

# All Nippon Airways Financial Results FY10 Third Quarter



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Executive Vice President  
and CFO

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### Cautionary Statement

**Forward-Looking Statements.** This material contains forward-looking statements based on ANA's current plans, estimates, strategies, assumptions and beliefs. These statements represent the judgments and hypotheses of the Company's management 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 the economic environment, fuel prices, technologies, demand, competition, 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.

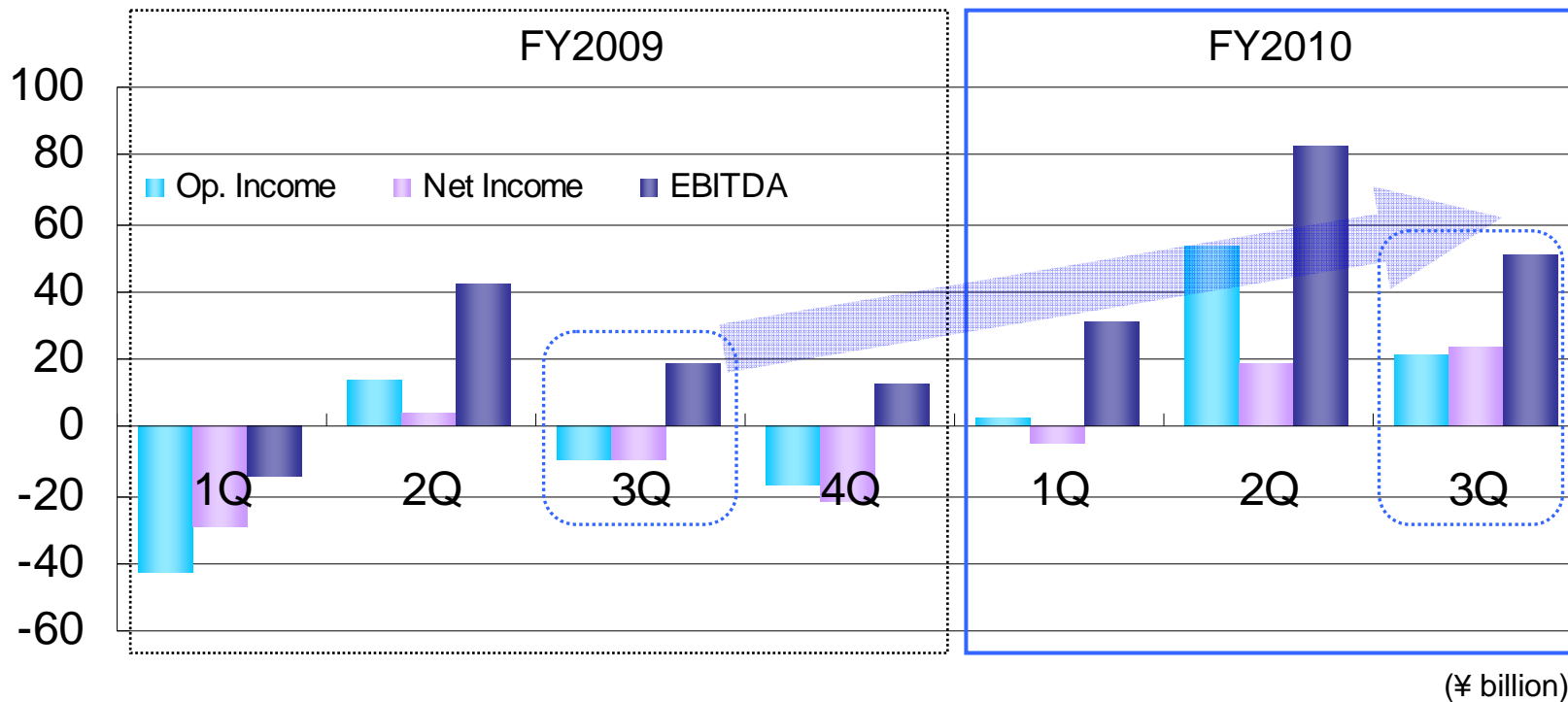
## I . Financial Results FY10 Third Quarter



# Highlights FY10 Third Quarter

## Comparison of FY10 3Q and Prior Quarters

- Consolidated cumulative operating income for 3Q was 77.7bn yen (115.5bn yen year-on-year improvement)
- Net income amounted to 37.5bn yen (72.7bn yen improvement); EBITDA of 165.3bn yen (118.9bn improvement)
- Cost reductions and more flights out of Haneda contributed to revenue growth; non-cumulative 3Q results finished in the black (first time in three fiscal years).



## Consolidated Financial Summary

### Income Statements

	1-3Q/FY09	1-3Q/FY10	Difference	3Q/FY10	Difference
Operating Revenues	923.7	1,039.1	+ 115.3	354.9	+ 43.0
Operating Expenses	961.5	961.4	- 0.1	334.1	+ 12.6
Operating Income	- 37.8	77.7	+ 115.5	20.8	+ 30.4
Op. Margin (%)	-	7.5	-	5.9	-
Non-Op. Gains/Losses	- 19.8	- 19.3	+ 0.4	- 8.0	- 1.5
Recurring Income	- 57.6	58.3	+ 115.9	12.8	+ 28.9
Extraordinary Gains/Losses	- 0.3	2.6	+ 2.9	16.7	+ 17.2
Net Income	- 35.1	37.5	+ 72.7	24.2	+ 34.0

(¥ billion)

## Consolidated Financial Summary

### Consolidated Financial Position

	Mar 31, 2010	Dec 31, 2010	Difference
Assets	1,859.0	2,025.3	+ 166.2
Shareholders' Equity	473.5	506.2	+32.6
Ratio of Shareholders' Equity (%)	25.5	25.0	- 0.5pts
Interest Bearing Debts	941.6	1,015.0	+ 73.3
Debt/Equity Ratio (times)	2.0	2.0	+ 0.0pts

(¥ billion)

\*D/E ratio when including off-balanced lease obligation of ¥173.7 billion (¥183.5 billion as of the end of March, 2010) is 2.3 times (2.4 times as of the end of March, 2010)

## Consolidated Financial Summary

### Consolidated Statements of Cash Flow

	1-3Q/FY09	1-3Q/FY10	Difference
Cash Flow from Operating Activities	83.0	182.4	+ 99.4
Cash Flow from Investing Activities	- 304.0	- 173.7	+ 130.3
Cash Flow from Financing Activities	182.3	66.5	- 115.7
Net Increase or Decrease	- 38.8	74.9	+ 113.7
Cash and Cash Equivalent at the beginning	143.4	148.1	+ 74.9
Cash and Cash Equivalent at the end	104.6	223.1	
Depreciation and Amortization	84.2	87.6	+ 3.3
Capital Expenditures	180.7	138.0	- 42.7
EBITDA (*)	46.4	165.3	+ 118.9
EBITDA Margin(%)	5.0	15.9	+ 10.9pts

