

ANA Group Corporate Strategy for FY2012-13

Expansion of international network to become Number One in Asia

TOKYO February 17, 2012 – ANA Group, Japan's largest airline group, today announced its two-year management strategy for the fiscal years 2012 and 2013.

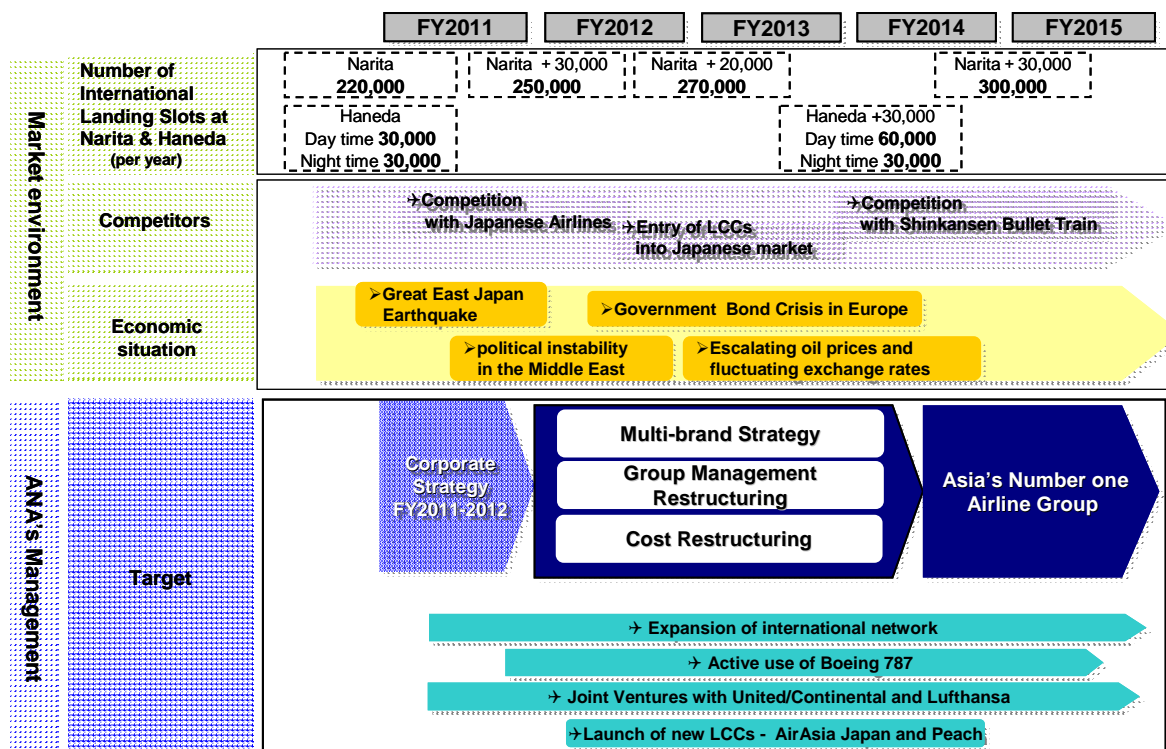
The highlights of the plan are:

- A 22 per cent increase in ANA's international operations in two years
- Increase in operating income to ¥110 billion in FY2012 and ¥130 billion in FY2013
- Adoption of multi-brand strategy and switch to holding company structure
- Further efficiency measures to reduce Group costs by ¥100 billion

The above plan is designed to strengthen ANA against a backdrop of global economic uncertainty, the ongoing sovereign debt crisis in the Eurozone, high oil prices and fluctuating foreign exchange rates and position it to become Asia's Number One airline in the face of increased competition from a new wave of Low Cost Carriers, other carriers in the region and other modes of transport.

At the same time, the management plan will enable ANA to take advantage of the expansion of airport capacity in Metropolitan Tokyo, its role as launch customer for the Boeing 787 Dreamliner and the joint ventures with partner airlines.

