

# Presentation to Investors

First Half Financial Result of FY2005  
ending September 30, 2005

November 2005

All Nippon Airways Co., Ltd.

## [Part 2]



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**This material contains statements based on ANA’s current Plans, estimates, strategies and beliefs; all statements of historical fact are forward-looking statements. These statements represent the judgments and hypotheses of the Company’s managers 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 technologies, demand, prices and economic environments; 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.**

**(1) Consolidated Financial Summary****◇ Statements of Income**

¥ Billion

	First half Results of FY2004	First half Results of FY2005	chg.
Operating Revenues	<i>659.4</i>	<i>690.9</i>	<i>+31.4</i>
Operating Expenses	<i>599.7</i>	<i>621.3</i>	<i>+21.6</i>
Operating Profit	<i>59.7</i>	<i>69.5</i>	<i>+9.8</i>
Operating Profit Margin(%)	<i>9.1</i>	<i>10.1</i>	<i>+1.0</i>
Recurring Profit	<i>53.1</i>	<i>59.4</i>	<i>+6.3</i>
Net Profit	<i>29.8</i>	<i>19.7</i>	<i>-10.1</i>

## ◇ Balance Sheet

¥ Billion

	As of Mar.31,2005	As of Sept.30,2005	chg.
Assets	<i>1,606.6</i>	<i>1,633.9</i>	<i>+27.3</i>
Shareholders' Equity	<i>214.2</i>	<i>237.0</i>	<i>+22.7</i>
Ratio of Shareholders' Equity(%)	<i>13.3</i>	<i>14.5</i>	<i>+1.2</i>
Interest Bearing Debts	<i>942.2</i>	<i>906.2</i>	<i>-36.0</i>
include off balanced transaction	<i>1,227.6</i>	<i>1,219.9</i>	<i>-7.7</i>
Debt/Equity Ratio(times)	<i>4.4</i>	<i>3.8</i>	<i>-0.6</i>
include off balanced transaction	<i>5.7</i>	<i>5.1</i>	<i>-0.6</i>