\* EBITDA: Op. Income + Depreciation

(¥ billion)



## Consolidated Financial Summary

### Results by Segment

	1-3Q/FY09	1-3Q/FY10	Difference	3Q/FY10	Difference	
Revenues	Air Transportation	816.3	930.7	+ 114.3	318.9	+ 42.6
	Travel Services	126.9	124.8	- 2.0	39.8	+ 0.4
	Other	103.3	104.4	+ 1.1	36.1	+ 1.9
	Adjustment	- 122.8	- 120.9	+ 1.9	- 39.8	- 1.9
	Total	923.7	1,039.1	+ 115.3	354.9	+ 43.0
Operating Income	Air Transportation	- 39.9	70.2	+ 110.1	18.7	+ 29.9
	Travel Services	- 0.2	3.2	+ 3.4	0.6	+ 0.2
	Other	2.1	4.0	+ 1.8	1.4	+ 0.1
	Adjustment	0.1	0.2	+ 0.0	0.0	+ 0.1
	Total	- 37.8	77.7	+ 115.5	20.8	+ 30.4

(¥ billion)

## Air Transportation Business

### Operating Revenues and Expenses

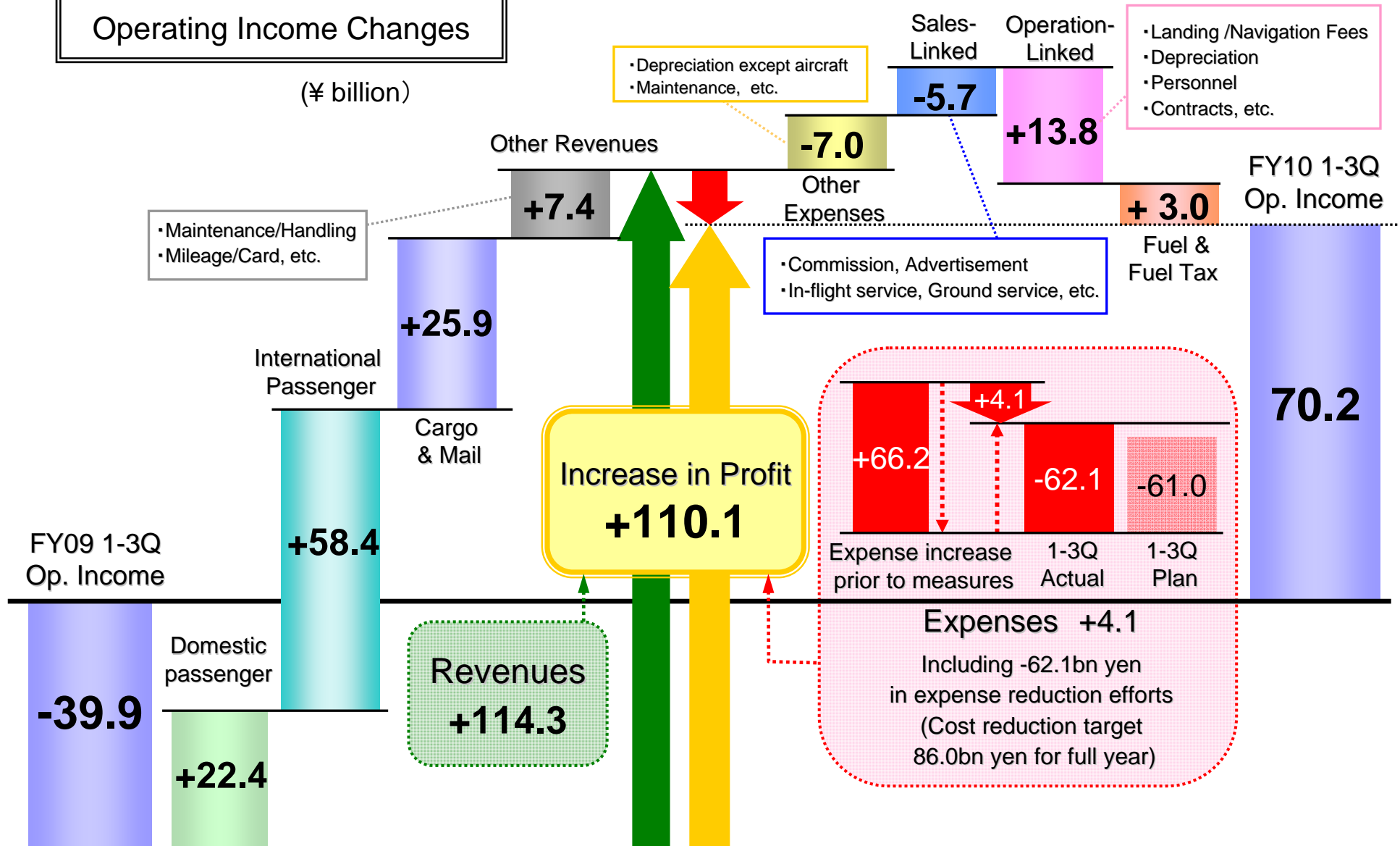
		1-3Q/FY09	1-3Q/FY10	Difference	3Q/FY10	Difference
Operating Revenues	Domestic Passengers	480.5	503.0	+ 22.4	170.4	+ 14.3
	International Passengers	156.5	215.0	+ 58.4	73.1	+ 17.5
	Cargo and Mail	68.5	94.5	+ 25.9	34.8	+ 8.3
	Others	110.6	118.0	+ 7.4	40.4	+ 2.3
	<b>Total</b>	<b>816.3</b>	<b>930.7</b>	<b>+ 114.3</b>	<b>318.9</b>	<b>+ 42.6</b>
Operating Expenses	Fuel and Fuel Tax	188.8	191.8	+ 3.0	65.1	+ 1.8
	Landing and Navigation Fees	70.3	70.4	+ 0.0	24.1	+ 1.5
	Aircraft Leasing Fees	44.7	48.2	+ 3.5	16.2	+ 0.6
	Depreciation and Amortization	82.3	86.0	+ 3.6	29.4	+ 1.5
	Aircraft Maintenance	41.6	32.8	- 8.7	11.6	- 2.0
	Personnel	172.4	179.6	+ 7.1	66.7	+ 9.4
	Sales Commission and Promotion	56.3	50.4	- 5.9	16.9	- 3.1
	Contracts	58.9	62.4	+ 3.4	21.5	+ 1.7
	Others	140.6	138.4	- 2.1	48.3	+ 1.1
	<b>Total</b>	<b>856.3</b>	<b>860.5</b>	<b>+ 4.1</b>	<b>300.2</b>	<b>+ 12.6</b>
<b>Op. Income</b>	<b>Operating Income</b>	<b>- 39.9</b>	<b>70.2</b>	<b>+ 110.1</b>	<b>18.7</b>	<b>+ 29.9</b>

