ANA Financial Results for the First Quarter of Fiscal Year 2010

TOKYO July 30, 2010 – ANA Group today announced its financial results for the first quarter of the current fiscal year, ending June 30, 2010. Consolidated operating revenues increased 13.7% year-on-year to ¥306.8 billion and expenses fell 2.7% to 303.8 billion, making operating income of the first three months ¥2.9 billion, however recurring loss of ¥2.9 billion and a net loss of ¥5.2 billion were reported.

"While the Japanese economy showed steady recovery during the three month period under review, deflationary effects continued to exert downward pressure, and taking an optimistic view remains difficult. Concerns about a downward economic swing, primarily in Europe, along with moves by our competitors, mean that business conditions going forward will remain uncertain," said Tomohiro Hidema, ANA's Executive Vice President, Finance. "Nevertheless, ANA was successful in capturing both business and leisure traffic demands, which has gradually recovered on both domestic and international routes, thus operating revenue exceeding results for the same period in the previous year. We have also worked to hold down costs, matching supply and demand, and reign in operating costs, as well as reducing sales and labor expenses."

The following results refer to the three month period April 1, 2010 to June 30, 2010.

Consolidated Financial Performance unit: billion yen (rounded down)

	1Q/ FY2010	1Q/ FY2009	Difference	% Comparison
Operating revenues	306.8	269.8	36.9	+13.7
Operating expenses	303.8	312.3	-8.4	-2.7
Operating income/ loss	2.9	-42.4	45.3	---
Non-operating income/ loss	-5.9	-7.0	1.0	---
Recurring profit/ loss	-2.9	-49.4	46.4	---
Extraordinary gains/ loss	-2.3	1.4	-3.7	---
Net income/ loss	-5.2	-29.2	23.9	---

Performance by reportable segment (consolidated) unit: billion yen (rounded down)

	1Q/ FY2010		(for Reference) 1Q/ FY2009		Difference	
	Operating revenues	Segment result	Operating revenues	Operating income	Operating revenues	Operating income
Air Transportation	274.5	1.1	236.8	-41.5	37.7	42.6
Travel Services	32.7	0.6	33.6	-1.2	-0.9	1.8
Others	34.1	1.0	33.8	0.1	0.2	0.9

Domestic Passenger Services

Amidst a gradual economic recovery, ANA worked to capture business demand, stimulating latent demand by expanding its *Super Tabi-wari* fares and establishing new transit discount fares. It also continued its effort to match supply and demand, implementing seasonal flights and upsizing its aircraft to meet higher demand during peak Golden Week and weekend periods. As a result, domestic passenger numbers for the three month period under review rose above those in the previous year. ANA has also worked to strengthen competitiveness by enhancing services for its ANA Mileage Club members, including the start of its ANA Card Family Miles program, and introduction of a new ANA Mileage Club mobile membership.

Domestic Air Transportation (consolidated)	1Q/ FY2010	1Q/ FY2009	Difference	% Comparison
Revenue (billion yen)	143.5	138.6	+4.8	+3.5
Number of passengers (thousand)	9,566	9,030	+535	+5.9
Available seat km (million)	13,616	14,318	-701	-4.9
Revenue passenger km (million)	8,398	7,948	+449	+5.7
Passenger load factor (%)	61.7	55.5	+6.2	---

International Passenger Services

Despite the temporary impact of the volcanic eruption in Iceland and riots by demonstrators in Thailand, a marked recovery was seen, led by increased business demand. ANA also increased frequency on its Narita=Shenyang and Narita=Ho Chi Minh routes, as well as upsized its aircraft size on Narita=Honolulu route. By flexibly expanding supply on routes where demand was forecasted, we achieved significantly higher international passenger numbers versus previous year.

Other initiatives such as introduction of new “Inspiration of Japan” products and services, and implementation of promotional campaign to encourage Chinese leisure traveler to Japan, all contributed to ANA’s competitiveness in the market.

International Air Transportation (consolidated)	1Q/ FY2010	1Q/ FY2009	Difference	% Comparison
Revenue (billion yen)	64.1	43.8	+20.2	+46.2
Number of passengers (thousand)	1,224	970	+254	+26.2
Available seat km (million)	6,656	6,670	-14	-0.2
Revenue passenger km (million)	5,121	4,446	+674	+15.2
Passenger load factor (%)	76.9	66.7	+10.3	---

Cargo Services

With reduced freight capacity due to downsizing of aircraft, and the effects of sluggish demand for perishable cargo and home delivery parcel services, domestic cargo volumes slightly fell below those of the previous year.

However international cargo volumes rose with growth in Chinese domestic market demand driven by the implementation of economic stimulus measures, as well as rise in shipment demand of plasma display and semiconductor related materials in Taipei and Seoul. Transport saw positive growth, primarily on Asian routes, and volumes in the period increased significantly versus last year.

As a result, revenue from international cargo routes was higher compared to the previous year, while domestic cargo revenue fell below.

Cargo (consolidated)		1Q/ FY2010	1Q/ FY2009	Difference	% Comparison
Domestic	Revenue (billion yen)	7.5	7.6	-0.0	-1.0
	Freight carried (thousand tons)	103	109	-5	-5.1
	Ton km (million)	104	108	-4	-4.4
International	Revenue (billion yen)	20.0	10.2	+9.7	+94.5
	Freight carried (thousand tons)	132	86	+45	+52.3
	Ton km (million)	485	388	+96	+24.9

Outlook for FY2010 (April 1, 2010 – March 31, 2011)

This year, while Haneda Airport represents a great opportunity for expansion, ANA will continue to expand its international business. We will also ensure that its planned income recovery and cost reduction plan is implemented, and build a strong cost structure capable of withstanding fluctuation risks.

On the other hand, downward economic swing primarily in Europe and increasingly competitive markets both inside and outside Japan make business conditions uncertain; therefore there will be no change to the consolidated forecast.

unit: billion yen (rounded down)

Outlook for FY 2010	Forecast FY 2010	FY 2009	Difference
Operating Revenues	1,360	1,228.3	+131.6
Operating income	42	-54.2	+96.2
Recurring Profit	13	-86.3	+99.3
Net income	5	-57.3	+62.3

NOTE: For the detailed report, please refer to the URL below:

http://www.ana.co.jp/eng/aboutana/corporate/ir/pdf/tan_100730_e.pdf

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Notes for Editors:

- All percentages are rounded off; all other figures including monetary figures are rounded down
- All comparisons are year-on-year
- All figures are given on a consolidated Group basis (72 consolidated subsidiaries, 5 non-consolidated subsidiaries subject to equity method accounting, 20 affiliates subject to equity method accounting)
- ANA Group airlines comprise: All Nippon Airways (ANA), Air Nippon (ANK), Air Japan (AJX), Air Nippon Network (A-Net), Air Central (CRF), Air Next (NXA), and ANA & JP Express (AJV)