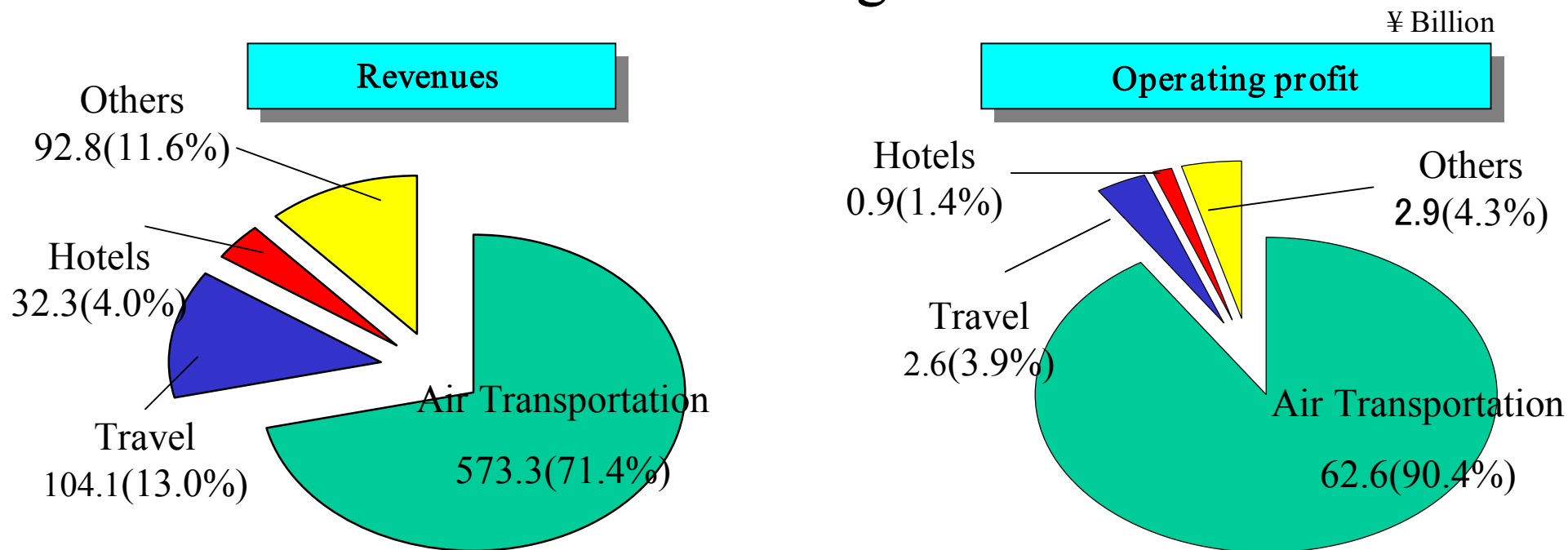
## ◇ Consolidated Summary of Cash Flow

¥ Billion

	First half Results of FY2004	First half Results of FY2005	
			chg.
Cash Flow from Operating Activities	<b>97.2</b>	<b>86.4</b>	<b>-10.7</b>
Cash Flow from Investing Activities	<b>-60.5</b>	<b>-40.1</b>	<b>+20.4</b>
Cash Flow from Financing Activities	<b>-53.0</b>	<b>-37.0</b>	<b>+15.9</b>
Net Increase or decrease in cash and cash equivalents	<b>-15.8</b>	<b>9.7</b>	<b>+25.5</b>
Cash and cash equivalents at the end of September	<b>218.6</b>	<b>173.0</b>	<b>-45.5</b>

	First half Results of FY2004	First half Results of FY2005	
			,Chg.
Depreciation & Amortization	<b>31.8</b>	<b>36.7</b>	<b>+4.9</b>
Capital Expenditures	<b>90.4</b>	<b>134.6</b>	<b>+44.1</b>

## (2) Consolidated results of Segment Information



	Air Transportation	Travel	Hotel	Others	Total
Revenues (chg,%)	<b>573.3 (104.9)</b>	<b>104.1 (104.9)</b>	<b>32.3 (93.8)</b>	<b>92.8 (102.5)</b>	<b>802.7 (104.1)</b>
Operating profit (chg,%)	<b>62.6 (115.6)</b>	<b>2.6 (95.6)</b>	<b>0.9 (-)</b>	<b>2.9 (95.1)</b>	<b>69.3 (116.6)</b>

