

FY2014-16 ANA Group Corporate Strategy Q&A Summary

Q-1

◆What is your strategy for the gradual decrease of ASK in Domestic Passenger Operations?

A-1

■This reflects the keywords for our Domestic Passenger Operations: "Optimize ASK to weaken demand" and "Flexible and strategic pricing management." As we work to gradually decrease ASK each year, our plan assumes RPK and passengers numbers during FY2015-16 to decline below FY2014. Also, L/F will remain relatively unchanged for three years.

■During the period of this corporate strategy, we intend to reduce 4 aircraft on Domestic Passenger Operations. We will have retired all Boeing 747-400 by the end of this fiscal year. Also, we will slightly reduce ASK by means of increasing the ratio of downsized aircraft.

■The unit price for Domestic Passenger Operations during FY2014 reflects raise in domestic fare. Our approach is based on the offset of costs increasing beyond our own-effort by raising fare. The plan includes progress on optimizing ASK and the effects of yield management to implement strategies that are highly probable. We anticipate further increases to unit price during FY2015 from the effects of our passenger class mix achieved by enhancing our pricing strategies, and we intend on maintaining that level during FY2016.

Q-2

◆ASK is expected to grow for International Passenger Operations including your major competitors. Will it be possible to secure demand equivalent to the increase in ASK?

A-2

■From the end of March, ASK for International Passenger Operations will increase significantly in the market including our major competitors. ANA will continue to optimize overall ASK of Tokyo Metropolitan area including Narita while taking advantage of the strengths of Haneda to expand our network. For example, ANA is the only Japanese carrier operating routes from Haneda to Germany and a part of Asia (Jakarta, Manila, Hanoi.) So we believe we have a competitive advantage in securing business demand for inbound/outbound. Also, daytime European and Asian routes operating out of Haneda allow for connections to/from almost all our domestic network, and this should increase level of convenience for passengers.

■Looking at performance from previous years, we are beginning to see the benefits of our joint venture with United Airlines and Lufthansa on North American and European routes, and a gradual increase in foreign passenger ratios. With the expansion of the ANA brand network, connection demand between Asia and North American routes is increasing steadily.

■Increases in inbound traffic on Asian routes also help drive recent demand so we anticipate seeing success from aircraft upsizing, increase the number of flight in operation, and establishing new routes. Also, as the Olympics will be held in Tokyo in 2020, we believe it is important to secure future growth in Asia.

Q-3

◆The plan assumes significant ASK growth in International Passenger Operations. Which destination and route expansions are you planning?

A-3

■ASK growth of this corporate strategy is significantly influenced by the expansion of International network in Haneda. However, during the period for this strategy, we establish a couple of destinations in Europe, North America, and other regions as new routes out of Narita. For routes on which we can expect to see an additional increase in demand, similar to our existing New York and Chicago routes, we will explore increasing the number of flight so that we are able to constrain cost increases through efficient aircraft operations.

■Since FY2010, the ANA Group has expanded ASK by approximately 60% and congruently RPK has also increased. Thus far, our focus was on new routes out of Narita and routes operating out of Haneda at late evening and early morning hours. However, moving forward we will be able to expand our international route network by taking advantage of the highly competitive daytime slots in Haneda and we believe this will enable us to produce steady results.

Q-4

◆This plan assumes that you will be able to maintain unit price on International Passenger Operations. What kind of conditions is reflected in the plan?

A-4

■With the unit price for International Passenger Operations, for FY2014 we reflected our revised standards for fuel surcharges, which take into account the most recent conditions on the foreign currency market. During FY2015, new routes gradually will permeate through the market but the unit price levels are relatively unchanged compared to the previous year. For FY2016, we set Kerosene (USD/barrel), the assumption for the calculation of fuel expenses, to 130USD/barrel. As such, the unit price assumes that FSC levels will rise compared to FY2015. During the period for this plan, we assume that L/F will maintain conservative levels and thus we put plan places weight on unit price.

Q-5

◆Regarding Cost Restructuring Initiatives, please provide your forecast for achieving the FY2014 plan (reductions of 34 billion yen) as well as specific details concerning the additional targets (reductions of 50 billion yen) established for FY2015-16.

A-5

■For our 100 billion yen Cost Restructuring Initiatives, we revised the timeframe for achieving certain portions of the corporate strategy that we believed needed to be implemented with a greater sense of urgency. This includes the anticipated benefits of switching to the Holding Company Structure and increases in productivity by each group company. Although we have yet to reach our goals for reductions in indirect personnel, currently we are implementing early retirement program and we expect the plan to produce benefits over time.

■Our Cost Restructuring Initiatives planned for FY2014 (34 billion yen) include measures with a high

probability of success including offering for early retirement program, reviewing of office rental space, and the revisions of pilot's labor agreement for which we are close to reaching an agreement with the pilot's union.

■The first aspect of our Cost Restructuring Initiatives added for FY2015-16 (50 billion yen) is the creation of flight operation that is steadily competitive in the market. We will aim for competitor benchmarks to, for example, achieve optimization of our maintenance structure while ensuring safety and progressing with reductions of outsourcing costs. The second aspect is to bring our operating standard up to the global level. In particular, this involves optimizing costs related to our International Passenger Operations, which will see greater increase in ASK, and the creation of a cost structure that is competitive with foreign airlines. The third aspect is the achievement of further reductions to indirect fixed expenses. We want to expand our centralized purchasing domains and pursue further optimization of rental costs.

■With reflecting these measures and making a comparison of expenses for FY2013 and FY2016, we forecast an increase of 153 billion yen in fuel expenses and fuel taxes over a three-year period. On the other hand, this plan limits increases in expenses other than fuel expenses to 46 billion yen. Fuel expenses mainly include assumptions related to ASK growth on International Passenger Operations and the impact of currency (impact of gradually less benefits from currency hedging). However, expenses other than fuel expenses reflect the benefits of Cost Restructuring Initiatives to be implemented in FY2014 and beyond.

Q-6

◆Based on the progression of this corporate strategy, can we expect that you will consider implementing higher investor returns?

A-6

■We understand that investor returns are always important issue for management. Currently, we are setting approximately 30% for our dividend payout ratio as an indication but we will focus on ensuring total balance for both capital expenditures and strengthening our financial structure. If this corporate strategy progresses smoothly, the ratio of shareholders equity will exceed 40% and our D/E ratio will improve below 1.0, which we believe will allow us to discuss further returns to investors.

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