highly convenient Haneda Airport will strengthen earnings capacity of air transportation companies.
- (5) Their financial indicators are at a good level. Although it is still necessary to keep an eye on event risks such as war potential, terrorism, disease outbreaks, and the like, their financial tolerance has improved, as their equity capital has increased as compared with that before Lehman Shock. In the medium term, they will increase aircraft investments for future growth and take more measures to return their profits to their shareholders. Both clearly specified numerical targets including keeping their equity ratio at above a certain level. JCR sees that it is unlikely that their financial structure will worsen in light of outlook for future business performance and financial management policy.

Rationale

Issuer: Japan Airlines Co., Ltd.

<Affirmation>

Long-term Issuer Rating: A
Outlook: Stable
Bonds: A

- (1) Japan Airlines Co., Ltd. (the "Company") is one of the nation's 2 major airline companies. Its business base is stable for the domestic flight service, which is under the oligopolistic control of the 2 companies. For international flights, the Company has a wide service network as a member of the "oneworld" global airline alliance and also through tie-ups with other leading airlines. It filed a petition for commencement of corporate reorganization proceedings in 2010 and was relisted on the Tokyo Stock Exchange in 2012, following conclusion of these proceedings in 2011. The proceedings have helped streamline the assets and totally revamp the earnings structure, making the Company a highly profitable company.
- (2) The Company keeps high profitability and stable business performance. There have been no changes to its management policy focusing on an increase of profitability and customer satisfaction. Business policies including expansion of global network through alliances with overseas airline companies and operation of new core system for passengers have led to the good results. As the increase of costs is expected to precede the benefit for the time being, it is assumed that further expansion of earnings and income can be seen only in and after FY2020. Its financial structure is sound and it is unlikely that the structure will worsen going forward. Taking the above into consideration, JCR affirmed the ratings on the Company with Stable outlook.
- (3) Its ordinary income has been above 160 billion yen since FY2016 and it estimates that the ordinary income for FY2018 will decline 1.3% year-on-year to 161 billion yen. Personnel and maintenance expenses will continue rising for the time being. The start of operation of the core system for passengers in FY2017 is increasing the revenue from the business and premium economy classes departing from overseas airports and accuracy of reservation. Business performance for FY2019 will remain firm thanks partly to opening of Narita-Seattle route. JCR will continue to pay attention to progress of sophistication and elaboration of its revenue management.
- (4) The Company has been enjoying an effectively debt free status since it was relisted. Its financial indicators are good as shown by its retention of 50% to 60% for the equity ratio since FY2013. It plans to make capital investments amounting to 700 billion yen in total from FY2018 to FY2020. It has also set a special growth investment amounting to 50 billion yen for entry into medium- and long-distance LCC business, etc. In addition, it plans to take further steps to return profits to shareholders. JCR assumes, however, that the Company can cover these required funds by its stable cash flow generating ability.

Issuer: ANA HOLDINGS INC.

<Affirmation>

Long-term Issuer Rating: A
Outlook: Stable
Bonds: A
Shelf Registration: Preliminary A

- (1) ANA HOLDINGS INC. (the "Company") is a holding company controlling ALL NIPPON AIRWAYS CO., LTD. ("ANA"), one of Japan's 2 major airline companies. It has functions such as raising funds, holding aircraft and allocating management resources for the group companies. With strong group unity, JCR reflects the group's overall creditworthiness in the Company's ratings. ANA has stable business bases with the largest shares held in the domestic market for the available seat-kilometers and the number of passengers. Being a member of the world's largest international flight alliance "Star Alliance," it also enjoys a high share for the flight routes to/from the convenient Haneda Airport.
- (2) The Company secures a satisfactory profit level. It has been well capturing demand for business customers backed by the expanded network in the international passenger business in addition to introduction of aircraft that can match demand in the domestic passenger business. It is assumed that the full-fledged expansion of business performance can be seen only in and after FY2020 due to burden of anticipatory expenses for future business growth for the time being. There have been no changes to the management policy in consideration of financial soundness. Given that it is

expected that its investments in aircraft that have been staying at a high level will peak out going forward, the Company will be able to keep the good financial structure. Taking the above into consideration, JCR affirmed the ratings on the Company with Stable outlook.

