

**Fiscal 2010-2011 Corporate Plan**  
**Q&A Summary**

Q-1

- ◆ Please explain the factors behind yield (unit price) increases on international operation for the next fiscal year (fiscal 2010).

A-1

- We plan on an increase in international passenger revenues of 60 billion yen for the next fiscal year compared to the current fiscal year. This breaks down to 30 billion yen in unit price factors and 30 billion yen in passenger number factors. Of the 30 billion yen attributed to unit price factors, we are looking at approximately 12 billion yen in increased revenues related to fuel surcharges. This is due to the fact that we set our revenue assumptions for Singapore Kerosene slightly higher than the current fiscal year. We are also looking at about 3 billion yen in increased revenues due to exchange rates.
- The remaining 15 billion or so in increased revenues will come from improved passenger composition; this amount includes improved unit prices and increased demand for business class travel. Our expectations of increased demand for business class include the effectiveness of our new IOJ (Inspiration of Japan) concept in improving our competitive ability of our long-haul route products.

Q-2

- ◆ Can you tell us more about your strategy regarding international passenger business? Specifically, what type of demand do you expect to capture?

A-2

- With respect to the expansion of the catchment area as Asia and China experience significant growth, for example, we will utilize OD PROS (Origin & Destination Passenger Revenue Optimization System) to actively capture the demand for travel to Shanghai or Bangkok from the United States that connects through Narita, approached in terms of total yield management. We are looking to maximize revenue of not only the flights between Chicago and Narita but also onward flights beyond Chicago.
- Increasing the number of onward flights that are code shares in this way will not only lead to higher demand between zones, but will lead to a wider range of captured demand, even when demand is down.

Q-3

- ◆ As it appears that international available seat kilometers will increase due to airport capacity expansions, to what comparative fiscal year do you expect passenger numbers, passenger composition, and unit prices to recover?

A-3

- Holding fiscal 2007 at an index of 100 for passenger numbers, we see ANA at about 110% for fiscal 2010 and about 130% for fiscal 2011. These numbers reflect the most recent increases in economy class passenger numbers. Looking solely at business class passengers, fiscal 2010 will be 88% of fiscal 2007, continuing to remain below fiscal 2007 levels. We see fiscal 2011 at 112%, including the impact of added flights. Meanwhile, we are taking a conservative view of unit prices. If we take fiscal 2007 to be 100, yields for fiscal 2010 and fiscal 2011 are expected to recover to about 79% and 88%, respectively. Our assumption is that—despite an increase in the number of passengers—unit prices will not have recovered fully during fiscal 2011.

Q-4

- ◆ Please tell us more about your future Alliance network strategy.

A-4

- At this stage, we have applied for ATI in cooperation with United Airlines and Continental Airlines to take greater advantage of our alliance. If we receive approval for ATI, the three companies will expand routes in ways to obtain the best revenue effect. For example, in Houston or Newark, ANA could operate flights during times when Continental doesn't have any flights scheduled. We believe we can achieve mutually beneficial yield management by working together. We are considering new service areas from this perspective.

Q-5

- ◆ At this point in time, what impact do you see ATI having on costs and revenues?

A-5

- We have not incorporated any quantitative effects of ATI in our income recovery plan. How the impact appears in each market will differ according to trends at other airline companies and the status of antitrust approvals. Accordingly, we will reflect these conditions in our income plan in the future.

Q-6

◆ At soonest, when do you expect approval for ATI?

A-6

■ If there are no issues, we expect to receive approval from the Japanese and U.S. governments sometime around October 2010. In that event, we are targeting the summer flight schedule of 2011 for actual implementation.

Q-7

◆ When you created your plan, what assumptions did you make about the type of competition Japan Airlines will present in the future?

A-7

■ We have not incorporated the future structure of Japan Airlines into our plan. While it's possible that an overhaul in routes could result in some type of impact, JAL has not made any decisions as yet, and accordingly, we have not considered this in our plans. We have, however, considered the revenue impact of our recent gains in competitive position.

Q-8

◆ How has the impact of JAL pricing policies been reflected in your assumptions for domestic passenger unit prices?

A-8

■ We believe that JAL's "birthday" discount fares are always a factor that reduces revenues when considering revenue management. We asserted to the Minister of Land, Infrastructure, Transport and Tourism that such cut-rate pricing made possible by public funds is a barrier to an appropriate competitive environment.