note) Revenues : includes inter-segment transaction

# (1) Profit of Air Transportation Business

¥ Billion

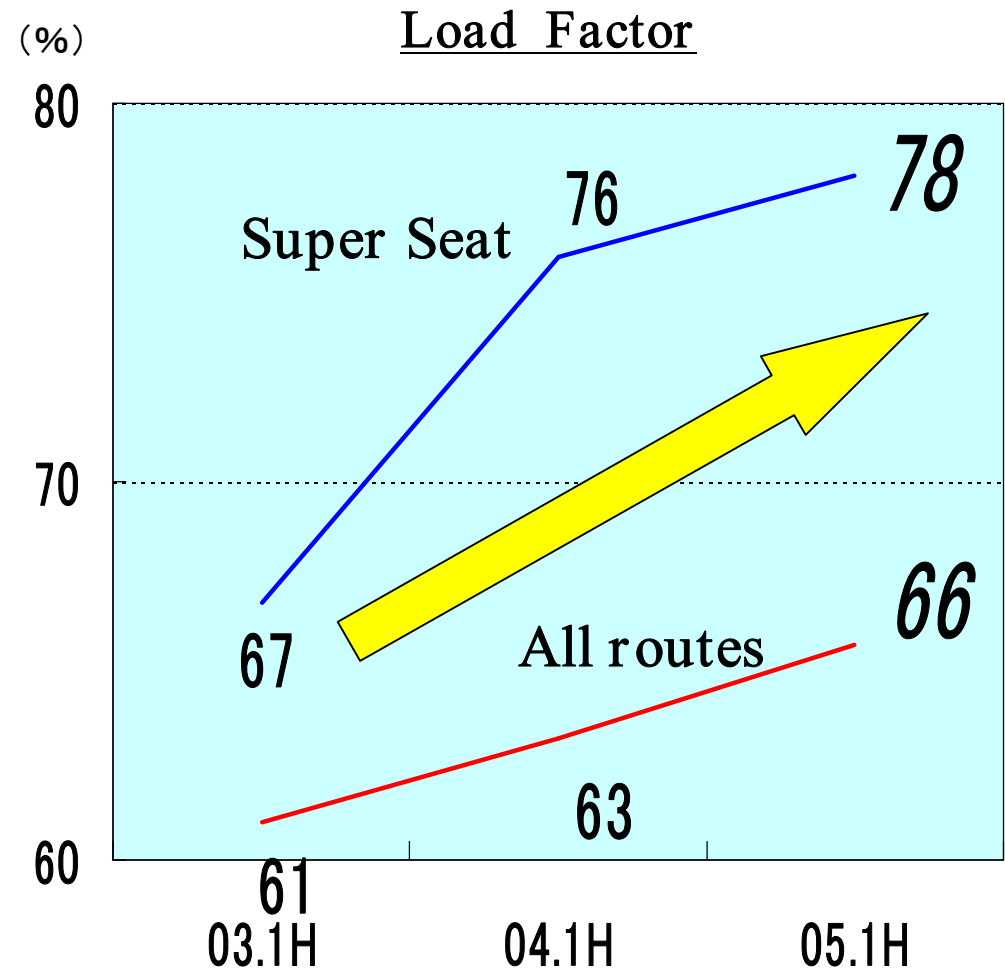
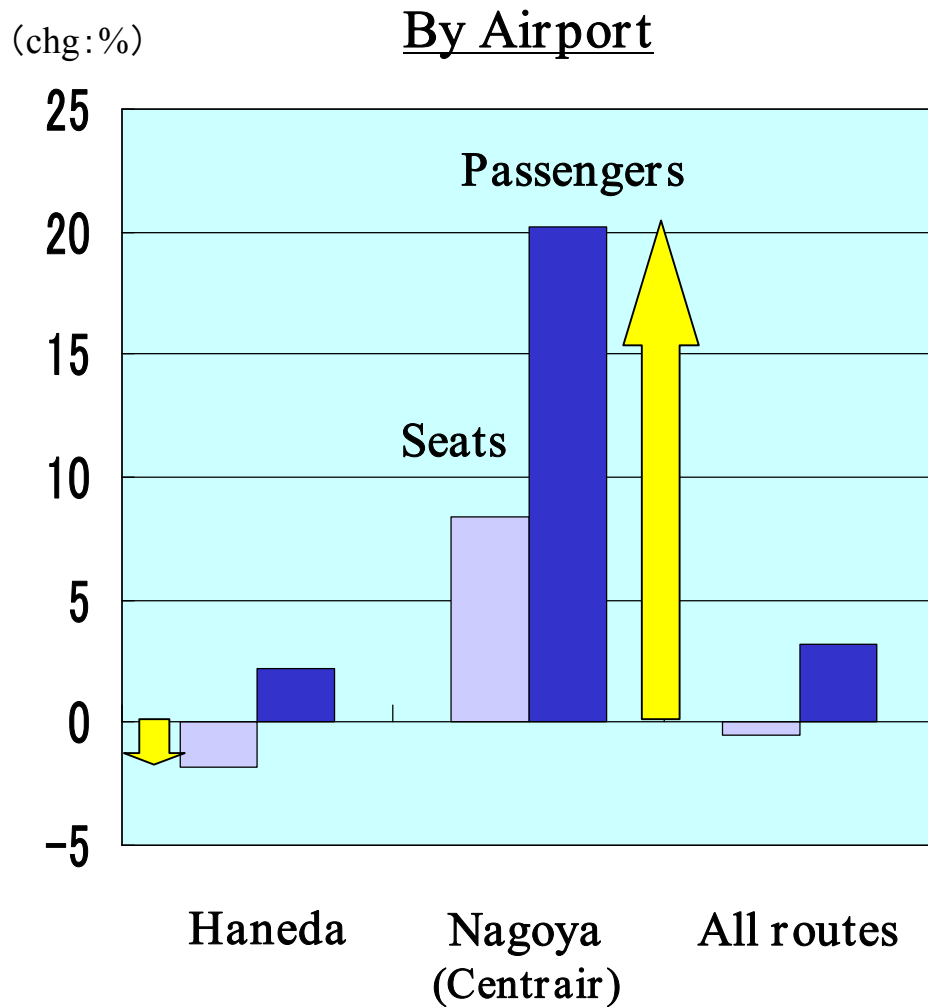
		First half Results of FY2004	First half Results of FY2005	Chg.
	Domestic Passengers	337.5	354.3	+16.8
	International Passengers	110.4	115.2	+4.7
	Cargo & Mail	42.4	45.4	+2.9
	Others	56.1	58.3	+2.2
<b>Operating Revenues</b>		<b>546.5</b>	<b>573.3</b>	<b>+26.8</b>
	Fuel & Fuel tax	74.5	84.0	+9.5
	Landing & Navigation Fee	49.5	50.6	+1.1
	Aircraft Leasing Fee	47.9	45.0	-2.9
	Depreciation & Amortization	27.6	32.7	+5.0
	Aircraft Maintenance	27.3	27.0	-0.3
	Personal Expenses	107.0	111.5	+4.5
	Others	158.2	159.6	+1.3
<b>Operating Expenses</b>		<b>492.3</b>	<b>510.7</b>	<b>+18.3</b>
<b>Operating Income</b>		<b>54.1</b>	<b>62.6</b>	<b>+8.4</b>