- (3) It has been expanding its ordinary income since FY2013 where the income bottomed out, and posted a record ordinary income of 160.6 billion yen for FY2017, achieving the 3rd consecutive record income. It estimates that its ordinary income for FY2018 will decrease 1.6% year-on-year to 158 billion yen due partly to the increasing costs which are linked with production. Despite the cost burden for personnel and maintenance expenses, it is expected that the Company will keep a solid business performance for FY2019 backed by the international passenger business, for which it plans to open a new route. Going forward, JCR will closely watch the strengthening of Hawaii route, on which A380 will begin service, and progress of acquisition of cargoes among three countries through introduction of cargo aircraft.
- (4) Its equity ratio has been around 40% since the end of FY2016 and stood at 41.2% as of the end of the 3rd quarter of FY2018. Its capital investments mainly for purchase of aircraft have been staying at a high level. It plans capital expenditures amounting to approximately 400 billion yen in FY2018, and the amount will remain at the same level in FY2019 as in FY2018. The expenditures, however, have already peaked out, and its free cash flow will turn positive in and after FY2019.

Masayoshi Mizukawa, Tadashi Ono

Rating

Issuer: Japan Airlines Co., Ltd.

<Affirmation>

Long-term Issuer Rating: A Outlook: Stable

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Rating
bonds no.3	JPY 10	Sept. 21, 2018	Sept. 21, 2028	0.399%	A
bonds no.4	JPY 10	Sept. 21, 2018	Sept. 21, 2038	0.960%	A
bonds no.5	JPY 10	Mar. 20, 2019	Mar. 19, 2024	0.220%	A

Issuer: ANA HOLDINGS INC.

<Affirmation>

Long-term Issuer Rating: A Outlook: Stable

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Rating
bonds no.29	JPY 30	Mar. 6, 2014	Mar. 6, 2024	1.22%	A
bonds no.30	JPY 15	Sept. 18, 2014	Sept. 18, 2026	1.20%	A
bonds no.31	JPY 30	June 22, 2015	June 21, 2019	0.376%	A
bonds no.32	JPY 20	June 9, 2016	June 9, 2036	0.99%	A
bonds no.33	JPY 20	Sept. 12, 2016	Sept. 11, 2020	0.258%	A
bonds no.34	JPY 10	June 8, 2017	June 8, 2037	0.880%	A
bonds no.35	JPY 10	May 24, 2018	May 24, 2038	0.820%	A
bonds no.36 (green bonds)	JPY 10	Oct. 24, 2018	Oct. 24, 2028	0.474%	A

Shelf Registration: Preliminary A

Maximum: JPY 200 billion

Valid: two years effective from April 9, 2018

Rating Assignment Date: April 16, 2019

The criteria used for identifying matters which serve as assumptions for the assessment of the credit status, and the criteria used for setting of grades indicating the results of the assessments of the credit status are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of methodology for determination of the credit rating is shown as "JCR's Rating Methodology" (November 7, 2014), "Air Transportation" (December 7, 2011), "Rating Methodology for a Holding Company" (January 26, 2015) and "Rating Viewpoints on Pure Holding Companies (Domestic Industrial Corporations)" (July 1, 2003) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Glossary:

A preliminary rating is a credit rating assigned as a preliminary evaluation while material terms for issue to be rated are not yet finalized. When the issuing terms are finalized, JCR will confirm them and will assign a credit rating anew. The rating level of the final rating may be different from that of the preliminary rating, depending on the final content of the terms, etc.



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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)

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INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	Japan Airlines Co.,Ltd.
Rating Publication Date:	April 19, 2019

1 The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release.

2 The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release.

3 The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.

A) Audited financial statements presented by the rating stakeholders

B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the publication by the issuer or some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's

business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

12

Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

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Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's parent company or subsidiaries, guarantor or other providers of credit enhancement, the government of the issuer's business domicile or other related parties' status and stance of support/ assistance for the issuer. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if there is a major change on the part of related parties, such as replacement, disappearance, some drastic improvement/ deterioration of financial grounds/ balances, etc.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

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Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

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The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Japan Airlines Co., Ltd.	Issuer(Long-term)	January 30, 2015	A-	Stable
Japan Airlines Co., Ltd.	Issuer(Long-term)	March 4, 2016	A-	Positive
Japan Airlines Co., Ltd.	Issuer(Long-term)	July 7, 2017	A	Stable
Japan Airlines Co., Ltd.	Issuer(Long-term)	April 9, 2018	A	Stable
Japan Airlines Co., Ltd.	Bonds no.3	September 13, 2018	A	
Japan Airlines Co., Ltd.	Bonds no.4	September 13, 2018	A	
Japan Airlines Co., Ltd.	Bonds no.5	March 14, 2019	A	

