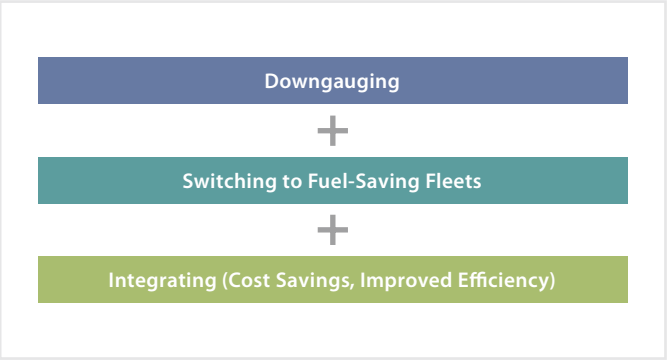
Fleet Strategy:
A Key Part of Our Mission to Become
Asia's Number One Airline

In air transportation operations, the most important role is played by the aircraft that make up the airline's fleet. The ANA Group's fleet currently comprises 211 aircraft. To succeed in a tough competitive environment, we are implementing the earliest possible renewal of aircraft that will excel in terms of safety, fuel efficiency, economy, and comfort. The Company's Fleet Strategy is therefore a crucial component of the ANA Group Mid-Term Corporate Strategy (April 2006 to March 2010), which aims to make ANA Asia's number one airline.

Fleet Upgrade Strategy



ANA's Fleet Strategy – Providing the Base for Heightened Competitiveness

• Aircraft Selection – Most Important Management Decision

Aircraft can be in service for more than 10 years and are thus a vital asset for airlines. The manufacturer catalog prices of aircraft can run from about 30 million dollars to about 300 million dollars. In selecting aircraft and determining fleet composition, an airline is making decisions that can significantly influence its future.

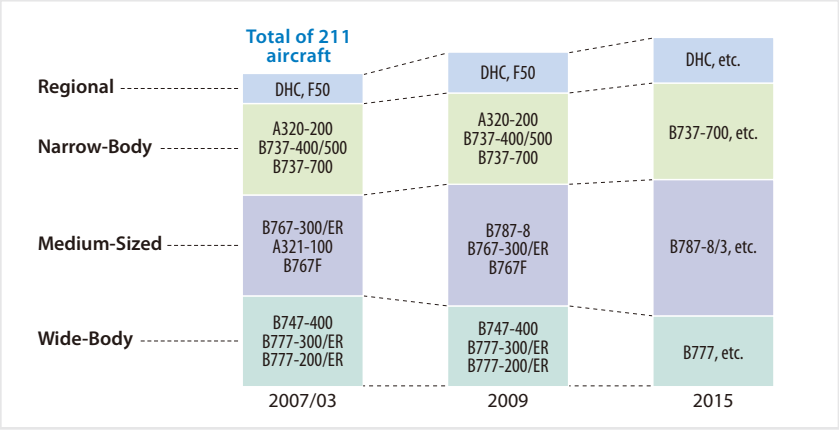
The selection of aircraft is a highly complex process, dependent on many factors. First, a number of external requirements come into play based on the mid-term network strategy: aircraft fuel efficiency and flight performance; airport conditions, such as runway length and flight support facilities; and environmental considerations, including noise control. Second, the selection process must take into account internal factors: personnel and training plans for flight crews, cabin attendants, and engineers; maintenance and training facility plans; and supply plans for equipment and components, including engines. In addition, a comfortable cabin environment, which motivates passengers to choose ANA regularly as their airline, is also a key consideration.

ANA has a very wide route network that ranges from short domestic routes to long-haul international routes, and this makes it difficult for one aircraft type to fulfill all the requirements. Each aircraft type has individual performance characteristics. Based on our projections of future route development and the business environment, we pursue the optimal fleet composition.

• ANA Establishes Three-Principle Strategy for Airport Expansion

ANA is implementing its Fleet Strategy in line with the two major airport expansion projects under way at Haneda Airport and Narita Airport. These projects will change the market, and ANA intends to link this to an opportunity for growth. The Fleet Strategy has three principles: downgauging, switching to fuel-saving fleets, and integrating. As the number of landing and departure slots expands, we will increase the number of aircraft

Fleet Upgrade Plan



Aircraft Prices

Aircraft	Price ($ Millions)
B777-300/-300ER	210.0 – 264.5
B777-200/-200ER	178.0 – 212.5
B747-400/ -400D	216.0 – 247.5
B787-8	148.0 – 157.5
B787-3	138.0 – 143.0
B767-300 Freighter	143.0 – 155.0
B767-300ER	133.0 – 149.0
A321	80.0 – 85.0
A320	65.0 – 70.0
B737-700	54.0 – 64.0
DHC-8-400	25.0 – 30.0

