For the first quarter ended June 30, 2004
Consolidated financial results
All Nippon Airways Co., Ltd. (9202)

ANA reports consolidated financial results for 1st quarter ended June 30, 2004

1. Basis of quarterly financial results

(1) Changes in significant accounting policies :

Certain simplified methods compared with latest financial period are applied.
Impairment of investment securities isn't applied.
Tax expenses are calculated from the yearly tax rate forecast, based on the effective statutory tax rate or effective tax rate for the most recent consolidated accounting year. Some simplified methods were used to calculate taxes consequent to the application of the consolidated tax return system.

(2) Changes of scope of consolidation and application of the equity method :

	Consolidation	Equity method
Newly added	—	—
Excluded	4	—

2. Consolidated financial highlights for the first quarter ended June 30, 2004

(1) Summary of consolidated operating results — Yen (Millions)

	FY2004 first quarter	Year on year (%)	FY2003 first quarter	Year on year (%)	FY2003
Operating revenues	297,203	14.5	259,627	—	1,217,596
Operating income (loss)	8,868	—	(28,651)	—	34,354
Recurring profit (loss)	5,872	—	(27,368)	—	33,443
Net income (loss)	2,425	—	(18,324)	—	24,756

Note:
Year on year (%) of FY2003 first quarter isn't disclosed because the quarterly financial results of FY2002 weren't disclosed.

(2) Summary of consolidated financial positions — Yen (Millions)

	FY2004 first quarter	FY2003 first quarter	FY2003
Total assets	1,541,090	1,436,905	1,565,106
Shareholders' equity	148,661	104,941	150,086
Shareholders' equity ratio	9.6%	7.3%	9.6%

(3) Summary of consolidated cash flows — Yen (Millions)

	FY2004 first quarter	FY2003 first quarter	FY2003
Cash flows from operating activities	27,390	(17,176)	89,793
Cash flows from investing activities	(24,644)	(37,618)	(95,882)
Cash flows from financing activities	(42,745)	16,656	82,867
Cash and cash equivalents at the end of the period	194,617	119,992	234,524

3. Forecast of consolidated operating results for the period ending March 31, 2005

No revision on forecasted operating results for the period ending March 31, 2005 has been made.

Overview of consolidated financial results for 1st quarter ended June 30, 2004

Business Performance

Overview of first quarter of fiscal year under review (from April 1, 2004 to June 30, 2004)

The Japanese economy extended the reach of its recovery, driven by improvements in corporate earnings. Amidst this management environment, ANA group redoubled its commitment to improving customer convenience and increasing earnings, while also striving to improve profits through continual cost-cutting efforts based on reforms to our cost structure. As a result, on a consolidated basis operating revenues were ¥297.2 billion (¥37.5 billion year-on-year increase), operating income was ¥8.8 billion (¥37.5 billion year-on-year increase), and net income was ¥2.4 billion. Each of these figures is within the forecast of our initial plan and on target.

Below is an overview of performance by business (note that net sales of each business include inter-segment sales).

[Air Transportation]

On domestic routes, operating revenues was ¥9.6 billion year on year, thanks to a pick-up in demand by domestic non-group air travelers, and high levels of use during Golden Week holidays, as well as improvements in unit prices against the previous year.

On international routes, demand on US and European flights remained strong from the previous year, while business demand on Chinese and Asian flights recovered significantly. The number of passengers on international routes increased by 67% against the previous year. High utilization of North American and European flight capacity was especially notable. As a result, operating revenues increased by ¥17.8 billion year on year.

In the cargo business, strong growth in cargo volumes continued, buoyed by active movement of cargo, and both domestic and international earnings increased. Incidental earnings through contracted maintenance and ground support provided to other airlines also increased.

As a result, operating revenues of the air transportation increased by a massive ¥34.9 billion against the previous year.

Meanwhile, by pursuit of Cost Reduction Plan, reformation of cost structure that ensured profitability even in times of low demand was carried out. Although fuel costs increased by skyrocketing oil market, operating expenses remained unchanged from the previous year. As a result, operating income was ¥8 billion.

[Travel Services]

Demand for overseas travel, which had fallen due to SARS, recovered. Combined with strong domestic travel demand, aggressive sales activities resulted in an increase in both earnings and profits: operating revenues increased ¥8.4 billion against the previous year, and operating income was ¥0.1 billion.

[Hotel Operations]

Supported by active demand for overseas and domestic travel, results of Narita hotel and hotels in the Okinawa region strongly improved, however, guestrooms' and banquets' revenues of mainly urban-type hotels remained flat. As a result, although operating revenues increased ¥0.7 billion against the previous year, operating loss was ¥0.5 billion.

[Other Businesses]

In general, our other businesses performed favorably, although some of our subsidiaries suffered from SARS in the previous year. Operating revenues grew by ¥3.3 billion against the previous year, and operating income was ¥1 billion.