## (2) Passenger Flight Operations

### 【Domestic Operations】

	First Half Results		First Half Results	
	of FY2004	Vs LY	of FY2005	Vs LY
Passengers(thousands)	<b>22,558</b>	<b>98.7%</b>	<b>23,272</b>	<b>103.2%</b>
Available Seat Km(millions)	<b>30,955</b>	<b>95.3%</b>	<b>30,919</b>	<b>99.9%</b>
Revenues Passenger Km(millions)	<b>19,548</b>	<b>98.5%</b>	<b>20,302</b>	<b>103.9%</b>
Load Factor(%)	<b>63.2</b>	<b>+2.1</b>	<b>65.7</b>	<b>+2.5</b>
Passenger Revenues(Billions)	<b>337.5</b>	<b>102.5%</b>	<b>354.3</b>	<b>105.0%</b>
Unit Revenue(¥/ASK)	<b>10.9</b>	<b>107.7%</b>	<b>11.5</b>	<b>105.1%</b>
Yield(¥/RPK)	<b>17.3</b>	<b>104.3%</b>	<b>17.5</b>	<b>101.1%</b>
Unit Price(¥)	<b>14,962</b>	<b>103.9%</b>	<b>15,226</b>	<b>101.8%</b>

# ◇ Domestic Flight Operations

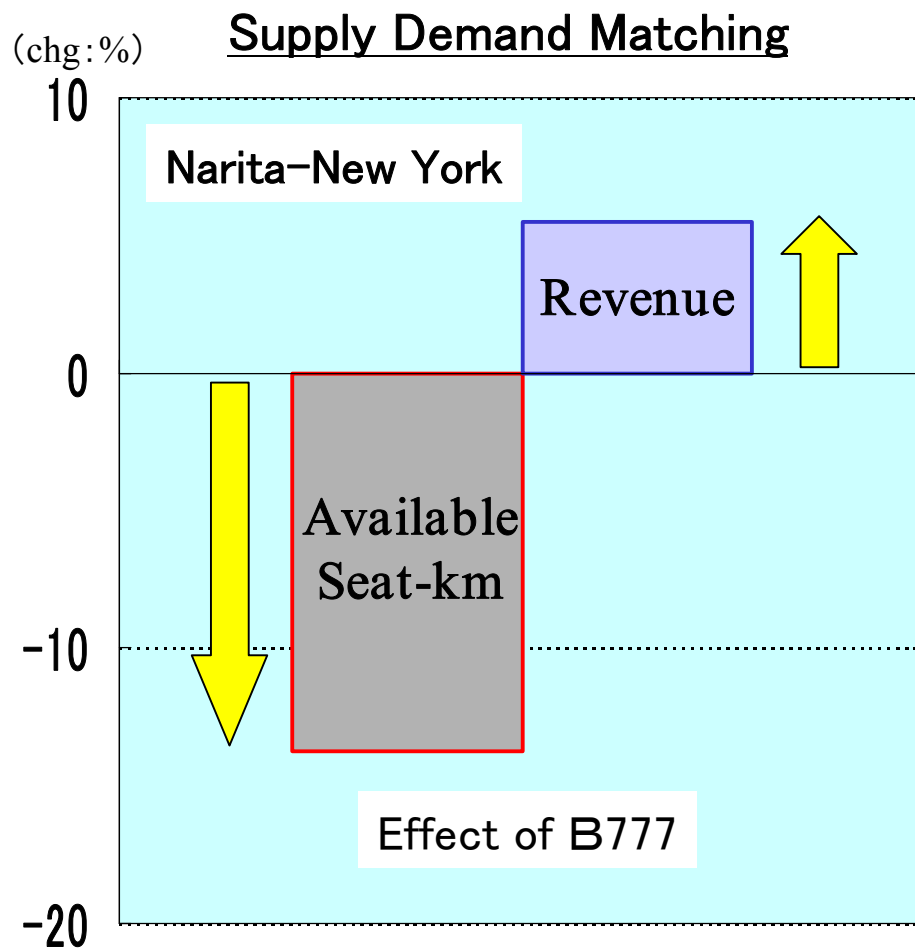