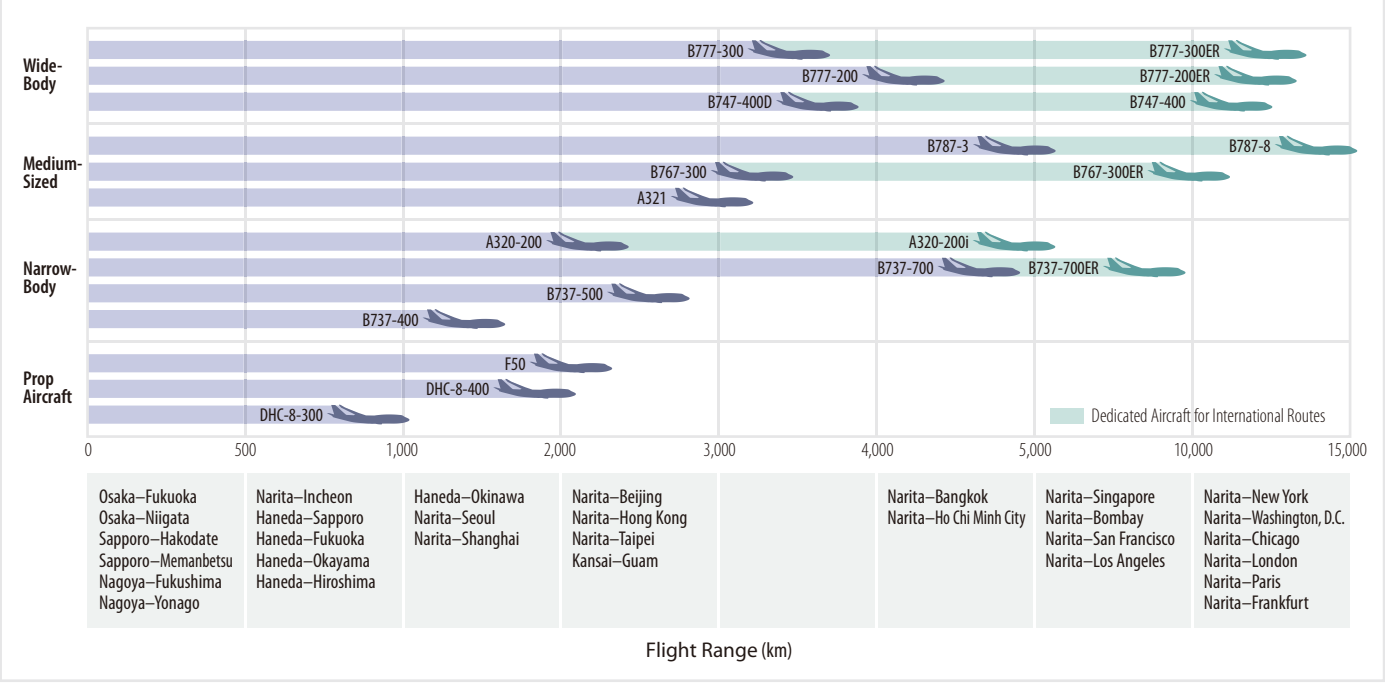
Source: Catalogue Price Lists from Manufactures

while boosting the ratio of smaller aircraft. At the same time, we will introduce new fuel-efficient aircraft. Jet aircraft will be standardized to three types – one each of wide-body, medium-sized, and narrow-body. These three principles will strengthen our cost competitiveness and create an operational base resilient to changes in the business environment, such as sudden fluctuations in demand.

• Enhanced Competitiveness from Smaller Aircraft and Higher Flight Frequencies

With the expansion of Haneda and Narita airports, the number of landing and departure slots will increase, and airlines will have an opportunity to increase flight frequencies. The introduction of smaller aircraft enables airlines to enhance competitiveness by creating greater convenience due to increased flights while guarding against a lowering of the load factor, which comes from operational expansion. In addition, flight operations can be

Characteristics of Aircraft — Aircraft Size and Flight Range



adjusted flexibly to demand and can respond precisely to different levels of demand at different times. ANA will steadily increase the ratio of medium-sized and narrow-body aircraft and thereby heighten its competitiveness against rival airlines and other forms of transportation, such as the Shinkansen bullet train.

• Fuel-Efficient Aircraft to Counter Rise in Fuel Costs

The Fleet Strategy's introduction of cutting-edge new aircraft offers the prospect of an improvement in fuel efficiency, and we expect reductions of between 12% and 18% in fuel consumption per seat on standard domestic routes.