Q-9

◆ In the event that the market environment is significantly different from your forecasts due to the scale of JAL's restructuring, the economy, etc., will you approach the government about policy changes?

A-9

■ After the Democratic Party takeover, the Minister of Land, Infrastructure, Transport and Tourism touched upon the issue of reducing landing fees, fuel taxes, and other taxes. These policies are being discussed in that Ministry's "Growth Strategy Conference". We feel that the discussions are leading toward considerations of tax reductions. From the standpoint of international competitiveness, Japan's landing fees are high, and the fuel taxes are unprecedented compared to other countries, so we would like to see reductions or exemptions.

Q-10

◆ Please tell us about the details of operating income by segment for this fiscal year.

A-10

■ These numbers are not final, yet, but here are the fiscal 2009 figures:

Domestic Passenger: -10 billion yen, International Passenger: -40 billion yen, Freighter: -15 billion yen (approximate figures).

Q-11

◆ Please tell us more of the specifics regarding the 47 billion yen in cost reductions through operations and cost restructuring. Will the impact of this restructuring continue throughout fiscal 2012?

A-11

■ We performed a careful review of all of our basic income statement expenses when we created the plan to achieve more than 100 billion yen in income improvement. We have started cost reduction negotiations for everything from ordering costs in each division to the leases we pay for facilities in airport buildings around the world, addressing all of our expense categories from the bottom up. We created our corporate plan for operations restructuring after performing between 10 and 20 simulations, testing combinations of routes and aircraft to see which offered the best revenue and expense efficiencies, selecting the combinations offering the highest probabilities. These are not provisional measures, but initiatives that we will continue through fiscal 2012 and beyond. Changing our business structure in this way will help us be more resistant to the volatility of international operation.

Q-12

◆ As the ratio of international operation increases in the future, do you plan on adopting a more opportunistic hedge policy?

A-12

■ Fuel surcharges on international operation can be collected in the amounts forecast; accordingly, we will go forward considering the risk and net benefit at the time of the hedge. Due to the significant expansion plans of our business scale, fuel cost for fiscal 2010 and 2011 will increase. However, we are transitioning to a cost structure in which the level of fuel cost in net terms will not increase. Fundamentally, we want to maintain hedge rate of about 80%; however, there will be some years where, due to fuel surcharges, the hedge rate will not reach that 80% level.

Q-13

- ◆ How should we interpret the difference between the amount of capital expenditures and the amount of cash flows from investing activities?

A-13

- Our fleet plan on page 17 shows the number of aircraft to be introduced by type of aircraft. The B787 and B777-300ER will be our main aircraft in the future; our idea is to own as many of these aircraft in our fleet as possible. At the same time, nine B767s are acting as “middle-relievers” due to the delay of the B787. At some point, these will be retired from operation and replaced by the B787. You see this discrepancy in cash flow numbers because we are considering transitioning these B767s to leases sooner rather than later.

Q-14

- ◆ It appears that ANA’s plans in terms of capital expenditures and cash flows from investing activities have been affected by the delayed delivery of the B787. When will ANA reach a peak in terms of capital expenditures?

A-14

- Please refer to our two-year fleet plan on page 17. We plan on deliveries of more than 20 aircraft per year, reaching a peak during fiscal 2011.

Q-15

- ◆ How is ANA accounting for deferred tax assets? Has a decision been reached?

A-15

- As we have indicated, deferred tax assets amount to slightly more than 150 billion yen on a consolidated basis. When we made a downward revision to our earnings forecasts for the current fiscal year, we explained in detail to our external auditors the potential for earnings to recover after fiscal 2010. As a result, we continued the same tax-effect accounting treatment for fiscal 2009, which has resulted in the figure we announced today.

Q-16

- ◆ It appears that JAL will be eliminating their shareholder benefits program. Is ANA considering any changes?

A-16

- We have no intention to terminate our shareholder benefits program at this time.

Q-17

◆ Please tell us more about ANA's thinking regarding dividends.

A-17

■ We hope to recommence dividend payments in fiscal 2010. We cannot make any comments as to specific dividend amounts at this time. We plan to make a formal announcement at our year-end financial report.

End