

For the first quarter ended June 30, 2010
Consolidated financial results
All Nippon Airways Co., Ltd. (9202)

ANA reports consolidated financial results for first quarter ended June 30, 2010

1. Consolidated financial highlights for the first quarter ended June 30, 2010

(1) Summary of consolidated operating results

	Yen (Millions)			
	FY2010 first quarter Apr.1-Jun.30	Year on Year (%)	FY2009 first quarter Apr.1-Jun.30	Year on Year (%)
Operating revenues	306,854	13.7	269,898	(21.9)
Operating income (loss)	2,981	-	(42,415)	-
Recurring profit (loss)	(2,967)	-	(49,456)	-
Net income (loss)	(5,254)	-	(29,202)	-
Net income (loss) per share	(2.10)yen	-	(15.15)yen	-

(2) Summary of consolidated financial positions

	Yen (Millions)	
	FY2010 first quarter as of Jun. 30	FY2009 as of Mar. 31
Total assets	1,976,263	1,859,085
Total net assets	461,644	480,089
Net worth	455,230	473,552
Net worth / total assets	23.0%	25.5%
Net worth per share	181.63yen	188.93yen

2. Consolidated operating results forecast for the period ending March 31, 2011

	Yen (Millions)	
	FY2010	Year on Year (%)
Operating revenues	1,360,000	10.7
Operating income	42,000	-
Recurring profit	13,000	-
Net income	5,000	-
Net income per share	1.99yen	-

Note: no revision of the forecasted operating results for the period ending March 31, 2011 has been made.

3. Other

- (1) Significant change in scope of consolidation during the current fiscal year : No
- (2) Adoption of simplified accounting methods : Yes
- (3) Change in accounting treatment since the previous financial period : Yes
- (4) Number of outstanding shares (Common stock)

		Shares (Thousands)		
		FY2010		FY2009
Issued stock	as of Jun. 30	2,524,959	as of Mar. 31	2,524,959
Treasury stock	as of Jun. 30	18,640	as of Mar. 31	18,528
Average number during the period	1 st quarter	2,506,118	1 st quarter	1,927,334

- (5) This financial results statement is not audited and provided for reference only.

APPENDIX

Overview of consolidated financial results for first quarter ended June 30, 2010

1. Qualitative Information/Financial Statements and Related Matters

(1). Qualitative Information Regarding Consolidated Results

In the first quarter of fiscal 2010 (April 1, 2010-June 30, 2010), the Japanese economy showed steady recovery, but deflationary effects and other factors exerted downward pressure, and taking an optimistic view remains difficult.

Under these economic conditions, consolidated results in the first quarter were as follows:

Operating revenues:	¥ 306.8 billion, up 13.7% year-on-year
Operating income:	¥ 2.9 billion (¥ 42.4 billion operating loss, previous year)
Recurring loss:	¥ 2.9 billion (¥ 49.4 billion recurring loss, previous year)
Net loss:	¥ 5.2 billion (¥ 29.2 billion net loss, previous year)

Performance by business segment was as follows (sales for each business segment include inter-segment sales and operating income corresponds to segment result).

Air Transportation

Revenue in the air transportation segment was ¥ 274.5 billion (up 15.9% year-on-year), with operating income of ¥ 1.1 billion (versus an operating loss of ¥ 41.5 billion, the previous year).

Details are as follows.

Domestic Passenger Services

As the economy gradually recovered, from February of this year both business and leisure demand trended toward recovery, rebounding from the significant drop in demand seen in the same period of the previous year due to the effects of the H1N1 influenza outbreak. As a result, passenger volumes in the quarter exceeded those of the same period of the previous year.

On our route network, we launched a new Kansai-Asahikawa route (scheduled to be in service until September), and continued efforts to match supply and demand, introducing extra flights and deploying larger aircraft to meet higher demand during peak Golden Week and weekend periods.

In sales and marketing, we continued working to strengthen competitiveness and stimulate latent demand by expanding our *Super Tabiwari* fares and establishing new transit discounts.

As a result, domestic passenger volume grew 5.9% year-on-year to 9.56 million, while operating revenue increased 3.5%, at ¥ 143.5 billion.