Outline of the FY2012-13 Corporate Strategy



Growth Centered on International Expansion

To respond to significant changes in the competitive environment, ANA Group will drive to build a network that contributes to its strengths as a network carrier and to the pursuit of efficiency. Half of ANA's 787 fleet (27 aircraft) are due to be in service by end of FY2013.

International Business

ANA Group will increase international seat kilometers 22% over FY2011 by FY2013. Strengthen network carrier business model, focusing especially on 'long-haul' and 'connection demands'. Expand and strengthen international route network by using Boeing 787 aircraft for long-haul routes, beginning with Narita-Seattle and Narita-San Jose routes.

Domestic Business

Strengthening ability to match supply with demand and efficiently using aircraft; enhance competitiveness through full use of the Boeing 787 aircraft.

Cargo Business

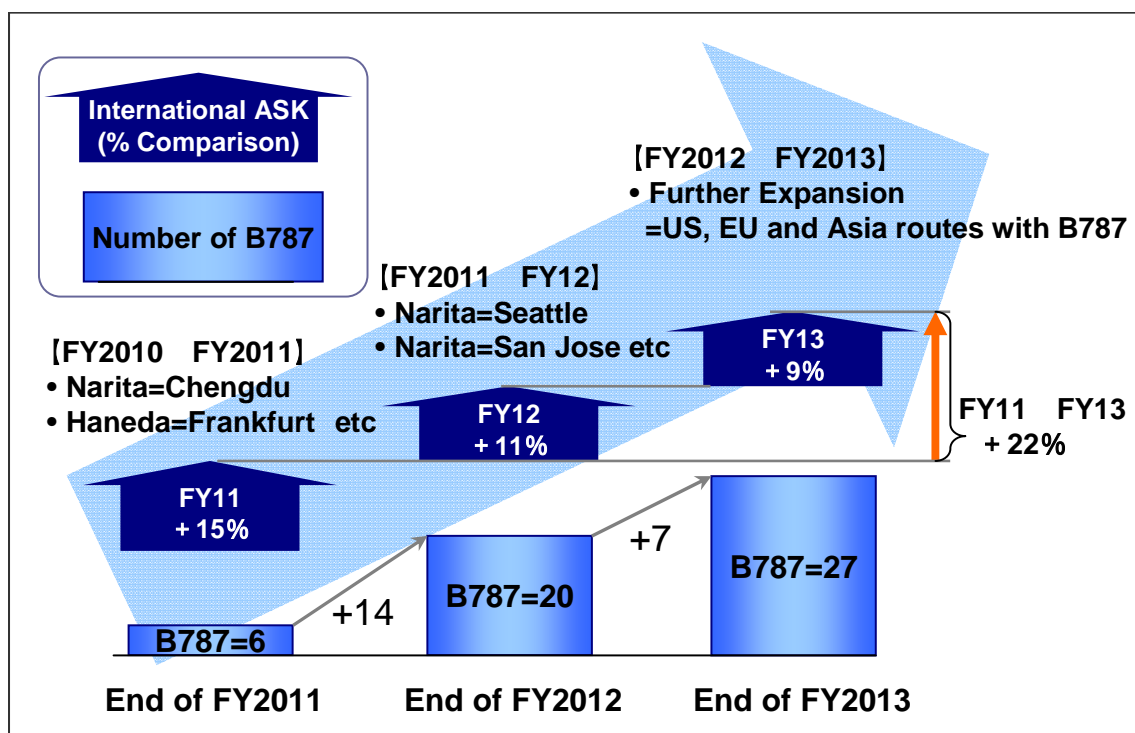
The Group will expand business by using aircraft efficiently and by developing the Okinawa Cargo Hub.

Alliances

Strengthen global network through collaborative strategies in joint venture operations on routes between Asia and U.S./Europe.

AirAsia Japan

Plan for inauguration of service in August 2012, followed by successive expansion of routes serviced and number of flights.