(¥ billion)

# Air Transportation Business

## Operating Income Changes

(¥ billion)



## Air Transportation Business

### Domestic Passenger Operations

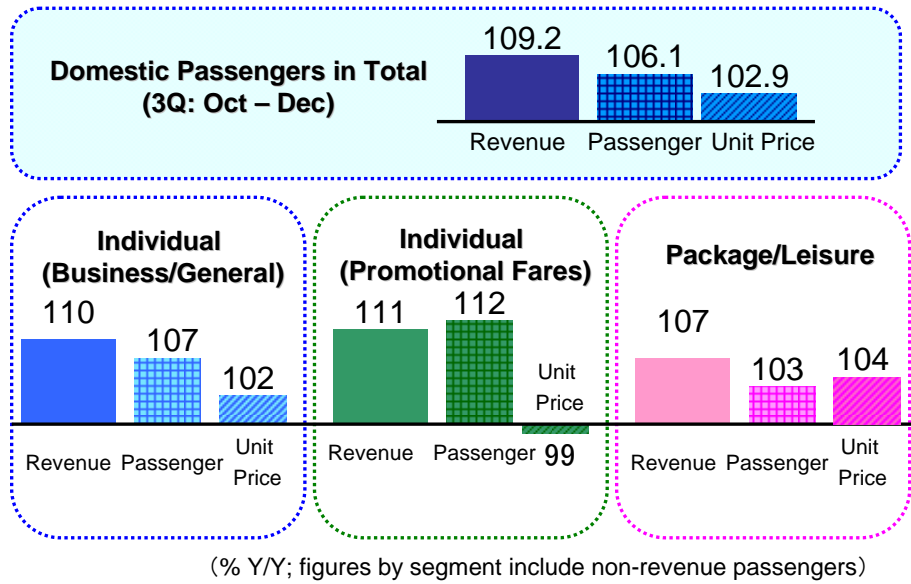
	1-3Q/FY09	1-3Q/FY10	% Y/Y	3Q/FY10	% Y/Y
Passengers (thousands)	30,190	31,553	104.5	10,595	106.1
Available Seat Km (million)	43,589	42,789	98.2	14,390	102.6
Revenue Passenger Km (million)	26,759	27,949	104.4	9,317	105.9
Load Factor (%)	61.4	65.3	+ 3.9 pts	64.7	+ 2.0 pts
Passenger Revenues (¥billion)	480.5	503.0	104.7	170.4	109.2
Unit Revenue (¥/ASK)	11.0	11.8	106.6	11.8	106.4
Yield (¥/RPK)	18.0	18.0	100.2	18.3	103.1
Unit Price (¥/Passenger)	15,917	15,942	100.2	16,090	102.9

# Air Transportation Business

## Trends in Domestic Passenger Operations

### 3Q Revenue / No. of Passengers / Unit Price by Segment

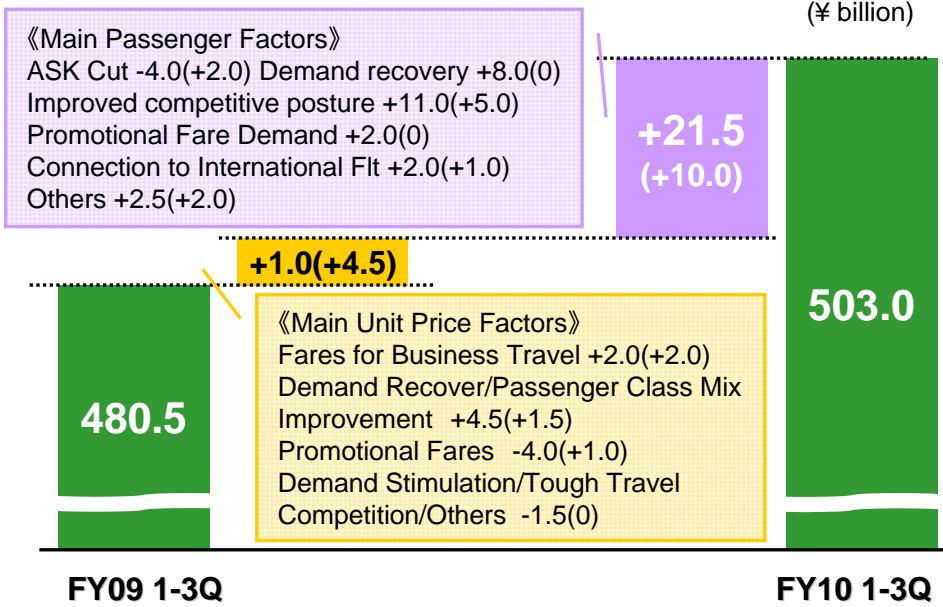
✓ Strong recovery for individual passengers; contributed to overall revenue growth



### 3Q Cumulative Revenue Change Factors

✓ Strong passenger demand; unit price improvements

(figures in parentheses represent results for 3Q only)



Quarterly Key Topics:

- Oct 13: Expansion of Haneda Terminal 2 (south side main lobby). ANA Diamond Service Members eligible for priority security check area "ANA SUITE CHECK-IN" and new lounge "ANA SUITE LOUNGE" (first for ANA domestic airport).
- Oct 31: Haneda Slot Expansion: Tokushima flight resumed (three flights/day); flights added to Hiroshima and Takamatsu routes (one flight per day each)

## Air Transportation Business

### International Passenger Operations

	1-3Q/FY09	1-3Q/FY10	% Y/Y	3Q/FY10	% Y/Y
Passengers (thousands)	3,411	3,906	114.5	1,305	106.6
Available Seat Km (million)	20,131	21,688	107.7	7,762	116.6
Revenue Passenger Km (million)	15,016	16,883	112.4	5,858	111.2
Load Factor (%)	74.6	77.8	+ 3.3 pts	75.5	- 3.7 pts
Passenger Revenues (¥billion)	156.5	215.0	137.3	73.1	131.7
Unit Revenue (¥/ASK)	7.8	9.9	127.5	9.4	112.9
Yield (¥/RPK)	10.4	12.7	122.2	12.5	118.4
Unit Price (¥/Passenger)	45,888	55,035	119.9	56,040	123.5

