

ANA Reports Financial Results for Fiscal Year 2009

TOKYO April 30, 2010 - ANA Group today reported its consolidated financial results for the fiscal year ending March, 2010.

While the economy has seen a steady recovery from the global recession triggered by the financial crisis in the United States, conditions for the aviation industry remain severe. High oil prices and deflation caused by fluctuation of exchange rates and falling consumer prices continue to contribute to this harsh environment. These economic conditions have had a significant effect on our business, to an extent not experienced in recent years.

“In the midst of the global recession brought on by the financial crisis in the U.S., aviation demand also dropped due to the effects of the N1H1 influenza in the first half of the year. These factors brought on an extremely harsh business environment at a level of severity we have never seen before”, said ANA executive vice president, Tomohiro Hidema. “While we have worked to implement a wide variety of measures to stimulate demand on both our domestic and international routes and have succeeded in creating some demand in the leisure market, recovery for business travel and in unit prices remains slow, causing revenues to fall far below forecasted levels. Furthermore, in addition to our initial cost reduction measures, we carried out an additional 100 billion yen in cost cuts under our 2009 Emergency Income Recovery Plan. These actions proved insufficient in offsetting the overall drop in revenue,” he continued. “Going forward, we will work with the ANA Group 2010-2011 Corporate Strategy, focusing on working toward stable, sustainable growth based around global passenger and cargo transport operations. By doing so our aim is to overcome this highly challenging environment and move closer to our goal, which is to become Asia’s leading corporate group.”

The following results refer to the twelve month period April 1, 2009 – March 31, 2010. Results for the fourth quarter (January 1 – March 31, 2010) are given for reference only and appear in the right side of each table.

Consolidated Financial Performance

unit: billion yen (rounded down)

	FY 2009	FY 2008	Difference	% Comparison	4Q/ FY 2009	Difference from 4Q/ FY 2008
Operating revenues	1,228.3	1,392.5	-164.2	88.2	304.5	+19.4
Operating expenses	1,282.6	1,384.9	-102.3	92.6	321.0	+3.1
Operating income/ loss	-54.2	7.5	-61.8	-	-16.4	+16.3
Non-operating income/ loss	-32.0	-7.4	-24.5	-	-12.2	-22.3
Recurring profit/ loss	-86.3	0	-86.3	-	-28.6	-6.0
Extraordinary gains/ loss	-9.2	-4.5	-4.7	-	-8.9	-7.6
Net income/ loss	-57.3	-4.2	-53.1	-	-22.1	-8.5

Performance by business segment (consolidated)

unit: billion yen (rounded down)

	FY 2009		FY 2008		Difference		4Q/ FY 2009		Difference from 4Q/ FY 2008	
	Operating revenues	Operating income	Operating revenues	Operating income	Operating revenues	Operating income	Operating revenues	Operating income	Operating revenues	Operating income
Air Transportation	1,087.8	-57.5	1,229.5	4.7	-141.6	-62.3	271.4	-17.6	+20.2	+15.2
Travel Services	166.9	-0	188.7	-0.6	-21.8	+0.6	40.0	0.1	-0.6	+1.1
Other Businesses	137.7	3.0	148.2	3.3	-10.4	-0.2	34.4	0.8	-0.7	-0.1

Domestic Passenger Services

Super Tabi-Wari and the *Senior Sora-Wari* fares were introduced to improve our competitiveness in the market. We also took measures to stimulate demand by launching ANA Summer Sale, re-introducing our "ANA Mohican Jet," and other programs such as the new "ANA My Choice" service, which, for a reasonable fee, offers a number of value-added, high-quality services both onboard and on the ground. Nevertheless, with on-going business travel restrictions, cancellations caused by the spread of the N1H1 influenza in Japan, and slow economic recovery, demand for air travel in the fiscal year continued to be weak and as a result revenue fell below that of the previous period.

Domestic Air Transportation (consolidated)	FY 2009	FY 2008	Difference	% Comparison	4Q/ 2009	% Comparison on 4Q/2008
Revenue (billion yen)	630.9	699.3	-68.4	90.2	150.4	100.3
Number of passengers (thousand)	39,894	42,753	-2,858	93.3	9,704	101.9
Available seat km (million)	57,104	59,222	-2,117	96.4	13,515	96.7
Revenue passenger km (million)	35,397	37,596	-2,198	94.2	8,638	102.3
Passenger load factor (%)	62.0	63.5	-1.5	-	63.9	-

International Passenger Services

Leisure demand grew steadily as a result of a number of stimulus measures such as competitively-priced *Super Eco-Wari* and *Super Busi-Wari* fares, establishment of summer and year-end Haneda-Guam charter flights, extra flights between Narita and Honolulu, as well as a campaign targeted at bringing more Chinese travelers to Japan.