Strengthening of Group Corporate Structure

Following its entry into LCC business, ANA will adopt a new corporate structure to reflect its position as both a full service airline and a low-cost carrier.

Establishing a Multi-Brand Strategy

With the new LCC brands, the Group will promote a multi-brand strategy to leverage the strength of its existing ANA brand and stimulate demand in markets not completely covered by its full-service airline offering, while expanding market share for the Group as a whole, leading to enhanced value.

Group Management Restructuring

The Group will consider a shift to a holding company structure, an optimal organizational structure in keeping with the adoption of a multi-brand strategy and maximize management efficiency.

Objectives of the move:

Strengthen Group Management

- Separate management and execution, have holding company formulate corporate strategy optimal from an overall Group viewpoint, achieving optimal allocation of corporate resources.
- Business execution to be managed by each Company.
- This separation will be what drives the Group's multi-brand strategy.

Achieve Efficient Management

- By delegating both authority and responsibility to each of its Group companies, the Group aims to gain a more precise understanding of its customers' needs, while quickly achieving optimal business execution in terms of both quality and cost.
- This will maximize the Group revenue as a whole.

Strengthening Cost Competitiveness through Structural Reforms

In addition to the structural reforms enacted in FY2011, the Group will introduce further measures to reduce costs by 100 billion yen (equivalent to an approximate 1.0 yen reduction in unit costs) by FY2014.

Back-office restructuring

Pursue optimization of facilities, IT technology, and back-office staffing.

Enhanced Productivity

Change production structure to provide greater competitive strength

- Outcome which is the equivalent to a 10% reduction in total employee
- Reduction in amortization and aircraft expenses
- Lower facility costs through diversified work-style and IT technology
- Improved Group-wide purchasing

Becoming the No 1 brand in Asia through superior service and performance

ANA's mainline full-service airline will provide products and services clearly distinguished from the LCCs, built on best-in-class customer service and human resources with the goal of becoming Asia's No. 1 airline in quality and customer satisfaction.

Under the brand concept "Inspiration of Japan", we will work to acquire five-star airline rating from Skytrax.

We will prioritize punctuality and make continuing efforts to remain No.1 for "On-time Performance" in the Flight Stats Awards*.

*Flight Stats is the main product of the U.S. firm. Conducive Technology.

Management and Financial Goals

➤ Direction to Work Toward:

- Achieve the Group's corporate vision of becoming Asia's No. 1 airline group.

FY2012: Consolidated operating income of 110 billion yen, consolidated operating income margin of 7.3%

FY2013: Consolidated operating income of 130 billion yen, consolidated operating income margin of 8.3%

	FY2011 Forecast	FY2012 Goal	FY2013 Goal
Operating Revenues	1400.0	1500.0	1560.0
Operating Income	90.0	110.0	130.0
Profit Margin	6.4%	7.3%	8.3%
Recurring Profit	56.0	70.0	93.0
Net Income	20.0	40.0	55.0
Capital Expenditure	200.0	216.0	196.0
Interest-Bearing Debt	1115.0	1084.0	990.0
Free Cash Flow	51.0	56.0	50.0
% Growth in international seat km	115.3%	111.2%	109.3%
% Growth in domestic seat km	99.7%	103.2%	102.5%
% Growth in international cargo ton km	119.7%	108.6%	110.2%
% Growth in domestic cargo ton km	96.7%	108.7%	103.3%

* Unit: Billion yen; percent figures are versus the previous year.

* Interest-bearing debt does not include off-balance lease obligations.

* Excluding AirAsia Japan in the growth percentages.



Target medium-term consolidated operating income of greater than 150 billion yen, with a consolidated operating income margin of greater than 10%.

Increase global presence by exploiting the comprehensive strengths of the ANA Group

Capture growth opportunities in the global market and continue to take a proactive approach to challenges.

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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 232 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.