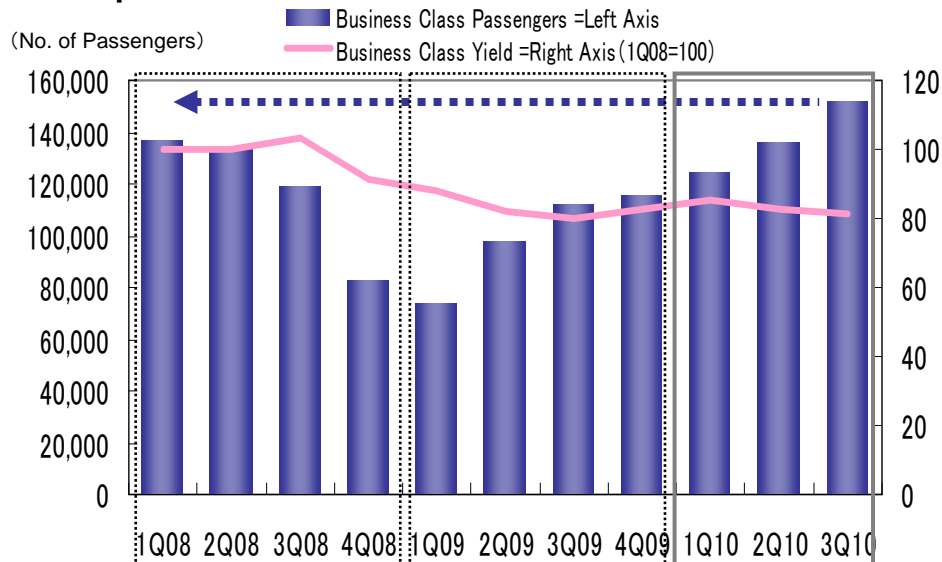
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# Air Transportation Business

## Trends in International Passenger Operations

### No. of Business Class Passengers/Yield by Quarter

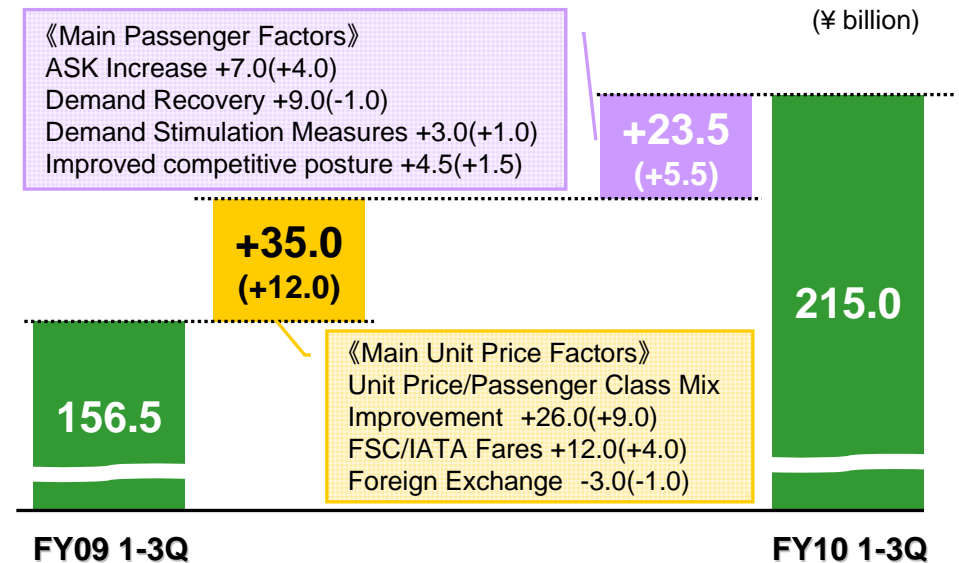
✓No. of Business Class Passengers exceeds pre-Lehman crisis levels



### 3Q Cumulative Revenue Change Factors

✓Revenues continue to grow (ASK increase, demand increase, unit price improvements)

(figures in parentheses represent results for 3Q only)



#### Quarterly Key Topics:

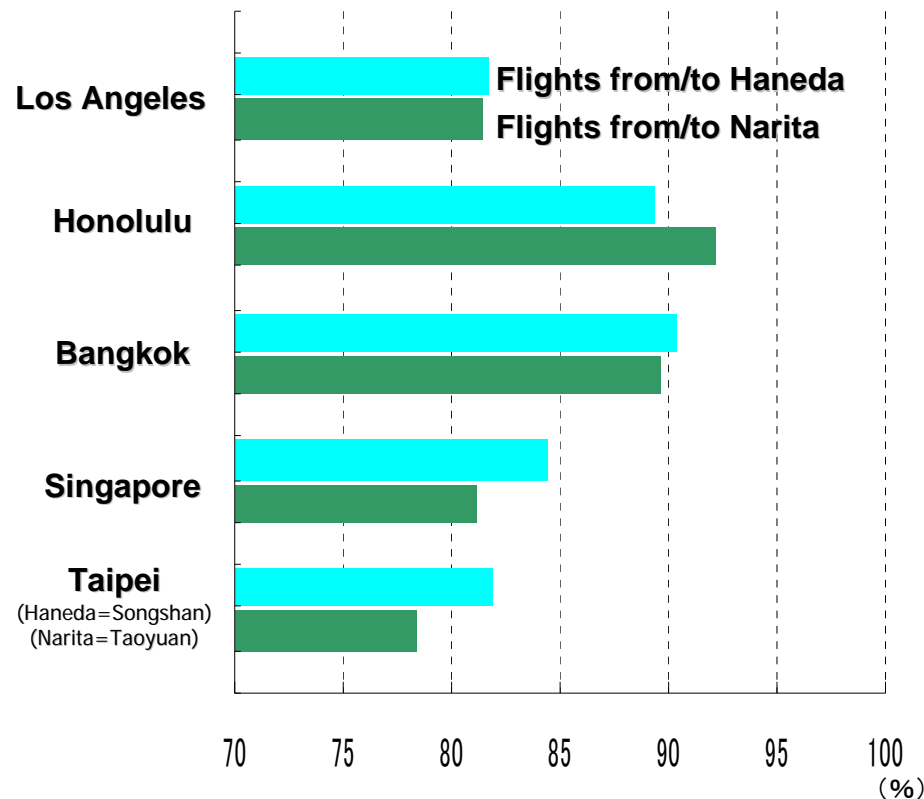
- Oct 1: Fuel surcharge decrease (e.g. 14,000 yen decreased to 10,500 yen one-way for Europe/North America)
- Oct 6 Release: ANA and Hawaiian Airlines signed an agreement to establish a commercial partnership.
- Received approval of Anti-Trust Immunity for strategic agreement related to trans-Pacific network (Oct 22 from MLIT Japan; Nov 11 from US DOT)
- Dec 20: Started code share operations with EGYPTAIR (MS);  
(MS-operated) Narita=Cairo, Kansai=Cairo ;(NH-operated) Kansai=Sapporo/Fukuoka/Haneda, others