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. Additionally, with a rebound from the significant drop in demand seen in the same period of the previous year due to the effects of the H1N1 influenza outbreak, passenger volumes in the quarter were up significantly year-on-year.

On our route network, beginning March 28, 2010 we increased service on our Narita-Shenyang · Ho Chi Minh route, and deployed larger aircraft on our Narita-Honolulu route, increasing supply where demand was forecast, while at the same time suspending Kansai-Seoul (Kinpo) · Xiamen service.

In sales and marketing, we introduced tours in anticipation of the Shanghai Expo opening in May, and continued to implement our campaign to encourage travelers from China to visit Japan, with passenger volumes on our China routes growing significantly.

We also introduced a new “Inspiration of Japan” product and service concept, beginning with aircraft on the New York route on April 19, and on the Frankfurt route starting June 1. Both saw high capacity utilization rates.

As a result, passenger volumes significantly exceeded those in the same period of the previous year, rising 26.2% to 1.22 million. Boosted by an improvement in unit prices with the recovery in demand, operating revenue was also significantly higher than the same period of the previous year, rising 46.2% to ¥ 64.1 billion.

Cargo

In domestic cargo services, while cargo transiting to international routes increased, cargo capacity decreased overall due to downsizing of aircraft. With the volume of perishable cargo from Hokkaido falling due to bad weather, along with sluggish demand nationwide for home delivery parcel services and other factors, cargo volume in the first quarter fell below that in the same period of the previous year.

As a result, domestic cargo volume decreased 5.1% year on year to 103,000 tons, while operating revenue declined 1% to ¥ 7.5 billion. Domestic mail volume fell 9.3% to 7,000 tons, while operating revenue also fell below the same period of the previous year, declining 6.4% to ¥ 800 million.

International cargo volumes rose, however, with growth in domestic demand in China driven by the implementation of economic stimulus measures, and an active market for shipments of plasma displays and semiconductor-related materials in Taipei, Seoul, and elsewhere. As a result, volume was strong on routes in Asia and China, with first quarter cargo volumes rising significantly above the same period of the previous year.

We worked to capture demand by operating at night out of our Okinawa cargo hub network, and with direct flights between Japan and Asia during the day time, adding non-scheduled flights to accommodate regional demand arising at specific points and times.

As a result, international cargo volume in the first quarter rose 52.3% above the same period of the previous year, to 132,000 tons, while operating revenue also exceeded the previous year’s level, increasing 94.5% to ¥ 20.0 billion. International mail volume was also up 6.9% year on year, at 5,000 tons, but revenue fell below the same period of the previous year, dropping 19.2% to ¥ 700 million.

Other Air Transport-Related Businesses

In other air transport-related business, revenue from aircraft maintenance services provided to other airlines fell, but ground handling services, including passenger check-in and baggage handling services, saw revenue increase, and in the first quarter, operating revenue from other air transport-related businesses rose 9.2% over the same period of the previous year, to ¥ 37.7 billion.

Travel Services

While operating revenue in the travel segment was below that in the same period of the previous year, falling 2.7% to ¥32.7 billion, operating income was ¥600 million, compared with an operating loss of ¥1.2 billion in the same period of the previous year. Details are as follows.

In domestic travel services, sales of *Tabisaku* products which allow travelers to create their own combinations of air tickets and hotels, and Tokyo Disney Resort products were both strong. However, growth was weak for packages to Okinawa, and domestic travel operating revenue for the first quarter fell below that in the same period of the previous year.

In international travel services, demand for travel diminished in April and May due to the volcanic eruption in Iceland, riots by demonstrators in Thailand and other factors, but by June, demand had almost fully recovered. With larger capacity aircraft and more strongly competitive business class offerings, travel to Hawaii was also strong, and therefore, in the first quarter, international travel operating revenue rose above that in the same period of the previous year.

Other Business

Revenue from other business segments rose above the previous year, rising 0.7% to ¥34.1 billion, with operating income up 660% to ¥1.0 billion. Details are as follows.

Revenue increased at All Nippon Airways Trading Co., Ltd., the trading and retail operator, due to a recovery in customer volumes at its airport shops, and in the volume of work handled through its aircraft and machinery operations.

