

# ANA to cut 777 fleet, focus on 787s

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Japan's ANAHD, parent of All Nippon Airways (ANA), is expected to post a loss of JPY530 billion (\$5.1 billion) for the 12 months to 30 March 2021 and announce the sale of up to 30 Boeing 777 aircraft to parties including lessors, *Kyodo News* and various other notable Japanese newspapers reported on Wednesday, citing ANAHD sources.

Sources contacted by *Airfinance Journal* corroborate the reports, saying ANA will focus largely on the 787 programme going forward and only retain its younger 777-300ERs and 777Fs as it seeks to sell older 777-300ERs, -300s, -200ERs and -200s.

ANA is expected to book significant impairment losses on its aircraft in its next results presentation next Tuesday.

Japanese media reported that ANA was targeting leasing companies to sell its surplus aircraft.

ANAHD is the beneficiary of a JPY400 billion (\$3.8 billion) subordinated loan facility consisting of JPY130 billion each from Sumitomo Mitsui Financial and state lender Development Bank of Japan (DBJ). The remainder is reported to comprise JPY60 billion from Mizuho Financial, JPY50 billion from Mitsubishi UFJ Financial and JPY30 billion from Sumitomo Mitsui Trust Bank.

In the three months to 30 June, ANA reported a steep operating loss of JPY159 billion (\$1.5 billion).

Until now, not including the new subordinated facility, ANAHD had secured JPY1 trillion, including loans of JPY535 billion from commercial banks and DBJ, and also JPY350 billion of "commitment line contracts" in addition to an existing JPY150 billion credit line.

In the past quarter, the group continued taking delivery of new aircraft, including Boeing 787-9 units and A321neo aircraft for mainline ANA, as well as A320neo aircraft for low-cost carrier Peach, some of which were sold and leased back from lessors on delivery.

ANA will take delivery of its third and final Airbus A380, in an orange turtle livery, next week.

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