[Financial condition]

Free cash flow for the first quarter of the fiscal year under review was ¥2.7 billion in the black. This is due to operating activities cash flows of ¥27.3 billion (positive), and investing activities cash flows of ¥24.6billion(negative), due to expenditures including prepayment for aircraft and payment for a newly acquired B777-200. Meanwhile, cash on hand decreased by ¥39.9 billion from the beginning of the fiscal year, for an end-quarter balance of ¥194.6 billion, as a result of repayment of straight bonds (¥20 billion) and regular repayment of loans.

Thus, balance sheet showed a reduction in current assets compared to the end of the fiscal year ending March 2004 (primarily cash and cash deposits), and an increase in fixed assets (aircraft). As a result, total assets decreased by ¥24.0 billion, interest-bearing debt (loans and bonds) decreased by ¥37.8 billion, shareholders' equity decreased by ¥1.4 billion, and capital ratio was 9.6%.

(1) Consolidated Statements of Income (Loss)

Yen(Millions)

	FY2004 first quarter Apr.1 - Jun.30	FY2003 first quarter Apr.1 - Jun.30	Difference
Operating revenues and expenses			
Operating revenues	297,203	259,627	37,576
Operating expenses	230,124	234,220	(4,096)
Sales, general and administrative expenses	58,211	54,058	4,153
Operating income (loss)	8,868	(28,651)	37,519
Non-operating income and expenses			
Non-operating income	4,547	10,777	(6,230)
Interest income	167	132	35
Other	4,380	10,645	(6,265)
Non-operating expenses	7,543	9,494	(1,951)
Interest expenses	4,556	5,103	(547)
Other	2,987	4,391	(1,404)
Total Recurring Profit (loss)	5,872	(27,368)	33,240
Extraordinary gains	354	8	346
Gain on sale of investment securities	301	—	301
Other	53	8	45
Extraordinary losses	1,028	863	165
Loss on sale of fixed assets	523	240	283
Loss on retirement of fixed assets	99	25	74
Special retirement benefit	382	—	382
Other	24	598	(574)
Net income (loss) before taxes	5,198	(28,223)	33,421
Corporate, inhabitant and enterprise tax	2,761	(9,917)	12,678
Minority interests in income of consolidated subsidiaries	12	18	(6)
Net income (loss)	2,425	(18,324)	20,749

(2) Consolidated Balance Sheets

Yen(Millions)

Assets	FY2004 first quarter As of Jun.30	FY2003 As of Mar.31	Difference
Current assets	430,764	463,392	(32,628)
Cash, deposits and Marketable securities	195,405	235,313	(39,908)
Trade accounts receivable	104,176	101,799	2,377
Inventories	56,741	52,765	3,976
Other	74,442	73,515	927
Fixed assets	1,109,539	1,100,848	8,691
Tangible fixed assets	879,760	871,460	8,300
Intangible fixed assets	38,618	40,342	(1,724)
Investments and others	191,161	189,046	2,115
Deferred assets	787	866	(79)
Total assets	1,541,090	1,565,106	(24,016)
Liabilities			
Current liabilities	435,064	441,657	(6,593)
Trade accounts payable	123,242	123,922	(680)
Short-term loans, Current portion of long-term debt and Current portion of bonds payable	184,701	206,557	(21,856)
Other	127,121	111,178	15,943
Long-term liabilities	948,439	964,453	(16,014)
Bonds payable and Long-term debt payable	809,136	825,156	(16,020)
Accrued employees' retirement benefits	107,532	105,389	2,143
Other	31,771	33,908	(2,137)
Total liabilities	1,383,503	1,406,110	(22,607)
Minority interests	8,926	8,910	16
Shareholders' equity			
Common stock	86,767	86,767	—
Capital surplus	53,117	53,114	3
Earned surplus (deficit)	6,675	8,882	(2,207)
Unrealized gains on securities	4,899	4,040	859
Foreign currency translation adjustment	(1,991)	(1,927)	(64)
Treasury stock	(806)	(790)	(16)
Total shareholders' equity	148,661	150,086	(1,425)
Total liabilities, minority interests and shareholders' equity	1,541,090	1,565,106	(24,016)

(3) Consolidated Statement of Cash Flows

Yen(Millions)