Revenue and usage figures for international reservation and ticketing systems both increased at INFINI Travel Information Inc., which provides such services to airlines and travel agencies.

ANA Information Systems Planning Co., Ltd., which primarily provides system development, maintenance, and operation services to ANA and its group companies, saw revenue fall on a drop in development projects.

(2). Qualitative Information Regarding Consolidated Financial Situation

Financial Situation

Assets: Our total assets increased by ¥117.1 billion against the end of FY2009, to ¥1,976.2 billion due to factors including an increase in cash reserves by new financing, and an increase in aircraft and construction in progress with continuing investment.

Liabilities: Bonds and long-term debt increased from new issuing and financing for fixed debt, and our derivative debt relating to fuel-oil and currency-exchange hedges increased. As a result, our liabilities increased by ¥135.6 billion against the end of the last period, to ¥1,514.6 billion. Note that due to new bonds and loans, our interest-bearing debt increased by ¥91.9 billion against the end of the last period, to ¥1,033.6 billion.

Net Assets: Total net assets were ¥461.6 billion by ¥18.4 billion decrease from the end of last period, with a greater loss in deferred hedges.

Cash Flows

Operating activities: Net loss for the first quarter before tax adjustments was ¥5.3 billion. After applying

depreciation and other non-cash items and changes in sales-related debts and credits, our cash flow from operating activities was positive ¥39.4 billion.

Investment activities: We had expenditures from the acquisition of aircraft and parts, and prepayment of aircraft scheduled for introduction, and making fixed-term deposits. As a result, our cash flow from investment activities was negative ¥89.2 billion, and our free cash flow was negative ¥49.7 billion.

Financial activities: Our payments included repayment of loans and payment of leases, while we produced new corporate bonds and procured financing via long-term loans. As a result, our cash flow from investment activities was ¥87.2 billion.

As a result of the above, our cash and cash equivalents in the first quarter period were up ¥37.3 billion against the end of the previous period, resulting in a balance of ¥185.5 billion.

(3). Qualitative Information Regarding Consolidated Operating Forecast

Currently, no revision is being made to the consolidated operating forecast.

2. Others

(1) Significant changes in subsidiaries during the period under review (changes in specified subsidiaries due to change in scope of consolidation)

- None applicable

(2) Use of simplified accounting methods, if any

- The calculation of income tax payments was limited to major taxable additions and subtractions and tax credits.

(3) Changes to accounting methods since the previous financial period, if any

Effective from the first quarter of the current fiscal year, the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18; Mar. 31, 2008) and the "Implementation Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Implementation Guidance No.21; Mar. 31, 2008) are to be applied, as a result of this change, operating income decreased by ¥34 million, ordinary loss increased by ¥34 million, and loss before income taxes increased by ¥2,164 million.

3. Financial Statements & Operating Results

(1) Consolidated Balance Sheets

	Yen (Millions)	
Assets	FY2010 as of Jun.30	FY2009 as of Mar.31
Current assets	519,390	421,516
Cash, deposits and Marketable securities	59,257	13,246
Trade accounts receivable	106,747	96,833
Marketable securities	216,944	180,576
Inventories (Merchandise)	5,403	5,545
Inventories (Supplies)	53,547	51,365
Differed income tax - current	32,766	24,715
Other	45,491	49,982
Allowance for doubtful accounts	(765)	(746)
Fixed assets	1,456,068	1,436,760
Tangible fixed assets	1,164,612	1,152,354
Buildings and structures	109,384	109,642
Flight equipment	683,204	646,100
Land	51,597	51,617
Leased assets	43,128	43,796
Construction in progress and advance payment on aircraft purchase contracts	241,104	262,951
Other	36,195	38,248
Intangible fixed assets	69,374	70,577
Investments and others	222,082	213,829
Investment in securities	56,378	50,588
Differed income tax - long term	131,133	124,558
Other	35,638	40,052
Allowance for doubtful accounts	(1,067)	(1,369)
Deferred assets	805	809
Total assets	1,976,263	1,859,085