When the Boeing 747-400 was replaced by the Boeing 777-300ER on the Narita–New York route in May 2005, fuel consumption decreased 24% per flight. In addition, our FAM (Fleet Assignment Model) assists in allocating the appropriate size of aircraft in accordance with demand on each route. This results in an optimal allocation of aircraft to meet demand, leading to reduced fuel consumption and lower landing and navigation fees at airports.

• Pursuing Efficiency through Limited Number of Aircraft Types

In order to expand our network to meet demand trends, we need to maintain a certain number of aircraft types, differentiated by capacity, cruising range, and other factors.

ANA is standardizing its jet aircraft to three types – one each of wide-body, medium-sized, and narrow-body. By narrowing our focus to these three types, we can enhance the effectiveness of training and allocation for flight crews and engineers as well as eliminate waste. Equipment and aircraft parts inventory can also be optimized, helping to decrease costs. Through holding substantial numbers of aircraft within a limited range of types, ANA will enjoy scale merits and reduced operating costs.

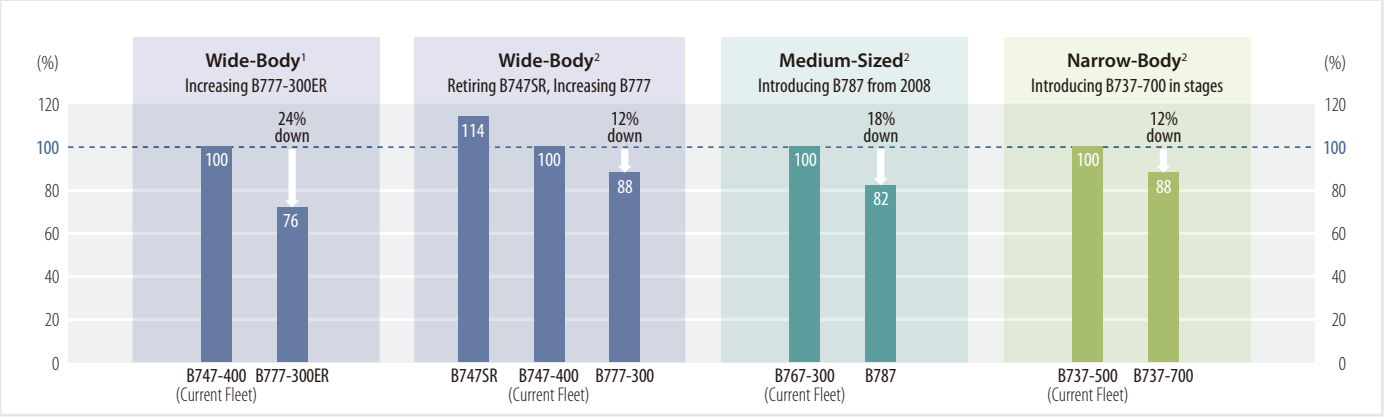
Introducing Environment-Friendly Aircraft

• Controlling CO_2 Emissions and Decreasing Noise

Airlines are dependent on fossil fuel for their operations, and the consequent emissions of CO_2 place a considerable burden on the global environment. Environmental performance has been an important factor for ANA when selecting new aircraft, as was the case with the Boeing 787. Reducing the environmental impact of our business activities continues to be one of our most important management priorities.

Lighter economy seats on domestic routes

Fuel Consumption per Seat by Aircraft Type



Notes: 1. Figures are based on Narita–New York route.
2. Figures are based on Tokyo–Sapporo route, domestic-use aircraft with full capacity.

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The ANA Group Ecology Plan calls for the reduction of CO_2 emissions per available seat-kilometer (ASK) in the fiscal year ending March 2008 by 12% from the level in the fiscal year ended March 1991. In the fiscal year ended March 2007, we introduced new environment-friendly aircraft, such as the Boeing 777, and took steps to reduce the weight of equipment on aircraft servicing domestic routes, including the introduction of lighter economy seats and lighter cargo containers.

We give the same priority to noise reduction and are taking initiatives in this area as well. Since April 2006, all ANA aircraft in operation have cleared the toughest ICAO (International Civil Aviation Organization) noise standard, the Chapter 4 standard.

CLUB ANA BJ

Enhanced Quality Leading to Stronger Competitiveness

• Fresh Initiatives with New Aircraft

In conjunction with the Fleet Strategy, ANA is focusing on the creation of a more comfortable cabin environment and in-flight facilities that meet customer needs.

On domestic routes, we have enhanced *Super Seat Premium* services to secure high-yield passengers, while on international routes we have renewed our first class services and expanded business class services, such as *New Style, CLUB ANA*.

