ANA Financial Results for the First Nine Months of FY2010

TOKYO January 31, 2011 - ANA Group today reported improved consolidated financial results for the first nine months (April - December inclusive) of fiscal year 2010.

Demand has remained firm with revenues increasing substantially, especially in the air transportation business, in comparison to the same period the previous year, when air travel was affected by the impact of the global economic recession. However, the economic climate remains challenging with steep rises in crude oil prices, concerns over the outlook for growth in overseas economies, and exchange rate fluctuations among the factors giving rise to uncertainty.

While costs rose in tandem with the company's route expansion, steady progress was achieved with cost restructuring based on the FY2010-11 ANA Group Corporate Strategy and further progress was made in reducing operating expenses.

These factors have resulted in much improved consolidated business results for the current period with operating revenues up by 12.5% to ¥1,039.1 billion, operating income increased to ¥77.7 billion from a loss of ¥37.8 billion, recurring profit ¥115.9 billion higher at ¥58.3 billion and net income of ¥37.5 billion recovering from a loss of ¥35.1 billion.

Consolidated Financial Performance unit: billion yen (rounded down)

	1-3Q/ FY2010	1-3Q / FY2009	Difference	% comparison	3Q/ FY2010	Difference from 3Q/ FY2009
Operating revenues	1,039.1	923.7	+ 115.3	+ 12.5	354.9	+ 43.0
Operating expenses	961.4	961.5	- 0.1	- 0.0	334.1	+ 12.6
Operating income/ loss	77.7	-37.8	+ 115.5	-	20.8	+ 30.4
Non-operating income/ loss	- 19.3	-19.8	+ 0.4	-	- 8.0	- 1.5
Recurring profit/ loss	58.3	-57.6	+ 115.9	-	12.8	+ 28.9
Extraordinary gains/ loss	2.6	-0.3	+ 2.9	-	16.7	+ 17.2
Net income/ loss	37.5	-35.1	+ 72.7	-	24.2	+ 34.0

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

	1-3Q/ FY2010		(for Reference) 1-3Q/ FY2009		Difference		3Q/ FY2010		Difference from 3Q/ FY2009	
	Operating revenues	Segment results *1	Operating revenues	Operating income	Revenue	Operating income	Operating revenues	Operating income	Revenue	Operating income
Air Transportation	930.7	70.2	816.3	- 39.9	+ 114.3	+ 110.1	318.9	18.7	+ 42.6	+ 29.9
Travel Services	124.8	3.2	126.9	- 0.2	- 2.0	+ 3.4	39.8	0.6	+ 0.4	+ 0.2
Others	104.4	4.0	103.3	2.1	+ 1.1	+ 1.8	36.1	1.4	+ 1.9	+ 0.1

*1 Operating income/loss in each business is applied to segment profits.

Domestic Passenger Services

Both business and leisure demand remained firm on domestic routes and the number of passengers exceeded the previous year's level.
ANA also worked to improve the services by opening new facilities, including airport lounges, as part of the expansion of Domestic Terminal 2 at Haneda Airport.
Furthermore, the group ensured that capacity was sufficient to meet peaks in passenger demand by adding seasonal flights and using larger aircraft in busy seasons such as year-end vacation periods.

This resulted in 4.7% growth in passenger revenues on domestic routes over the previous year to ¥503.0 billion.

Domestic Air Transportation (consolidated)	1-3Q/ FY2010	1-3Q/ FY2009	Difference	% Comparison	3Q/ 2010	% Comparison on 3Q/2009
Revenue (billion yen)	503.0	480.5	+ 22.4	+ 4.7	170.4	+ 9.2
Number of passengers (thousand)	31,553	30,190	+ 1,362	+ 4.5	10,595	+ 6.1
Available seat km (million)	42,789	43,589	- 799	- 1.8	14,390	+ 2.6
Revenue passenger km (million)	27,949	26,759	+ 1,190	+ 4.4	9,317	+ 5.9
Passenger load factor (%)	65.3	61.4	+ 3.9	-	64.7	-

International Passenger Services

While ANA strove to improve service by expanding its international network from Haneda Airport starting last October, it also succeeded in attracting passengers not only from the Tokyo metropolitan area but also from regional cities across Japan.
The company also worked to improve the competitiveness of its services by introducing new products and aircraft, for example, the new Boeing 777-300ER on the Narita-London route from October, marking the third route after its Narita-New York and Narita-Frankfurt route, as well as improving its online booking functions in China, Asia and Europe.
The territorial dispute over the *Senkaku* Islands resulted in a decline in tourism demand on routes to

China after November, however its route expansion at Haneda and a strong rebound in business travel boosted overall passengers on international routes compared with the previous year.