Liabilities and Net assets	FY2010 as of Jun.30	FY2009 as of Mar.31
Liabilities		
Current liabilities	511,799	472,613
Trade accounts payable	140,988	151,017
Short-term loans	29,061	29,096
Current portion of long - term debt	109,695	99,820
Current portion of bonds payable	40,000	40,000
Lease obligation	12,056	11,859
Accrued income tax	1,639	2,670
Accrued bonuses to employees	16,787	11,382
Provision for potential loss on antitrust proceedings	16,846	16,846
Asset retirement obligations	229	-
Other	144,498	109,923
Long - term liabilities	1,002,820	906,383
Bonds payable	115,000	95,000
Long - term debt payable	689,154	628,609
Lease obligation	38,672	37,307
Accrued employees' retirement benefits	120,637	119,425
Retirement benefit for directors and Cooperate Auditors	477	517
Asset retirement obligations	2,766	-
Consolidation adjustment account	749	919
Other	35,365	24,606
Total liabilities	1,514,619	1,378,996
Net assets		
Shareholders' equity	487,441	485,510
Common stock	231,381	231,381
Capital surplus	196,568	196,635
Retained earnings	66,333	64,510
Treasury stock	(6,841)	(7,016)
Valuation, translation adjustments and others	(32,211)	(11,958)
Net unrealized holding gain on securities	958	1,516
Deferred gain on hedging instruments	(32,710)	(13,212)
Foreign currency translation adjustments	(459)	(262)
Minority interests	6,414	6,537
Total Net assets	461,644	480,089
Total liabilities and net assets	1,976,263	1,859,085

(2) Consolidated Statements of Income (Loss)

Yen (Millions)

	FY2009 first quarter Apr.1 – Jun.30	FY2010 first quarter Apr.1 – Jun.30
Operating revenues and expenses		
Operating revenues	269,898	306,854
Operating expenses	257,563	254,865
Sales, general and administrative expenses	54,750	49,008
Operating (loss) income	(42,415)	2,981
Non-operating income and expenses		
Non-operating income	1,987	1,834
Interest income	147	191
Other	1,840	1,643
Non-operating expenses	9,028	7,782
Interest expenses	4,336	4,554
Other	4,692	3,228
Total recurring (loss) profit	(49,456)	(2,967)
Extraordinary gains	1,737	11
Gain on transfer of benefit obligation relating to employees' pension fund	1,723	-
Gain on liquidation of subsidiaries and affiliates	-	8
Gain on sales of memberships	-	3
Other	14	-
Extraordinary losses	333	2,398
Extra retirement expenses	44	9
Expenses related to antitrust proceedings	245	258
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	2,130
Other	44	1
Net (loss) income before taxes	(48,052)	(5,354)
Income taxes	(18,713)	(96)
Net (loss) income before minority interests	-	(5,258)
Minority interests	(137)	(4)
Net (loss) income	(29,202)	(5,254)

(3) Consolidated Statement of Cash Flows

	Yen (Millions)	
	FY2009 first quarter Apr.1 – Jun.30	FY2010 first quarter Apr.1 – Jun.30
I. Cash flows from operating activities		
(Loss) income before income taxes and minority interests	(48,052)	(5,354)
Depreciation and amortization	27,540	28,496
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	2,130
Loss (gain) on disposal and sale of fixed assets	354	193
(Decrease) increase in accrued employees' retirement benefit	(234)	1,405
Interest expense	4,336	4,554
Interest and dividend income	(611)	(589)
(Increase) decrease in notes and accounts receivable-trade	(165)	(9,597)
(Decrease) increase in notes and accounts payable-trade	(15,495)	(2,811)
Other, net	29,172	28,857
Cash generated from operations	(3,155)	47,284
Interest and dividends received	672	695
Interest paid	(4,278)	(4,501)
Income tax paid	(1,733)	(3,722)
extra employees' retirement benefit	(44)	(282)
Net cash (used in) provided by operating activities	(8,538)	39,474
II. Cash flows from investing activities		
Decrease(increase) in time deposits	-	(50,037)
Payment for purchase of short-term investment securities	-	(40,000)
Proceeds from sale of short-term investment securities	-	45,000
Payment for purchase of tangible fixed assets	(83,481)	(39,864)
Proceeds from sale of tangible fixed assets	4,431	3,232
Payment for purchase of intangible fixed assets	(8,168)	(8,260)
Payment for purchase of investment securities	(2)	(1)
Proceeds from sale of investment securities	2	489
Payment for purchase of investments in subsidiaries resulting in changes in scope of consolidation	(2,227)	-
Payment for loan receivable	(186)	(113)
Proceeds from collection of loan receivable	29	91
Other, net	789	238
Net cash (used in) provided by investing activities	(88,813)	(89,225)

