

## ANA Charts Course Through 2013

- emergency plan for FY09 to curb costs and stave off revenue loss –
- staying on vision with investment in aircraft and facilities from 2010 to 2013 –

**TOKYO January 30, 2009** ANA Group has drawn up a new policy charting its mid-term course in response to the sudden and far-reaching changes to its operating environment wrought by the global recession and their effect on the Group's present Mid-term Corporate Strategy for the fiscal years 2008-2011.

The policy will guard some of the main tenets of the Mid-term Corporate Strategy FY2008-2011, which was based on the premise of growth - driven by innovation and globalisation - in the areas of international cargo and passenger operations. As global markets are actually shrinking and the current turmoil is expected to continue for the foreseeable future, ANA's new policy will be used as an interim guide until the way forward can be seen clearly and a new corporate mid-term strategy drawn up for the FY2010-2013 period. It envisages being able to do this at some point in FY 2009, which runs from April 1, 2009 to March 31, 2010.

In the interim, for FY 2009, ANA will instigate an emergency plan to drastically overhaul its network and cost structures, with the aim of preparing for the expansion of capacity at Tokyo's Haneda and Narita airports in 2010. ANA then expects 2010-2013 to be a period of rapid growth, which will allow it to fulfill its vision of being one of Asia's leading airline groupings.

The main points of the mid-term policy are as follows:

### **FY 2009 Emergency Plan**

Based on the assumption that the operating environment will be at its toughest in FY2009, ANA will overhaul its network and cost structures to ensure its survival through the worst:

#### **(1) Network Overhaul**

ANA will increase the efficiency of its network by making the changes outlined in the network plan announced on January 28, which forms part of the emergency plan. It includes a dynamic redistribution of capacity to better reflect the current operating environment and thus improve revenue.

#### **(2) Reduction in Operational Costs and Investment**

In addition to controlling variable costs associated with the operation of its fleet (such as jet fuel, landing charges, etc) through a reduction in capacity, ANA will also drastically cut administrative and other operational costs. All but strategically necessary investment will be limited or postponed.

#### **(3) Reduction in Personnel Costs**

Beginning with executive compensation, ANA will implement a scheme to reduce personnel costs.

## **Towards the Tokyo Metropolitan Airport Expansion 2010**

Using the 2010 airport capacity expansion in Tokyo as a springboard, ANA will resume a path of growth, working towards its vision of being one of Asia's leading airlines:

### **(1) Fleet Plan**

ANA will take delivery of the world's first 787 in February 2010 and speed up the rate of introduction of the new aircraft type into its fleet, with around 20 expected to be in service by the end of FY2011. ANA will thus maximise the efficiency, environmental performance and customer product benefits offered by the 787 to gain a competitive lead.

### **(2) Product Development and Marketing**

ANA will place further emphasis on product and brand strategy. It will introduce a new cabin product on long haul international routes to increase the quality of its line-up, along with customer satisfaction.

### **(3) Group Restructuring**

ANA will commence a restructuring of its group and processes in order to improve operational efficiency and flexibility, and to better weather changes to the operating environment.

### **(4) Network Plan**

#### **- International network**

Using the major increase in take off and landing slots at Tokyo's Haneda and Narita airports, ANA will increase capacity to Europe and North America principally, and deepen its strategic cooperation with other airlines.

#### **- Cargo**

Centered on the Okinawa cargo hub, ANA will expand its express parcel service, increase the Asian cities covered by the network, and also build cooperative relationships with ground transportation providers.

#### **- Domestic network**

ANA will maintain a competitive network through the greater use of the 'simple rotation' aircraft assignment model, with Tokyo's Haneda airport as its hub. It will also more finely tune how it matches fleet and capacity with demand, and forge stronger ties with localities throughout Japan.

## **Contact**

Rob Henderson, ANA Public Relations: [r.henderson@ana.co.jp](mailto:r.henderson@ana.co.jp)