This resulted in passenger revenue on international routes increasing by ¥58.4 billion to ¥215.0 billion compared to the previous year; a revenue increase of 37.3%.

International Air Transportation (consolidated)	1-3Q/ FY2010	1-3Q/ FY2009	Difference	% Comparison	3Q/ FY2010	% Comparison on 3Q/ FY2009
Revenue (billion yen)	215.0	156.5	+ 58.4	+ 37.3	73.1	+ 31.7
Number of passengers (thousand)	3,906	3,411	+ 495	+ 14.5	1,305	+ 6.6
Available seat km (million)	21,688	20,131	+ 1,556	+ 7.7	7,762	+ 16.6
Revenue passenger km (million)	16,883	15,016	+ 1,867	+ 12.4	5,858	+ 11.2
Passenger load factor (%)	77.8	74.6	+ 3.3	-	75.5	-

Cargo Services

Freight tonnage on international routes was boosted over its level the previous year owing to high shipments of liquid crystal and semiconductor components on routes within the Asian region as well as strong trade on North American routes departing from Japan, mainly in automotive components.
On domestic routes, cargo connections to international routes grew contributing to an increase in the base level of freight carried, but freight tonnage fell below that of the previous year due in part to the downsizing of aircraft used.

Consequently, international cargo revenues increased 66.7% compared to the previous year; a rise of ¥26.0 billion, while revenues on domestic routes remained level with the previous year.

Cargo (consolidated)		1-3Q/ FY2010	1-3Q/ FY2009	Difference	% Comparison	3Q/ FY2010	% Comparison on 3Q/ FY2009
Domestic	Revenue (billion yen)	24.5	24.4	+ 0.1	+ 0.8	8.9	+ 4.5
	Freight carried (thousand tons)	346	352	- 6	- 1.9	126	+ 2.7
	Ton km (million)	343	348	- 4	- 1.4	124	+ 2.9
International	Revenue (billion yen)	65.0	39.0	+ 26.0	+ 66.7	24.1	+ 49.4
	Freight carried (thousand tons)	425	303	+ 121	+ 40.1	153	+ 31.5
	Ton km (million)	1,560	1,267	+ 292	+ 23.1	561	+ 25.4

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

Despite a gradual rebound in the Japanese economy, growth is flat. Concerns over the steep rise in crude oil prices, a downturn in overseas economies and fluctuation in exchange rates also result in an uncertain outlook.

Competition with other airlines and the *Shinkansen* bullet train will intensify during the fourth quarter and beyond, but ANA will work to improve competitiveness and stimulate demand while continuing to adapt our capacity to meet demand. We will also continue to make steady progress on reforming our cost structure to curb expenses through our FY2010-11 ANA Group Corporate Strategy which we have been working on since the beginning of the fiscal year.

In this environment, the company will not reset the consolidated forecast, and a dividend payment is expected, in line with the initial plan of ¥1 per share for the year.

unit: billion yen (rounded down)

Outlook for FY2010	Forecast for FY2010	FY2009	Difference
Operating Revenues	1,377	1,228.3	+ 148.6
Operating income	70	- 54.2	+ 124.2
Recurring profit	37	- 86.3	+ 123.3
Net income	6	- 57.3	+ 63.3

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
  (64 consolidated subsidiaries, 5 non-consolidated equity method subsidiaries, and 20 equity method affiliates)

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For the detailed report, please refer to the following URL;

http://www.ana.co.jp/eng/aboutana/corporate/ir/pdf/tan_110131_e.pdf