**【International Operations】**

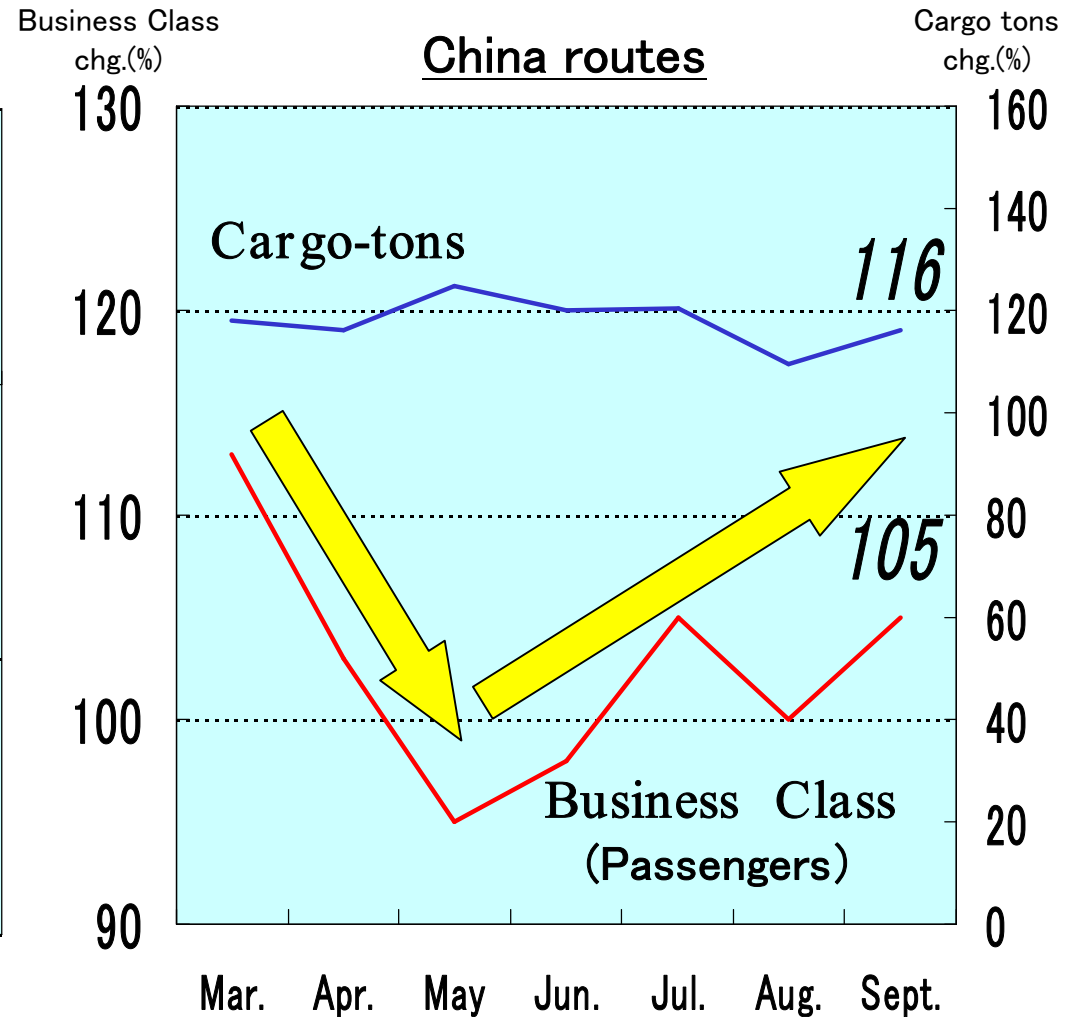
	First Half Results		First Half Results	
	of FY2004	Vs LY	of FY2005	Vs LY
Passengers(thousands)	<b>2,023</b>	<b>136.6%</b>	<b>1,998</b>	<b>98.8%</b>
Available Seat Km(millions)	<b>12,611</b>	<b>103.8%</b>	<b>12,598</b>	<b>99.9%</b>
Revenues Passenger Km(millions)	<b>9,663</b>	<b>122.2%</b>	<b>9,262</b>	<b>95.9%</b>
Load Factor(%)	<b>76.6</b>	<b>+11.5</b>	<b>73.5</b>	<b>-3.1</b>
Passenger Revenues(Billions)	<b>110.4</b>	<b>128.5%</b>	<b>115.2</b>	<b>104.3%</b>
Unit Revenue(¥/ASK)	<b>8.8</b>	<b>123.8%</b>	<b>9.1</b>	<b>104.4%</b>
Yield(¥/RPK)	<b>11.4</b>	<b>105.2%</b>	<b>12.4</b>	<b>108.8%</b>
Unit Price(¥)	<b>54,594</b>	<b>94.0%</b>	<b>57,650</b>	<b>105.6%</b>