Among other initiatives, we launched the *ANA BusinessJet* service on the Centrair–Guangzhou route in the fiscal year ended March 2007. A Boeing 737-700ER is servicing this route, equipped with 24 business class seats (*CLUB ANA BJ*) and 24 economy class seats (*Economy BJ*). With 155cm pitch between business class seats, passengers can enjoy an expansive seat layout. Furthermore, an all-business-class, 36-seat *ANA BusinessJet* service will be introduced on the Narita–Bombay route in September 2007.

ANA BusinessJet

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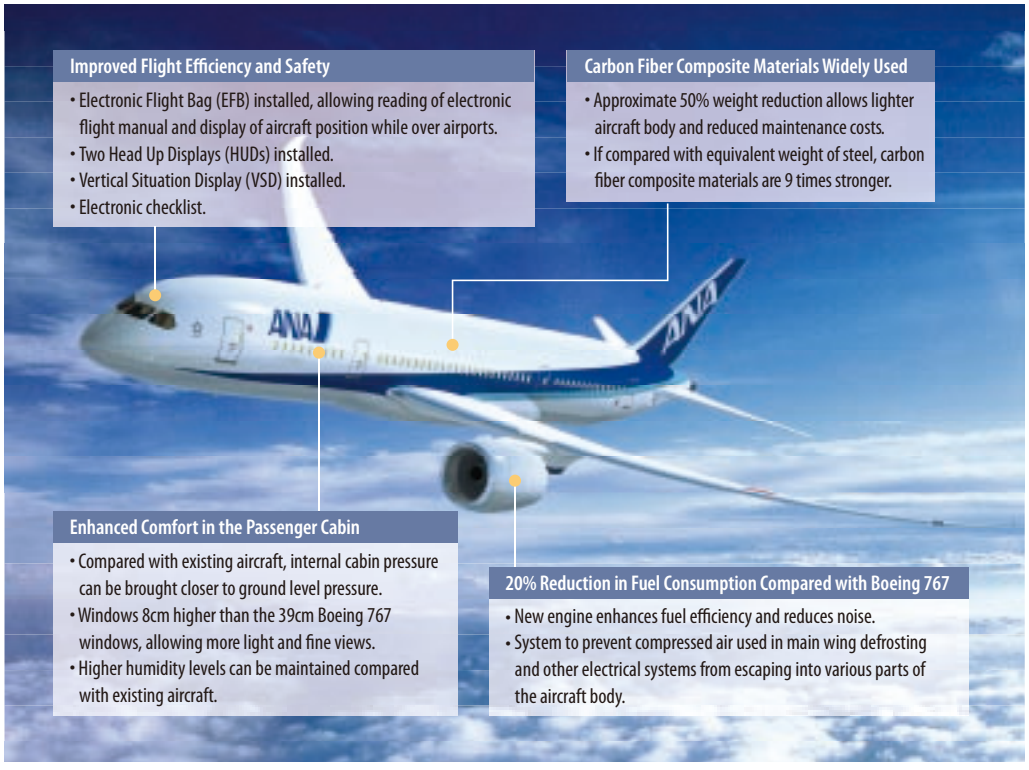
Preparing for Boeing 787 Introduction

• 20% Reduction in Fuel Consumption

The Boeing 787 is an aircraft that excels in terms of reliability, comfort, and economical operation. In 2004, ANA placed an order for 50 Boeing 787 aircraft, positioning it as the successor to the Boeing 767. In 2008, ANA will be the first airline in the world to bring the Boeing 787 into service. The Boeing 787's fuel consumption is about 20% less than the Boeing 767, generating high expectations for lower flight costs and CO_2 emissions. It uses the latest Rolls-Royce Trent 1000 engine, which is noted for its high fuel efficiency and low noise. Further, the Boeing 787's body uses carbon fiber composite materials that are nine times stronger and about half the weight of the equivalent amount of materials currently used. Therefore, not only a lighter body but also lower maintenance costs are expected.

Boeing 787 Features



• ANA Involved from Development Stage, Preparations Proceeding Smoothly

In 2004, ANA became the "launch customer" for the Boeing 787, the first airline to place an order for the aircraft. We became actively involved from the development stage to make sure that the new aircraft would reflect our experience as an airline and would also meet passenger needs. We are ensuring that the aircraft's body design is appropriate for high-frequency, short-distance flights. We are also working to confirm the aircraft's reliability by addressing certain problems that are unique to flight in Japan, such as in-flight condensation and winter lightning.

Flight deck of the Boeing 787 ©Boeing

The Boeing 787 cockpit is standardized with that of the Boeing 777 in order to shorten the transition training schedule for flight crews. We are also cooperating with the engine maker, Rolls-Royce, on development.

Moreover, for the introduction of the Boeing 787, ANA established the B787 Launch Project in all key operational divisions, including the Flight Operations Division, the Engineering & Maintenance Division, and the Inflight Services Division. Preparations for a safe, smooth introduction are proceeding well.