# Air Transportation Business

## Trends in International Passenger Operations

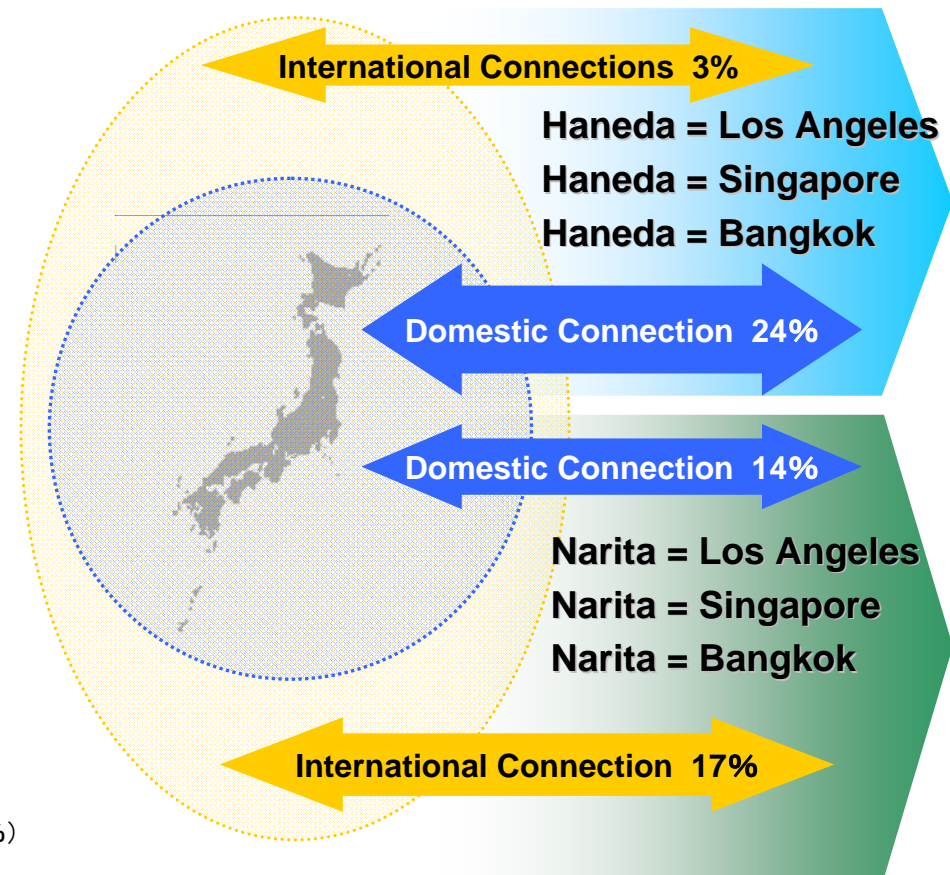
### New Haneda Routes Load Factor

✓ **Flights at Haneda/Narita maintain high load factors**  
 (Nov – Dec total, including non-revenue passengers)



### Connection through New Haneda Routes

✓ **Haneda and Narita are functioning as effective domestic and international connection points, respectively**





## Air Transportation Business

### Cargo Operations (Domestic)

	1-3Q/FY09	1-3Q/FY10	% Y/Y	3Q/FY10	% Y/Y	
Domestic Cargo	Cargo Revenues (¥billion)	24.4	24.5	100.8	8.9	104.5
	Available Ton Km (million)	1,447	1,406	97.2	471	100.7
	Revenue Ton Km (million)	348	343	98.6	124	102.9
	Revenue Ton (thousand tons)	352	346	98.1	126	102.7
	Load Factor (%)	24.1	24.4	+ 0.4 pts	26.5	+ 0.6 pts
	Unit Revenue (¥/ATK)	16.9	17.5	103.7	18.9	103.8
	Unit Price (¥/kg)	69	71	102.7	71	101.8
Domestic Freighter 【Included above】	Cargo Revenues (¥billion)	1.3	1.2	92.5	0.4	88.0
	Available Ton Km (million)	32	28	85.2	8	74.3
	Revenue Ton Km (million)	9	9	95.8	3	90.9
	Revenue Ton (thousand tons)	9	8	92.1	3	95.9
	Load Factor (%)	29.2	32.9	+ 3.7 pts	36.9	+ 6.7 pts
	Unit Revenue (¥/ATK)	40.3	43.8	108.6	45.8	118.4
	Unit Price (¥/kg)	137	138	100.5	129	91.7