note) Passenger revenues : includes inter-segment transactions

# International Flight Operations



note) result: Narita-New York FY05 2<sup>nd</sup> Q

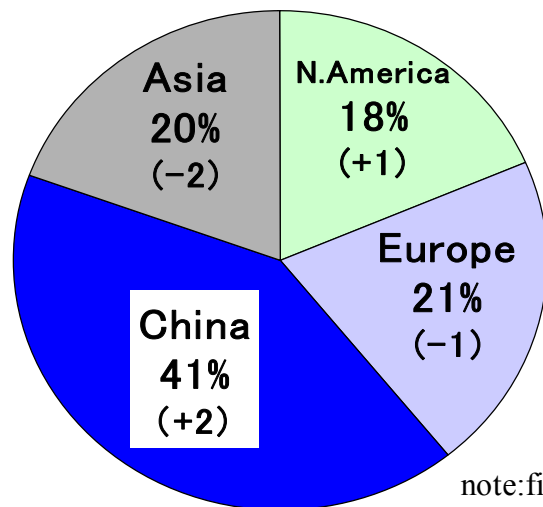


### (3) Cargo Operations

		FY2004		FY2005	
		1st H	Chg.	1st H	Chg.
<b>Domestic</b>	Cargo ton(tons)	206,335	104.7%	210,080	101.8%
	Cargo Revenues(¥Billions)	14.3	114.9%	14.5	100.8%
<b>International</b>	Cargo ton(tons)	117,514	109.5%	117,984	100.4%
	Cargo Revenues(¥Billions)	22.6	108.4%	25.6	113.0%

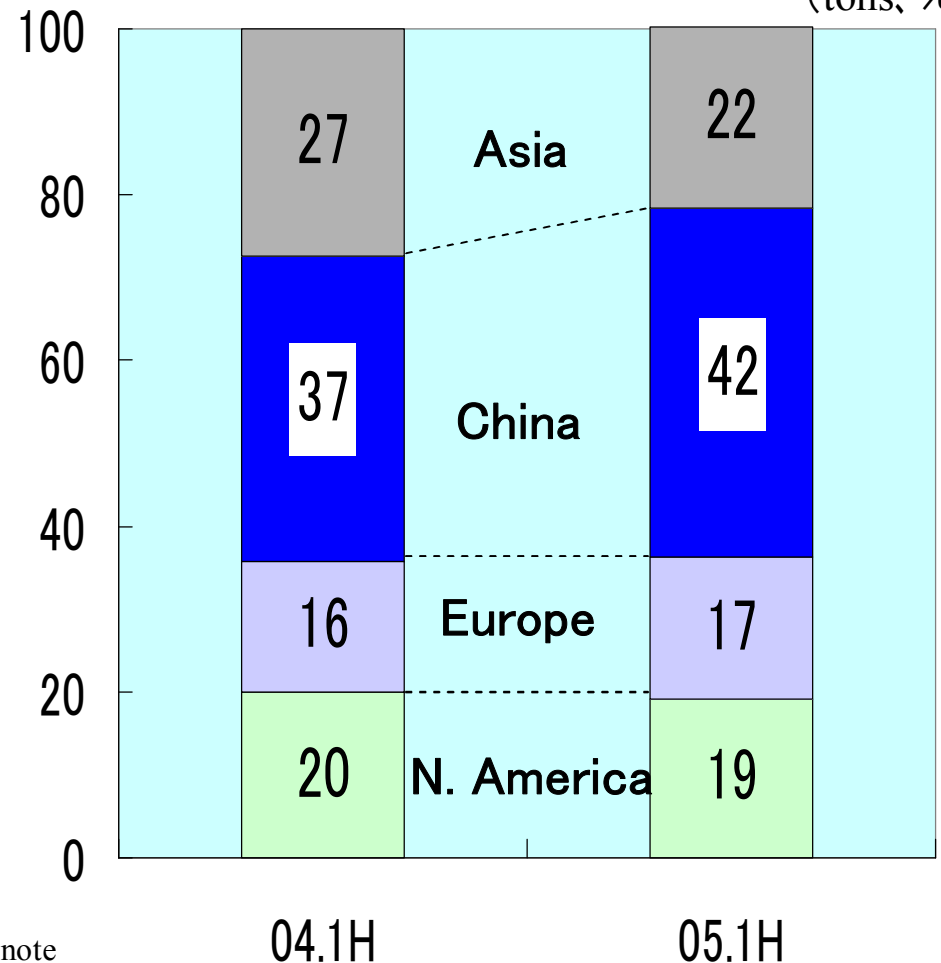
note) Passenger revenues : includes inter-segment transactions