	FY2009 first quarter Apr.1 – Jun.30	FY2010 first quarter Apr.1 – Jun.30
III. Cash flows from financing activities		
(Decrease) increase in short-term loans (net)	(17,560)	(35)
Proceeds from long-term debt	150,008	100,000
Repayment of long-term debt	(26,386)	(29,580)
Proceeds from issuance bond	-	19,909
Repayment of finance lease obligation	(3,004)	(3,206)
Payment for dividends	(1,933)	-
Net (increase) decrease in treasury stock	(2,125)	209
Other, net	(2,951)	(86)
Net cash provided by (used in) financing activities	96,049	87,211
IV. Effect of exchange rate changes on cash and cash equivalents	(53)	(119)
V. Net (decrease) increase in cash and cash equivalents	(1,355)	37,341
VI. Cash and cash equivalents at the beginning of the period	143,436	148,189
VII. Net increase (decrease) resulting from changes in scope of consolidation	-	-
VIII. Cash and cash equivalents at the end of the period	142,081	185,530

(4) Segment information

The Company and consolidated subsidiaries conduct operations in Air Transportation, Travel Services and Other Businesses. Businesses other than Air Transportation and Travel Services are insignificant to the consolidated results of operations of the Company and its consolidated subsidiaries and, accordingly, are included in "Other Businesses" in the following segment information:

<FY2009 first quarter Apr.1 - Jun.30>						Yen (Millions)
	Air Transportation	Travel Services	Other Businesses	Total	Elimination	Consolidated
Operating revenues	216,591	30,468	22,839	269,898	-	269,898
Intra-group sales and transfers	20,223	3,152	11,042	34,417	(34,417)	-
Total	236,814	33,620	33,881	304,315	(34,417)	269,898
Operating income (loss)	(41,510)	(1,207)	140	(42,577)	162	(42,415)

Overseas sales

<FY2009 first quarter Apr.1 – Jun.30>

Overseas net sales as a percentage of consolidated net sales were less than 10 %.

<FY2009 first quarter Apr.1 – Jun.30>

Overseas net sales	24,981	Yen (Million)
Consolidated netsales	269,898	Yen (Million)
Overseas net sales as a percentage of consolidated net sales	9.3	%

Notes:

1. "Overseas" consists substantially of America, Europe, China and Asia.
2. "Consolidated overseas net sales" indicates sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.

<FY2010 first quarter Apr.1 - Jun.30>

	Reportable Segment			Others	Total	Adjustment	Consolidated
	Air Transportation	Travel Services	Subtotal				
Operating revenues	254,536	29,605	284,141	22,713	306,854	-	306,854
Intra-group sales and transfers	20,045	3,095	23,140	11,408	34,548	(34,548)	-
Total	274,581	32,700	307,281	34,121	341,402	(34,548)	306,854
Segment result	1,183	672	1,855	1,064	2,919	62	2,981

Effective from the first quarter of the current fiscal year, the "Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No.17; Mar. 27, 2009) and the "Implementation Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Implementation Guidance No.20; Mar. 21, 2008) are to be applied.

