

Outline of the ANA Group Management Strategy for the Next Period

~ To overcome the severe management environment and move toward a more global stage ~

TOKYO October 30, 2009 In order to survive the worldwide recession and this time of drastic change in the industry's competitive environment, and to move up to a more global stage of doing business, ANA has taken advantage of the planned 2010 expansion of capacity at Tokyo metropolitan airports (Haneda and Narita) to put together the framework for its ANA Group Management Strategy for the next period.

Hit by the world recession stemmed from a financial crisis last year, ANA Group formulated the "FY2009 Corporate Plan," centered on cutting ¥73 billion in costs, and the "FY2009 Emergency Income Recovery Plan" aimed at improving our financial standing by ¥30 billion to cope with suppressed demand due to the impact of the new strain of influenza. Step-by-step, the Group carried out an unabashed review of each business and cost structure. Meanwhile, due to the prolonged decline in demand, orientation toward low prices, intensification in competition with other transportation facilities, liberalization in aviation, etc., the environment in which the ANA Group finds itself has become even more severe.

Confronted with such a changing environment, and upon the formulation of a new management strategy, the Group promotes a growth strategy under the keywords of this changing environment, "deflationary basis," "globalization," and the move toward the "Open Sky Policy" The following two points will be the axes of this growth strategy.

Implement radical reform and restructuring so as to build a "basis for growth" equivalent to returning to the black in 2010, even on a deflationary basis, and giving rise to stable revenues in FY2011

Leverage the business opportunity to the maximum with the expansion of the capacity at the Tokyo metropolitan airports, center hereafter on growth of international air routes, achieve No. 1 in Asia quickly, and establish the new management vision of stepping up "on a more global stage"

In addition, the next period management strategy will ascertain the circumstances surrounding the various environments, and as a goal formalize plans during the fourth quarter of this year.

Outline of the main strategies and reforms (to be implemented with priority on those that can be implemented during the second half of 2009)

Business Strategy

Develop a new business strategy that will realize high profitability as a group under the new management environment

- Strive to develop the “Tokyo Metropolitan Dual Hub Concept” for international passenger routes and further enhance the aviation network
- Outside of the Tokyo Metropolitan Area, promote a new domestic and international aviation business model with emphasis on special market characteristics and profitability
- Deepen strategic partnerships with the various international airlines under the Open Sky Policy and aim to improve revenues in the airline industry.
- In the midst of significant changes with regard to demand and the competitive environment, maintain profitability and further reinforce that which is compatible supply and demand relative to domestic routes.
- In the cargo business, aim to establish and develop the express business utilizing the Okinawa hub airport.

Marketing Strategy

Realize an increase in yield and efficiency in sales through the reinforcement of marketing for any demands in the global market

- Amid dynamic changes in the environment, reinforce global marketing strength from business to tourism demand relative to domestic and international, connections with third-party carriers, demand to visit Japan, etc.

- Maximize “unit revenue” by further reinforcing the revenue management function and introducing “new freight rates and systems”
- Accelerate the promotion of the reinforcement of Internet sales, build a lean sales system to respond accurately and rapidly to customer needs, and realize transfers and integration for the reservation center function.
- Review the current uniform service system and expand the fee-based services (Pay for Value, or “ANA My Choice”).

Restructuring of the Group Management System

Implement the “Changeover to Group Headquarters/Head Office” and “Reorganization of the Group Airlines,” in order to complete the system which is based on group management

- Further reinforce the group management and administrative system by FY2011 through the concentration and expansion of the new ANA Group Headquarters/Head Office
- Reorganize the Group airlines that currently comprise seven companies into a four-company system during the first half of FY2010 and aim for a three-company system for the end of FY2011
- Promote frontline (sales department and airport department) in the local sector to become the Group companies

Productivity Improvements (Business Structural Reform)

Realize dramatic productivity improvements through business structural reform so as to support the expansion of capacity at Tokyo Metropolitan airports by an efficient number of personnel

- Realize a reduction of approximately 20% (approximately 1,000 people) in the number of indirect business staff by the end of 2011 through the business structural reform
- In addition to the above, improve approximately 10% in productivity per employee during FY2010 through a flexible service system that is appropriate

for the business environment and the large-scale expansion of productive capacity of current staff toward expansion of international route business

Cost Structural Reform

Review of business development and change in framework

- Examine the timing of the introduction of ACMI for large cargo equipment
- Further promote the formation of efficient networks including the consolidation of internal Hokkaido routes at the Chitose Airport.

Reduction of marketing-related expenses

- Consider the appropriate role of domestic route agency sales commissions
- Aim at the reduction of other marketing-related expenses

Capping of indirect fixed expenses

- Establish an upper limit on expenses such as a uniform 15% cut on manageable expenses

Review of Group personnel expenses

- Continue with further reductions in officer compensation and management salary cuts
- Introduce a temporary favorable early retirement system (take applications during the current year)
- Implement reform of the ANA management personnel system and reduce the number of management personnel by the end of FY2011

The goal is an improvement of about ¥100 billion in income and expenditures during FY2010 by carrying out the above five pillars (to).

Contact

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