

ANA Financial Results for FY2011

TOKYO April 27, 2012 - ANA Group today reports consolidated financial results for the fiscal year ended March, 2012.

Operating income and recurring profit for the 12-month period both reached record levels, reflecting measures taken by the group to stimulate demand and cut costs in the face of a challenging economic environment.

Despite a number of potential headwinds in the coming 12 months, ANA expects to make further progress in the current fiscal year ending March, 2013, using its strength as a network carrier and the launch of low-cost airline operations to improve overall group performance.

For the fiscal year ended March, 2012, operating income rose 43 per cent to 97.0 billion yen and recurring profit increased by 85 per cent to 68.4 billion yen on the back of a 4 per cent advance in operating revenues to 1,411.5 billion yen. Net income for the period was 28.1 billion yen compared with 23.3 billion yen the previous year. The dividend per share will be 4 yen.

Against the backdrop of a gradual recovery in the domestic economy following the Great East Japan Earthquake, rising oil prices, exchange rate fluctuations and the government debt crisis in the Eurozone, ANA took decisive action in the fiscal year just ended to stimulate demand and improve efficiency. The group rolled out approximately 30.0 billion yen in emergency cost improvement measures and brought forward other initiatives which had been due for implementation this year as part of a 100 billion yen cost reduction program into the second half of the year.

ANA also became the first airline in the world to operate the Boeing 787 Dreamliner, introducing the aircraft on domestic services in November, 2011 and on international routes in January this year with the launch of flights from Tokyo's Haneda airport to Frankfurt in Germany.

Consolidated Financial Performance

unit: billion yen (rounded down)

	FY 2011	FY 2010	Difference	% Comparison	4Q/ FY 2011	Difference from 4Q/ FY 2010
Operating revenues	1,411.5	1,357.6	+53.8	+4.0	341.6	+23.1
Operating expenses	1,314.4	1,289.8	+24.6	+1.9	335.7	+7.3
Operating income/ loss	97.0	67.8	+29.2	+43.1	5.8	+15.7
Non-operating income/ loss	-28.5	-30.7	+2.2	-	-8.8	+2.5
Recurring profit/ loss	68.4	37.0	+31.4	+84.9	-3.0	+18.3
Extraordinary gains/ loss	-5.0	-1.9	-3.0	-	-5.4	-0.9
Net income/ loss	28.1	23.3	+4.8	+20.9	-5.6	+8.6

Performance by business segment (consolidated)

unit: billion yen (rounded down)

	FY2011		FY2010		Difference		4Q/ FY2011		Difference from 4Q/ FY2010	
	Operating revenues	Segment results *1	Operating revenues	Segment results	Revenue	Segment results	Operating revenues	Segment results	Revenue	Segment results
Air Transportation	1,262.5	88.4	1,218.2	60.5	+ 44.2	+ 27.9	305.0	+ 4.9	+ 17.4	+ 14.6
Travel Services	158.9	3.9	159.3	2.6	- 0.4	+ 1.2	39.5	+ 0.1	+ 5.0	+ 0.8
Others	138.4	4.1	138.9	4.8	- 0.5	- 0.6	34.8	+ 0.6	+ 0.3	- 0.1

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

Domestic Passenger Services

Despite the reduction in demand immediately following the Earthquake last March, business demand had recovered to the previous year's levels by June, and by the end of the fiscal year the adverse impact of the Earthquake and been virtually eliminated by the introduction of new fare structures to stimulate demand.

The group took action to match supply with demand by partially reducing the number of flights and downsizing aircraft in addition to establishing new Matsuyama-Okinawa and Itami-Akita routes. Extra flights were also introduced on a short-term basis to Sendai, Fukushima and Yamagata to aid with relief efforts in the region.

In November last year, ANA introduced the Boeing 787 on domestic routes, starting with Haneda-Okayama and Haneda-Hiroshima routes, giving a greater competitive edge. The aircraft was also used on reconstruction support flights in Sendai and Fukushima. Overall, domestic passenger revenue fell by 1 billion yen, a drop of 0.2% compared to the previous year.

Domestic Air Transportation (consolidated)	FY 2011	FY 2010	Difference	% Comparison	4Q/ 2011	% Comparison on 4Q/ 2010
Revenue (billion yen)	651.5	652.6	-1.0	-0.2	154.2	+3.1
Number of passengers (thousand)	39,020	40,574	-1,554	-3.8	9,467	+4.9
Available seat km (million)	56,756	56,796	-39	-0.1	14,036	+0.2
Revenue passenger km (million)	34,589	35,983	-1,393	-3.9	8,421	+4.8
Passenger load factor (%)	60.9	63.4	-2.4	-	60.0	-

International Passenger Services

Immediately after the earthquake, international passenger levels declined significantly, although business demand recovered almost to pre-earthquake levels by June. At the same time, demand for leisure travel from Japan recovered in the summer to about the level of the same period the previous year.

In response to the earthquake, some flights were temporarily suspended and aircraft downsized but larger aircraft were deployed on routes with strong market to successfully capture demand. Newly established routes between Tokyo, Narita-Chengdu (began June 19), Nagoya, Chubu-Hong Kong (began October 30) and Tokyo, Haneda-Frankfurt (began January 21) are also performing well.