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Mikiya Kubota, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

窪田 幹也

Mikiya Kubota

General Manager of Corporate Rating Department I

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INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	ANA HOLDINGS INC.
Rating Publication Date:	April 19, 2019

1 The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release.

2 The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release.

3 The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.

A) Audited financial statements presented by the rating stakeholders

B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the publication by the issuer or some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's

business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

12

Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

13

Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the order of seniority in repayment of interests and principal. JCR assumes the resultant change of the credit rating is most likely by a notch. The change could be as much as a few notches if the issuer's financial structure differs so much and thereby the balance between debts shifted so greatly. Rating change is also possible in case of the financial products for which non-payment of interest/ principal is contractually permissible, if and when the assumptions made at the time of its determination turns out to be inaccurate. The change of the credit rating is assumed to be by a notch but often as much as a few notches.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

14

Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

Japan Credit Rating Agency, Ltd.

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The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
ANA HOLDINGS INC.	Issuer(Long-term)	January 16, 2007	BBB+	Positive
ANA HOLDINGS INC.	Issuer(Long-term)	October 11, 2007	A-	Stable
ANA HOLDINGS INC.	Issuer(Long-term)	October 22, 2008	A-	Stable
ANA HOLDINGS INC.	Issuer(Long-term)	October 5, 2009	A-	Negative
ANA HOLDINGS INC.	Issuer(Long-term)	December 14, 2010	A-	Stable
ANA HOLDINGS INC.	Issuer(Long-term)	January 16, 2012	A-	Stable
ANA HOLDINGS INC.	Issuer(Long-term)	December 27, 2012	A-	Stable
ANA HOLDINGS INC.	Issuer(Long-term)	April 1, 2013	A-	Stable
ANA HOLDINGS INC.	Issuer(Long-term)	December 24, 2013	A-	Stable
ANA HOLDINGS INC.	Issuer(Long-term)	December 26, 2014	A-	Stable
ANA HOLDINGS INC.	Issuer(Long-term)	March 4, 2016	A-	Positive
ANA HOLDINGS INC.	Issuer(Long-term)	March 31, 2017	A	Stable
ANA HOLDINGS INC.	Issuer(Long-term)	April 9, 2018	A	Stable
ANA HOLDINGS INC.	Shelf Registration	April 9, 2018	A	
ANA HOLDINGS INC.	Bonds no.29	February 28, 2014	A-	
ANA HOLDINGS INC.	Bonds no.29	December 26, 2014	A-	
ANA HOLDINGS INC.	Bonds no.29	March 4, 2016	A-	
ANA HOLDINGS INC.	Bonds no.29	March 31, 2017	A	
ANA HOLDINGS INC.	Bonds no.29	April 9, 2018	A	
ANA HOLDINGS INC.	Bonds no.30	September 11, 2014	A-	
ANA HOLDINGS INC.	Bonds no.30	December 26, 2014	A-	
ANA HOLDINGS INC.	Bonds no.30	March 4, 2016	A-	
ANA HOLDINGS INC.	Bonds no.30	March 31, 2017	A	
ANA HOLDINGS INC.	Bonds no.30	April 9, 2018	A	
ANA HOLDINGS INC.	Bonds no.31	June 5, 2015	A-	
ANA HOLDINGS INC.	Bonds no.31	March 4, 2016	A-	
ANA HOLDINGS INC.	Bonds no.31	March 31, 2017	A	
ANA HOLDINGS INC.	Bonds no.31	April 9, 2018	A	
ANA HOLDINGS INC.	Bonds no.32	June 3, 2016	A-	
ANA HOLDINGS INC.	Bonds no.32	March 31, 2017	A	
ANA HOLDINGS INC.	Bonds no.32	April 9, 2018	A	
ANA HOLDINGS INC.	Bonds no.33	August 26, 2016	A-	
ANA HOLDINGS INC.	Bonds no.33	March 31, 2017	A	
ANA HOLDINGS INC.	Bonds no.33	April 9, 2018	A	
ANA HOLDINGS INC.	Bonds no.34	June 2, 2017	A	
ANA HOLDINGS INC.	Bonds no.34	April 9, 2018	A	
ANA HOLDINGS INC.	Bonds no.35	May 18, 2018	A	
ANA HOLDINGS INC.	Bonds no.36	October 18, 2018	A	

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Mikiya Kubota, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

窪田 幹也

Mikiya Kubota

General Manager of Corporate Rating Department I

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