We also worked to promote greater optimization of supply and demand by reallocating aircraft to meet demand trends on specific routes, as well as introduced the new “ANA My Choice” service to sell Business Class meals and beverages at reasonable fees in Economy Class, and made other improvements to both profitability and service.

With these various efforts, passenger numbers for the year exceeded those of the previous period, but the strong impact of the drop in unit prices resulted in revenue falling below that of the previous fiscal year.

International Air Transportation (consolidated)	FY 2009	FY 2008	Difference	% Comparison	4Q/ 2009	% Comparison on 4Q/ 2008
Revenue (billion yen)	214.1	291.0	-76.9	73.6	57.5	111.2
Number of passengers (thousand)	4,666	4,432	+234	105.3	1,255	122.1
Available seat km (million)	26,723	27,905	-1,181	95.8	6,592	99.1
Revenue passenger km (million)	20,220	19,360	+860	104.4	5,204	119.1
Passenger load factor (%)	75.7	69.4	+6.3	-	78.9	-

Cargo Services

As domestic cargo volumes fell due to equipment downsizing related to the slow economy, demand for general mixed cargo was also slow throughout the year, but demand for Yu-pack home parcel delivery services saw steady growth, mainly in the first half of the year. With the start of our Okinawa hub network business in the second half of the year, there was a gradual increase in transfer demands to international freight, but low demand for general mixed cargo had a significant impact and revenue fell below that of the previous fiscal year.

With the sluggish economy, particularly in the first half of the year, air cargo demand on international routes struggled to grow, but with economic stimulus measures introduced in China and other countries there was a recovery in demand for transport of plasma-related and other electronics parts, as well as for automobile-related parts and materials, and volumes exceeded those of the previous period. Nevertheless, the drop in unit prices had a significant effect over the full year and revenue fell below that of the previous fiscal year.

Cargo (consolidated)		FY 2009	FY 2008	Difference	% Comparison	4Q/ 2009	% Comparison on 4Q/ 2008
Domestic	Revenue (billion yen)	31.8	33.0	-1.2	96.2	7.4	98.8
	Freight carried (thousand tons)	458	475	-16	96.6	105	97.6
	Ton km (million)	453	463	-10	97.8	104	98.0
International	Revenue (billion yen)	55.7	69.0	-13.3	80.7	16.7	170.2
	Freight carried (thousand tons)	422	354	+68	119.3	119	172.6
	Ton km (million)	1,717	1,652	+64	103.9	449	136.5

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

The drop in demand due to the global recession is recovering from its low point in 2009 and the recovery is expected to continue in fiscal 2010 and beyond. However, with the deflationary trend in prices likely to continue, our current outlook of the environment surrounding our business is cautiously optimistic.

In order to overcome this uncertain environment we will steadily execute our ANA Group 2010-2011 Corporate Strategy and ensure that the business opportunities represented by the coming growth in airport capacity in the Tokyo metropolitan area lead to stable, sustainable growth in the future.

By implementing an optimal network structure based on optimization of supply and demand, strengthening our global marketing, and reforming our cost structure, we expect net income to return to the black in the coming fiscal year.

Regarding dividends, if execution of the ANA Group 2010-2011 Corporate Strategy results in a return to profitability at the end of the period as expected, we plan a dividend of one yen per share.

unit: billion yen (rounded down)

Outlook for FY 2010	FY 2010	Difference
Operating Revenues	1,360.0	+131.6
Operating income	42.0	+96.2
Recurring profit	13.0	+99.3
Net income	5.0	+62.3

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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 (72 consolidated subsidiaries, 5 non-consolidated subsidiaries subject to equity method accounting, 19 affiliates subject to equity method accounting)
- ANA Group airlines comprise: All Nippon Airways (ANA), Air Nippon (ANK) Air Japan (AJX), Air Nippon Network (A-Net), Air Central (CRF), Air Next (NXA), ANA & JP Express (AJV)