## Air Transportation Business

### Cargo Operations (International)

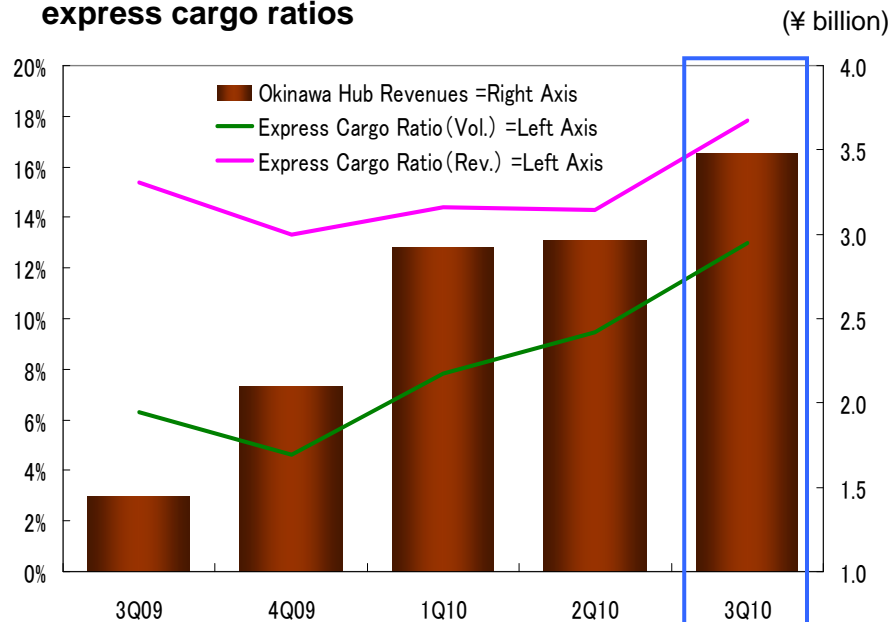
		1-3Q/FY09	1-3Q/FY10	% Y/Y	3Q/FY10	% Y/Y
International Cargo	Cargo Revenues (¥billion)	39.0	65.0	166.7	24.1	149.4
	Available Ton Km (million)	2,009	2,262	112.6	791	116.8
	Revenue Ton Km (million)	1,267	1,560	123.1	561	125.4
	Revenue Ton (thousand tons)	303	425	140.1	153	131.5
	Load Factor (%)	63.1	68.9	+ 5.9 pts	70.9	+ 4.8 pts
	Unit Revenue (¥/ATK)	19.4	28.7	148.0	30.4	127.8
	Unit Price (¥/kg)	129	153	118.9	157	113.6
International Freighter  【Included above】	Cargo Revenues (¥billion)	11.6	24.5	209.8	9.6	192.7
	Available Ton Km (million)	424	586	138.0	214	142.1
	Revenue Ton Km (million)	241	378	156.5	140	160.9
	Revenue Ton (thousand tons)	115	222	192.2	80	156.9
	Load Factor (%)	56.9	64.5	+ 7.6 pts	65.8	+ 7.7 pts
	Unit Revenue (¥/ATK)	27.5	41.8	152.1	45.0	135.6
	Unit Price (¥/kg)	101	110	109.2	120	122.8

# Air Transportation Business

## Trends in International Cargo Operations

### Okinawa Hub Quarterly Revenues

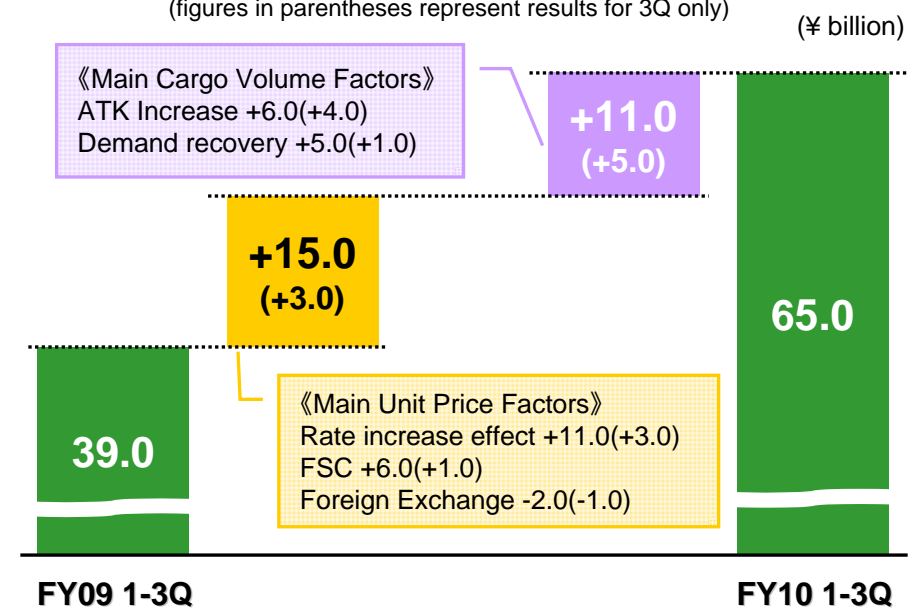
✓ Growth continues in Okinawa route revenues, express cargo ratios



### 3Q Cumulative Revenue Change Factors

✓ Balanced unit price, volume increases contribute to revenue growth

(figures in parentheses represent results for 3Q only)



#### Quarterly Key Topics:

- Oct 31: Flight increase in freighter operation;  
Narita=Shanghai (Pu Dong) 4→6 flights/week, Narita=Taipei 3→6 flights/week, Narita=Hong Kong 3→6 flights/week
- Dec 1: Fuel surcharge increase (e.g. from 75 yen to 81 yen per kg on North American/Middle Eastern routes)
- Dec 22: Started cargo code share with Hawaiian Airlines (Hawaiian-operated: Haneda=Honolulu)

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## II . FY2010 Earnings Forecast



## Consolidated Earnings Forecast

Consolidated Earnings Forecast (Rev. as of Oct 29, 2010 = No Change)

	FY09	FY10RE	Diff. vs. FY09	FY10E(Original)	Diff. vs. FY10E
Operating Revenues	1,228.3	1,377.0	+ 148.6	1,360.0	+ 17.0
Operating Income	- 54.2	70.0	+ 124.2	42.0	+ 28.0
Op. Margin (%)	-	5.1	-	3.1	+ 2.0
Recurring Income	- 86.3	37.0	+ 123.3	13.0	+ 24.0
Net Income	- 57.3	6.0	+ 63.3	5.0	+ 1.0

(¥ billion)

### Ⅲ. FY2011 Corporate Plan



# ANA Group Corporate Plan for FY2011

Domestic Passenger Operations	International Passenger Operations	Cargo Operations
<p>《Available Seat Km》</p> <p>→ 1H +4%</p> <p>→ 2H +3%</p> <p>→ FY +3%</p> <p>(vs. FY10E)</p> <ul style="list-style-type: none"> <li>◆ Fleet assignment based on competitive environment, increase flights, matching capacity on demands</li> <li>◆ Strategy vs. bullet train services to Kyushu (Downgauge and more frequent flights)</li> <li>◆ Use expanded slots at Haneda, improvements of aircraft operations for greater ASK</li> </ul>	<p>《Available Seat Km》</p> <p>→ 1H +22%</p> <p>→ 2H +13%</p> <p>→ FY +17%</p> <p>(vs. FY10E)</p> <ul style="list-style-type: none"> <li>◆ Launch of joint venture with United Airlines and Continental Airlines</li> <li>◆ Increase flights at Haneda; day time and late night/early morning</li> <li>◆ Improve Narita route flight timetable</li> <li>◆ Launch service to inland China (Narita=Chengdu)</li> </ul>	<p>《Available Ton Km》 (Int.)</p> <p>→ 1H +24%</p> <p>→ 2H +14%</p> <p>→ FY +19%</p> <p>(vs. FY10E)</p> <ul style="list-style-type: none"> <li>◆ Stable operations in Okinawa Cargo Hub</li> <li>◆ Maintain nine-freighter operation</li> <li>◆ Utilize belly space by adding passenger flights/larger aircraft</li> </ul>