	FY2004 first quarter Apr.1 - Jun.30	FY2003 first quarter Apr.1 - Jun.30
I. Cash flows from operating activities		
Net income (loss) before taxes	5,198	(28,223)
Depreciation and amortization	15,689	15,675
Other, net	6,503	(4,628)
Net cash provided by (used in) operating activities	27,390	(17,176)
II. Cash flows from investing activities		
Payment for acquisition of tangible fixed assets	(37,264)	(58,661)
Proceeds from sale of tangible fixed assets	15,367	24,052
Payment for acquisition of intangible fixed assets	(1,407)	(1,655)
Other, net	(1,340)	(1,354)
Net cash provided by (used in) investing activities	(24,644)	(37,618)
III. Cash flows from financing activities		
Increase (Decrease) in short-term loans (Net)	(7,028)	9,315
Proceeds from long-term debt	10,116	1,900
Repayment of long-term debt	(20,803)	(22,895)
Proceeds from issuance of bonds	—	29,823
Redemption of bonds	(20,000)	—
Payment for dividends	(4,616)	—
Other, net	(414)	(1,487)
Net cash provided by (used in) financing activities	(42,745)	16,656
IV. Effect of exchange rate changes on cash and cash equivalents	104	9
V. Net increase (decrease) in cash and cash equivalents	(39,895)	(38,129)
VI. Cash and cash equivalents at the beginning of the period	234,524	158,121
VII. Net increase (decrease) resulting from changes in scope of consolidation	(12)	—
VIII. Cash and cash equivalents at the end of the period	194,617	119,992

(4) Segment information

The Company and consolidated subsidiaries conduct operations in air transportation, travel services, hotel operations and other businesses. Businesses other than air transportation, travel services and hotel operations 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 industry segment information.

Segment information is as follows:

<FY2004 first quarter Apr.1 - Jun.30> Yen (Millions)

	Air transportation	Travel services	Hotel operations	Other businesses	Total	Intercompany eliminations	Consolidated
Operating revenues	222,560	35,800	13,497	25,346	297,203	—	297,203
Intra-group sales and transfers	22,536	4,123	3,238	18,656	48,553	(48,553)	—
Total	245,096	39,923	16,735	44,002	345,756	(48,553)	297,203
Operating expenses	237,080	39,794	17,277	42,927	337,078	(48,743)	288,335
Operating income (loss)	8,016	129	(542)	1,075	8,678	190	8,868

<FY2003 first quarter Apr.1 - Jun.30> Yen (Millions)

	Air transportation	Travel services	Hotel operations	Other businesses	Total	Intercompany eliminations	Consolidated
Operating revenues	193,747	27,834	13,008	25,038	259,627	—	259,627
Intra-group sales and transfers	16,441	3,634	2,950	15,584	38,609	(38,609)	—
Total	210,188	31,468	15,958	40,622	298,236	(38,609)	259,627
Operating expenses	238,161	32,151	16,615	40,311	327,238	(38,960)	288,278
Operating income (loss)	(27,973)	(683)	(657)	311	(29,002)	351	(28,651)

(5) Breakdown of Operating Revenues（Air transportation）

Yen(Millions)

	FY2004 first quarter Apr.1 - Jun.30	FY2003 first quarter Apr.1 - Jun.30	Difference
Domestic routes			
Passenger	149,232	139,541	9,691
Cargo	6,715	6,100	615
Mail	1,845	2,166	(321)
Baggage handling	51	66	(15)
Subtotal	157,843	147,873	9,970
International routes			
Passenger	50,028	32,173	17,855
Cargo	11,079	10,479	600
Mail	679	775	(96)
Baggage handling	132	144	(12)
Subtotal	61,918	43,571	18,347
Revenues from scheduled flights	219,761	191,444	28,317
Other operating revenues	25,335	18,744	6,591
Operating revenues	245,096	210,188	34,908

Notes:

Segment operating revenue includes inter-segment transactions.

(6) Overview of Airline Operating Results (Consolidated)

	FY2004 first quarter Apr.1 - Jun.30	FY2003 first quarter Apr.1 - Jun.30	Year on year (%)
Domestic routes			
Number of passengers	10,580,494	10,323,319	102.5
Available seat-km (thousand km)	15,105,917	15,849,094	95.3
Revenue passenger-km (thousand km)	9,059,181	8,844,591	102.4
Passenger loadfactor	60.0	55.8	4.2
Cargo(tons)	98,814	95,744	103.2
Cargo traffic volume (thousand kg)	96,200	92,892	103.6
Mail(tons)	18,130	15,987	113.4
Mail traffic volume (thousand kg)	19,341	17,369	111.4
International routes			
Number of passengers	949,546	566,535	167.6
Available seat-km (thousand km)	6,233,601	5,935,097	105.0
Revenue passenger-km (thousand km)	4,639,757	3,245,743	142.9
Passenger load factor	74.4	54.7	19.7
Cargo(tons)	57,116	52,975	107.8
Cargo traffic volume (thousand kg)	266,547	256,348	104.0
Mail(tons)	3,360	3,048	110.2
Mail traffic volume (thousand kg)	14,939	14,393	103.8

Notes:

Domestic routes: ANA + ANK + Air Hokkaido Co. Ltd. (ADK) + Air Nippon Network Co. Ltd. (AKX)

International routes: ANA + ANK + AJX

Each result does not include results of charter flights.

Domestic routes’ data include results of night cargo flights.