#### [Cargo Revenues Composition]



note: figures in parenthesis denote change from previous year

#### [ Cargo tons Composition ] (tons, %)



## (1) Forecast of FY2005

¥ Billion

	FY2004	FY2005E
Operating Revenues	<i>1,292.8</i>	<i>1,326.0</i>
Operating Expenses	<i>1,215.0</i>	<i>1,252.0</i>
Operating Profit	<i>77.7</i>	<i>74.0</i>
Operating Profit Margin(%)	<i>6.0</i>	<i>5.6</i>
Recurring Profit	<i>65.2</i>	<i>44.5</i>
Net Profit	<i>26.9</i>	<i>10.0</i>

## ◇ Segment Forecast of F Y2005

¥ Billion

	FY2004		FY2005E	
	Revenues	Operating Income	Revenues	Operating Income
Air Transportation	<i>1,066.9</i>	<i>68.0</i>	<i>1,099.9</i>	<i>63.0</i>
Travel	<i>190.2</i>	<i>3.1</i>	<i>191.2</i>	<i>2.0</i>
Hotel	<i>69.4</i>	<i>-0.4</i>	<i>66.4</i>	<i>3.0</i>
Others	<i>183.3</i>	<i>6.9</i>	<i>182.7</i>	<i>6.0</i>
Eliminations	<i>-217.2</i>	<i>0.0</i>	<i>-214.2</i>	<i>0.0</i>
Total	<i>1,292.8</i>	<i>77.7</i>	<i>1,326.0</i>	<i>74.0</i>

## (2) Assumptions

Vs LY,%

Items	Domestic			International		
	1st H	2nd H	FY2005	1st H	2nd H	FY2005
ASK	99.9	101.2	100.5	99.9	100.4	100.1
Passengers	103.2	99.4	101.3	98.8	97.6	98.2
RPK	103.9	99.8	101.9	95.9	94.2	95.0
L/F	65.7	62.8	64.3	73.5	71.1	72.3
Unit Revenue(¥/ASK)	105.1	99.4	102.3	104.4	104.1	104.3
Yield(¥/RPK)	101.1	100.8	101.0	108.8	110.9	109.8
Unit Price	101.8	101.2	101.5	105.6	107.0	106.3

Items		1st H	2nd H	FY2005
Exchange Rate	1USD	JPN 109	JPN 110	JPN 110
Crude Oil	BBL	USD 49	USD 50	USD 50
Kerosene	BBL	USD 70	USD 70	USD 70

## ◇ Hedging Jet Fuel & Currency policy



### < Jet Fuel Hedging >

- Policy: Hedge up to 100% of aggregate purchase of fuel.
- Method: Hedge 12% per quarter, 8 quarters in advance

	FY2005	FY2006
Hedging Ratio	95%	60%

### < Foreign Currency Hedging for Jet Fuel >

- Policy: Hedge 80% of dollar payments (FY05:100%)
- Method: 10% per year, 5 years in advance, making up balance in final year