## ANA Operating Environment – Opportunities and Risks



## IV. Supplemental Reference



# Fuel Price and Exchange Rate

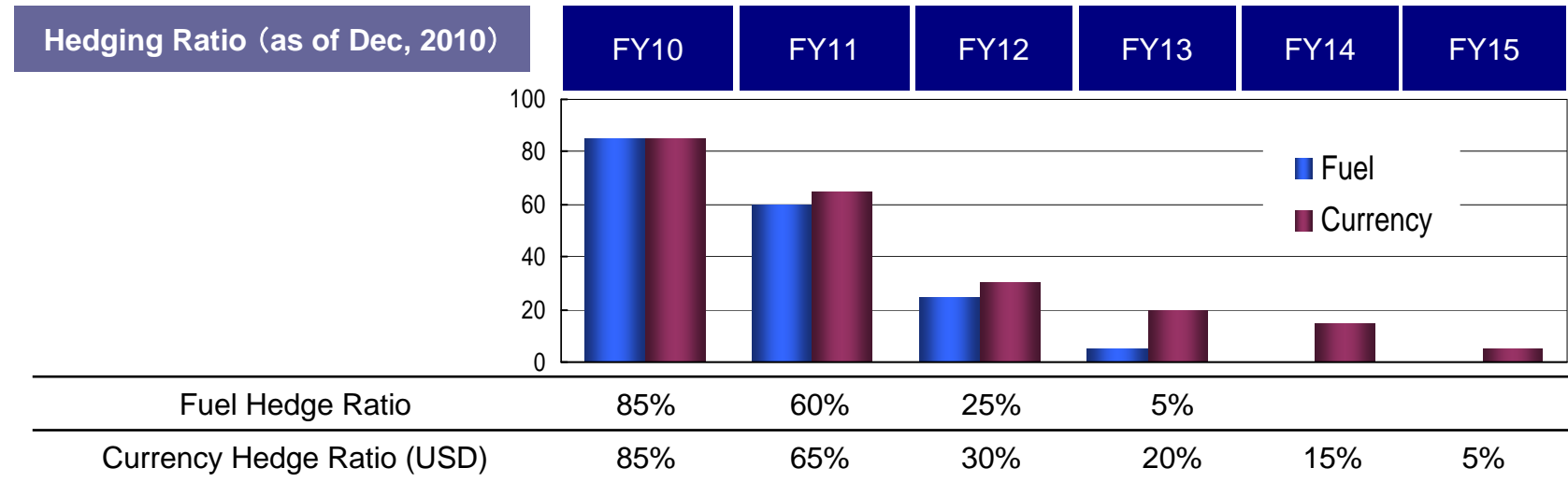
## Fuel Price and Exchange Rate

Market Index and Assumptions	FY10E	
	1H(A)	2H(E)
Dubai Crude Oil (USD/BBL)	76	80
Kerosene (USD/BBL)	88	90
Exchange Rate (JPY/USD)	89	90 (*95)

(\* Original Assumption)

### Non hedged impact of oil price and currency fluctuations on fuel expense

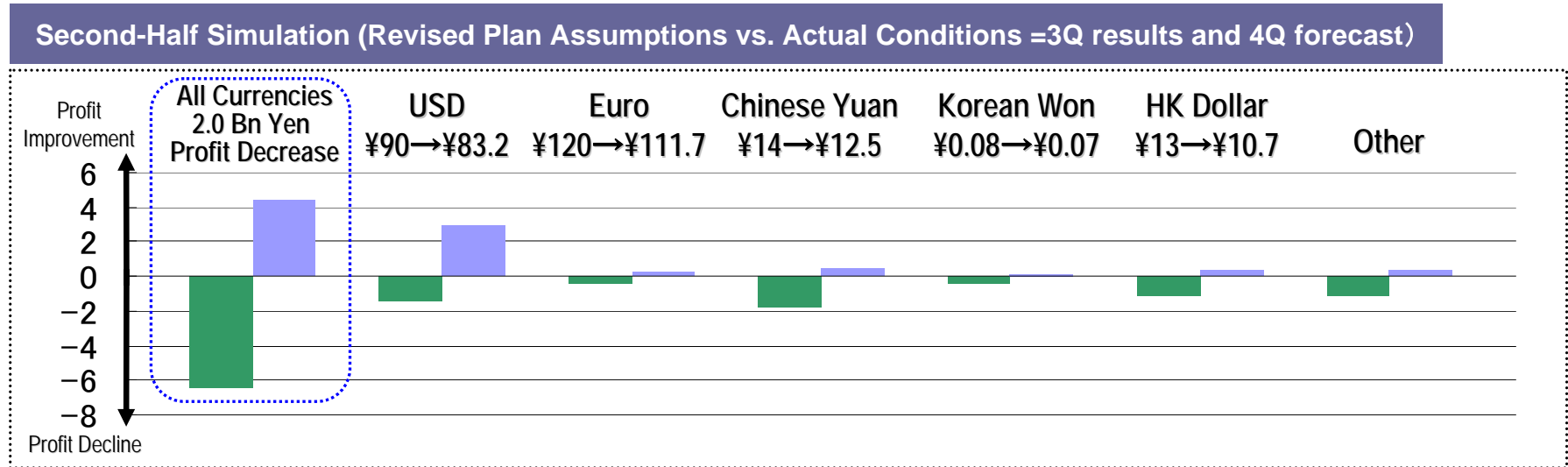
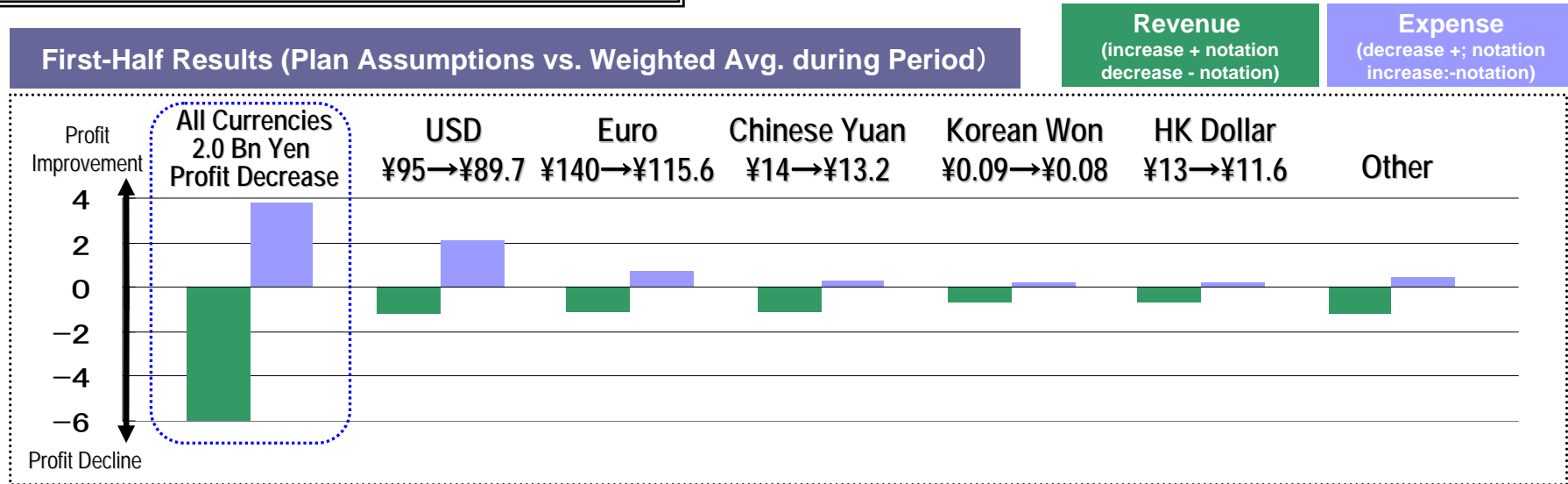
1 USD change per barrel	1.9 billion / year
1 JPY change per USD	1.8 billion / year