(5) Breakdown of Operating Revenues (Air Transportation)

	Yen (Millions)		
	FY2009 first quarter Apr.1- Jun.30	FY2010 first quarter Apr.1- Jun.30	Difference
Domestic			
Passenger	138,635	143,529	4,894
Cargo	7,640	7,560	(80)
Mail	904	846	(58)
Subtotal	147,179	151,935	4,756
International			
Passenger	43,878	64,171	20,293
Cargo	10,295	20,023	9,728
Mail	906	732	(174)
Subtotal	55,079	84,926	29,847
Revenues from scheduled flights	202,258	236,861	34,603
Other operating revenues	34,556	37,720	3,164
Subtotal	236,814	274,581	37,767
Travel Service			
Package tours (Domestic)	26,191	25,239	(952)
Package tours (International)	4,356	4,657	301
Other revenues	3,073	2,804	(269)
Subtotal	33,620	32,700	(920)
Subtotal of reportable segment	270,434	307,281	36,847
Other			
Trading and retailing	23,280	23,811	531
Information and telecommunications	5,995	5,720	(275)
Real estate & building maintenance	2,446	3,851	1,405
Other revenues	2,160	739	(1,421)
Subtotal	33,881	34,121	240
Total operating revenues	304,315	341,402	37,087
Intra-company eliminations	(34,417)	(34,548)	(131)
Operating revenue(Consolidated)	269,898	306,854	36,956

Notes:

1. Segment breakdown is based on classifications employed for internal management.
2. Segment operating revenue includes intra-segment transactions.

(6) Overview of Airline Operating Results (Consolidated)

	FY2009 Apr.1- Jun.30	FY2010 Apr.1- Jun.30	Year on year (%)
Domestic			
Number of passengers	9,030,985	9,566,538	105.9
Available seat km (thousand km)	14,318,364	13,616,789	95.1
Revenue passenger km (thousand km)	7,948,983	8,398,497	105.7
Passenger load factor (%)	55.5	61.7	6.2
Available cargo capacity (thousand ton-km)	463,524	450,610	97.2
Cargo (tons)	109,255	103,674	94.9
Cargo traffic volume (thousand ton-km)	108,873	104,056	95.6
Mail (tons)	8,512	7,719	90.7
Mail traffic volume (thousand ton-km)	8,455	7,891	93.3
Cargo and mail load factor (%)	25.3	24.8	(0.5)
International			
Number of passengers	970,267	1,224,348	126.2
Available seat km (thousand km)	6,670,528	6,656,217	99.8
Revenue passenger km (thousand km)	4,446,788	5,121,297	115.2
Passenger load factor (%)	66.7	76.9	10.3
Available cargo capacity (thousand ton-km)	658,448	698,556	106.1
Cargo (tons)	86,944	132,439	152.3
Cargo traffic volume (thousand ton-km)	388,518	485,448	124.9
Mail (tons)	5,027	5,376	106.9
Mail traffic volume (thousand ton-km)	26,815	25,055	93.4
Cargo and mail load factor (%)	63.1	73.1	10.0
Total			
Number of passengers	10,001,252	10,790,886	107.9
Available seat km (thousand km)	20,988,893	20,273,006	96.6
Revenue passenger km (thousand km)	12,395,772	13,519,795	109.1
Passenger load factor (%)	59.1	66.7	7.6
Available cargo capacity (thousand ton-km)	1,121,972	1,149,167	102.4
Cargo (tons)	196,200	236,113	120.3
Cargo traffic volume (thousand ton-km)	497,391	589,504	118.5
Mail (tons)	13,540	13,095	96.7
Mail traffic volume (thousand ton-km)	35,271	32,946	93.4
Cargo and mail load factor (%)	47.5	54.2	6.7

Notes:

- Domestic routes: ANA Group + code share flights (IBEX airlines Co., Ltd., Hokkaido international airlines Co., Ltd., Skynet Asia Airways Co., Ltd., Star Flyer Inc., and Oriental Air Bridge Co., Ltd.)
- Available cargo capacity (thousand ton-km) is the total cargo capacity available for each sector multiplied by distance traveled.
- Cargo and mail load factor = Cargo and Mail traffic volume (thousand ton-km) / available cargo capacity (thousand ton-km)
- Domestic available cargo capacity (thousand ton-km) includes code share flights with Hokkaido international airlines Co., Ltd. Skynet Asia Airways Co., Ltd. and Oriental Air Bridge Co., Ltd.
- International available cargo capacity (thousand ton-km) includes code share flights and land transportation.
- Domestic data includes the results of night cargo flights.
- Results do not include charter flights.