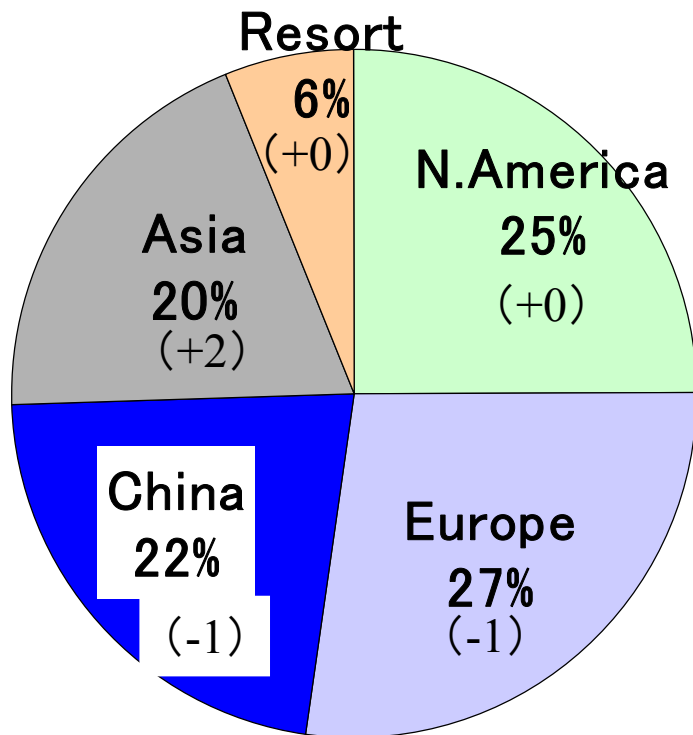
	FY2005	FY2006
Hedging Ratio	100%	50%

### ◆ Effect of Dubai Crude oil price & Currency Fluctuations (non-hedged) on Recurring Profit

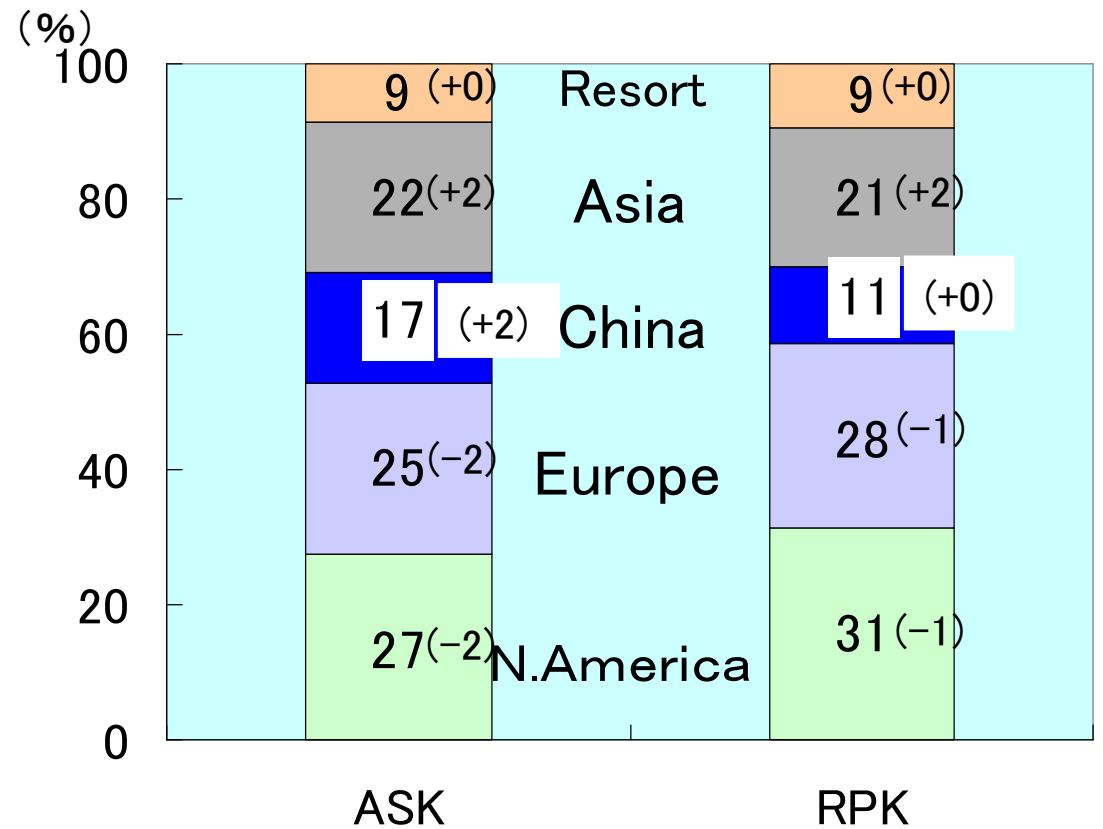
- (1) US\$1 change per barrel: 2.1 billion yen per year
- (2) 1 yen change: 0.9 billion yen per year

# ◇ International Passenger by Region

[Revenue Composition]



[ASK/RPK Composition]



note: figures in parenthesis denote change from previous year