# Fuel Price and Exchange Rate

## Major Exchange Rate Effects on Op. Income

(operating income (loss) /including hedge effects; units: billion yen)



## International Passenger Results by Destination

		1-3Q Composition	Difference	3Q Composition	Difference
Passenger Revenue	North America	27.8	- 2.3	27.6	- 2.4
	Europe	21.7	- 1.3	21.0	+ 0.2
	China	27.7	+ 2.7	25.8	- 0.6
	Asia	19.1	+ 0.4	21.3	+ 1.4
	Resort	3.7	+ 0.5	4.2	+ 1.5
ASK	North America	30.2	- 1.5	30.2	- 1.6
	Europe	22.5	+ 1.5	22.4	+ 2.2
	China	21.3	- 1.5	19.6	- 4.0
	Asia	20.8	+ 0.7	22.1	+ 1.6
	Resort	5.2	+ 0.8	5.7	+ 1.8
RPK	North America	30.8	- 2.0	31.1	- 1.5
	Europe	23.1	- 0.2	23.0	+ 1.0
	China	19.2	+ 0.2	16.1	- 4.1
	Asia	21.2	+ 0.6	23.4	+ 2.3
	Resort	5.7	+ 1.4	6.4	+ 2.3

## International Cargo Results by Destination

	1-3Q Composition	Difference	3Q Composition	Difference	
Revenue	North America	22.2	- 1.6	20.5	- 2.8
	Europe	16.3	+ 0.7	17.0	- 0.4
	China	37.9	+ 1.1	38.7	+ 2.8
	Asia	17.7	+ 0.3	18.3	+ 2.0
	Others	5.9	- 0.4	5.5	- 1.6
ATK	North America	33.1	- 3.9	31.7	- 2.8
	Europe	21.1	+ 2.9	22.3	+ 2.4
	China	21.8	+ 0.7	22.0	+ 2.0
	Asia	18.0	+ 0.3	18.7	+ 1.2
	Others	6.0	+ 0.0	5.2	- 2.8
RTK	North America	34.4	- 3.5	32.5	- 2.6
	Europe	24.8	+ 2.3	26.8	+ 2.0
	China	19.0	+ 0.6	19.1	+ 1.1
	Asia	15.8	+ 0.2	16.2	+ 1.0
	Others	6.0	+ 0.4	5.4	- 1.6

## Aircraft in Service

	Mar,2010	Dec,2010	Change	Owned	Leased	
Wide-Body	Boeing 747-400 (International)	3	2	- 1	0	2
	Boeing 747-400 (Domestic)	10	10	-	10	0
	Boeing 777-300ER	14	19	+ 5	16	3
	Boeing 777-300	7	7	-	7	0
	Boeing 777-200ER	7	7	-	4	3
	Boeing 777-200	16	16	-	14	2
Mid-Body	Boeing 767-300ER	19	19	-	7	12
	Boeing 767-300	32	32	-	32	0
	Boeing 767-300F	4	4	-	0	4
	Boeing 767-300BCF	5	7	+ 2	7	0
Narrow-Body	Airbus A320-200 (International)	5	5	-	0	5
	Airbus A320-200 (Domestic)	24	24	-	15	9
	Boeing 737-800	8	11	+ 3	11	0
	Boeing 737-700ER	2	2	-	2	0
	Boeing 737-700	16	16	-	12	4
	Boeing 737-500	19	19	-	10	9
Regional	Bombardier DHC-8-400 (Q400)	14	15	+ 1	2	13
	Bombardier DHC-8-300 (Q300)	5	5	-	1	4
<b>Total</b>	<b>210</b>	<b>220</b>	<b>+ 10</b>	<b>150</b>	<b>70</b>	

Note: As of Dec 31, 2010, excluding leased aircraft outside Group (10 as of end of 2Q, 9 as of end of prior fiscal year)

# ANA Group Corporate Philosophy

## ANA Group Corporate Philosophy

— Our Commitments —  
 On a foundation of security and reliability,  
 the ANA Group will:

- Create attractive surroundings for customers
- Continue to be a familiar presence
- Offer dreams and experiences to people around the world

## ANA Group Safety Principles

- ✓ Safety is our promise to the public and is the foundation of our business.
- ✓ Safety is assured by an integrated management system and mutual respect.
- ✓ Safety is enhanced through individual performance and dedication

## ANA Group Corporate Vision

With air transportation as its core field of business, the ANA Group aims to be one of the leading corporate groups in Asia, providing passenger and cargo transportation around the world.

▶▶ Being the leader in Asia means that we will become

- Number one in quality
- Number one in customer satisfaction
- Number one in value creation

## Information

*Thank you.*

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