ANA established discount fares to capture leisure demand, and also introduced joint fares to take advantage of the network formed by its joint venture with United and Continental Airlines. ANA's efforts to restore the image of Japan through initiatives such as inviting groups from different countries to visit Japan to boost inbound demand proved successful, and tours and promotions are gradually revitalizing the market.

This resulted in a 39.4 billion yen increase in passenger revenues on international routes, a 14% increase over the previous year.

International Air Transportation (consolidated)	FY 2011	FY 2010	Difference	% Comparison	4Q/ 2011	% Comparison on 4Q/ 2010
Revenue (billion yen)	320.0	280.6	+39.4	+14.0	78.1	+19.1
Number of passengers (thousand)	5,883	5,168	+714	+13.8	1,554	+23.2
Available seat km (million)	34,406	29,768	+4,637	+15.6	8,862	+9.7
Revenue passenger km (million)	25,351	22,430	+2,921	+13.0	6,757	+21.8
Passenger load factor (%)	73.7	75.3	-1.7	-	76.2	-

Cargo Services

Cargo volumes on domestic routes exceeded those of last year as the demand to carry goods on air routes instead of via land increased after the earthquake, especially on Hokkaido routes. Capacity also increased with the introduction of the Boeing 787 aircraft in November.

International cargo volumes were affected by the impact of the earthquake on supply chains for automotive and electronics parts, and there was concern that there would be an overall decline in demand; however, it recovered to levels exceeding initial forecasts. Nevertheless, with the yen hitting a record high beginning in the summer, factory production began to shift overseas, creating difficult market conditions for air cargo out of Japan in particular, though ANA was able to actively promote trilateral cargo, and the bulk shipment of new mobile devices from China in the latter half of February led to an increase in cargo demand, with the result that cargo volume exceeded the previous year's results.

This resulted in a 0.8 billion yen increase in domestic cargo revenues, up 2.6% year-on-year, and an increase in international cargo revenues of 1.9 billion yen, a 2.2% increase over the same period the previous year.

Cargo (consolidated)		FY 2011	FY 2010	Difference	% Comparison	4Q/ 2011	% Comparison on 4Q/ 2010
Domestic	Revenue (billion yen)	33.2	32.4	+0.8	+2.6	7.7	-0.8
	Freight carried (thousand tons)	467	453	+13	+3.0	109	+1.6
	Ton km (million)	464	450	+14	+3.1	108	+1.8
International	Revenue (billion yen)	87.9	86.0	+1.9	+2.2	20.8	-0.8
	Freight carried (thousand tons)	570	557	+13	+2.4	141	+7.4
	Ton km (million)	2,239	2,069	+169	+8.2	578	+13.5

Outlook for FY2012 (April 1, 2012 - March 31, 2013)

The Japanese economy continues to show signs of a gradual recovery from the Earthquake, but there remains a risk that the downturn in overseas economies and the long-term appreciation of the yen could exert downward pressure on the global economy as a whole. There are concerns about a possible slowdown in economic growth in China and other parts of Asia, which will continue to make the business environment challenging.

In the face of this uncertainty, ANA will strive to implement the three goals outlined in its FY2012-2013 Group Corporate Strategy to make us Asia's leading airline group - namely the establishment of a multi-brand strategy, the enhancement of cost-competitiveness through structural reforms, and the move to a holding company structure'.

ANA intends to leverage its strengths as a network carrier and to accelerate expansion and improve profitability by putting its international operations at the center of its growth. ANA will increase deployment of the 787 Dreamliner, launching new routes in FY2012, including Narita–Seattle, Narita-San Jose and Narita-Myanmar. In the hugely important domestic market, ANA will continue to optimize supply and demand, and improve competitiveness by introducing new services and cabin products.

In the low-cost carrier market, AirAsia Japan, an ANA Group Airline, will launch domestic services from Narita in August. New routes will be phased in, creating completely new demand and contributing to the overall profits of ANA Group.

The consolidated financial outlook for fiscal year 2012 is as follows. A dividend of 4 yen per share is proposed for the current period.

unit: billion yen (rounded down)

Outlook	Forecast for FY2012	FY2011 Results	Difference
Operating Revenues	1,500.0	1,411.5	88.4
Operating income	110.0	97.0	12.9
Recurring profit	70.0	68.4	1.5
Net income	40.0	28.1	11.8

Notes for Editors:

- All financial information is prepared on the basis of accounting principles generally accepted in Japan
- All financial information is not audited and provided for reference only
- 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
(62 consolidated subsidiaries and 22 equity method affiliates)

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About ANA Group

All Nippon Airways (ANA) is the ninth largest airline in the world by revenues and the largest in Japan by passenger numbers. Founded in 1952, it flies today to 78 domestic and international cities in a fleet of 228 aircraft serving a network of 163 routes. ANA has 33,000 employees and operates about 1,000 flights a day. In 2010, it carried 43 million passengers and generated revenues of \$16bn. ANA has been a core member of Star Alliance since 1999 and more than 20 million members belong to its Frequent Flyer Program (ANA Mileage Club). ANA is the launch customer for the world's newest and most advanced passenger aircraft, the Boeing 787 Dreamliner.

The following URL links to the detailed report of the Tokyo / London Stock Exchange Filings;

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