

**All Nippon Airways Financial Results Third Quarter FY2009  
Q&A Summary (This briefing was held in Japanese only)**

Q-1

- ◆ Why has the yield for international routes not increased, despite an apparent increase in the number of business class passengers, as shown on page 14 of your presentation materials?

A-1

- As you can see on page 14, we have seen a recovery in the net number of business class passengers. However, the differences (decreases) by which FSC (fuel surcharges) fell compared to the same periods in the prior year widened from Q1 through Q3. This was due to the fact that FSC in the prior year rose because of the impact of soaring fuel costs. Further, despite the increase in the number of business-class passengers, because net number of economy-class passengers also increased significantly, yield did not improve through Q3. After February, year-on-year differences in FSC will begin to narrow, and we expect yield to improve going forward.

Q-2

- ◆ Can you tell us more about fourth quarter demand for individual passengers on domestic routes and business passengers on international routes?

A-2

- We expect the number of passengers on domestic routes in January to settle at around 98% or 99% year on year. We also expect February to be around 102%. We expect that March, while still in flux, will exceed 100%. For passenger numbers on international routes, we see comparative figures of 116%, 124% and 120% for January, February and March, respectively. For business class, we expect comparative levels to be near 115%, 128% and 130% for the same periods, respectively.

Q-3

- ◆ Please tell us more about any shifts in demand away from your competitor (JAL). Have you experienced a shift in demand for Hangzhou and other routes in which ANA is now the only player, following your competitor's withdrawal?

A-3

- Since November, we have seen our competitiveness index (a comparison of the ratio between the number of passengers/number of seats) for domestic routes rise to high levels relative to JAL. International routes such as Qingdao, Hangzhou, and Xiamen have experienced year-on-year growth of between 30% to 50% or more after the withdrawal of our competitor. These routes, however, have limited demand, and thus do not represent significant revenues.

Q-4

◆ Are there further cost cuts that can be made in the upcoming fourth quarter?

A-4

■ We have successfully implemented 73 billion yen in cost reduction measures under the Emergency Plan set at the beginning of the current fiscal year, plus an additional 30 billion yen under the Emergency Income Recovery Plan. In addition, we are negotiating the closing of local branch front desk, renegotiating leases at airport terminals, and moving internal printed publications to the Web. We will continue to take other steps during the fourth quarter in addition to the 73 billion yen and 30 billion yen in measures we are already implementing.

Q-5

◆ Have details been finalized for the 100 billion yen in cost reductions scheduled for the next fiscal year?

A-5

■ We are concentrating our 100 billion yen in cost cuts for the next fiscal period in four categories, including measures to reduce personnel expenses. We have promised 100 billion yen in cost cuts, so achieving this is a top priority for the company.

Q-6

◆ Does your business plan for the next fiscal year assume that your competitor (JAL) will remain with their alliance network, One World?

◆ Will you revise your business plan in the event you get ATI approval?

A-6

■ At this point, we do not think that our competitor's eventual decision to ally with One World or Sky Team will cause us to make any major changes in our business plan. Our strategy remains to work with our Star Alliance partners United and Continental Airlines to build out our own network, generate synergies, and enhance passenger convenience.

■ If we receive ATI approval—and depending on the timing—we will initiate discussions with our alliance partners to review our plan. Whether we will make changes to our business plan as a result has yet to be decided.

Q-7

◆ What specifically are you thinking of in terms of assuring fair competition?

A-7

- We have made a request to the relevant government authorities that they ensure a fair competitive environment. For example, we believe there should be policies in place similar to guidelines in the EU, where companies that receive public funds are subject to certain regulations and constraints during their recovery.
- After our competitor receives public funds, they will have a more efficient corporate structure. Major write-offs of aircraft impairment losses will lead to a decrease in depreciation expenses. Our competitor may use its new funds to engage in cut-rate pricing and sales promotions, but the EU has guidelines established to ensure fair competition, placing certain limits on allowable activities. There has never been an infusion of public funds in such a large private non-banking company on this scale.

Q-8

◆ ANA will be announcing a mid-term management plan. What are the factors that will determine the timing of this announcement?

A-8

- With the rapidly changing business environment, we have to make certain assumptions when creating our business plan. We are faced with many uncertainties, and there are challenges even in forecasting demand. We are currently conducting internal discussions, and running simulations, including revenue projections. Once we have made another careful examination of our competitor's trends, ATI related restrictions, fuel costs, and other assumptions, we will then move towards an announcement as quickly as possible.