

All Nippon Airways Financial Results First Quarter FY09



Tomohiro Hidema
Executive Vice President and CFO

Conference Call, Tokyo
July 31, 2009

©ANA 2009

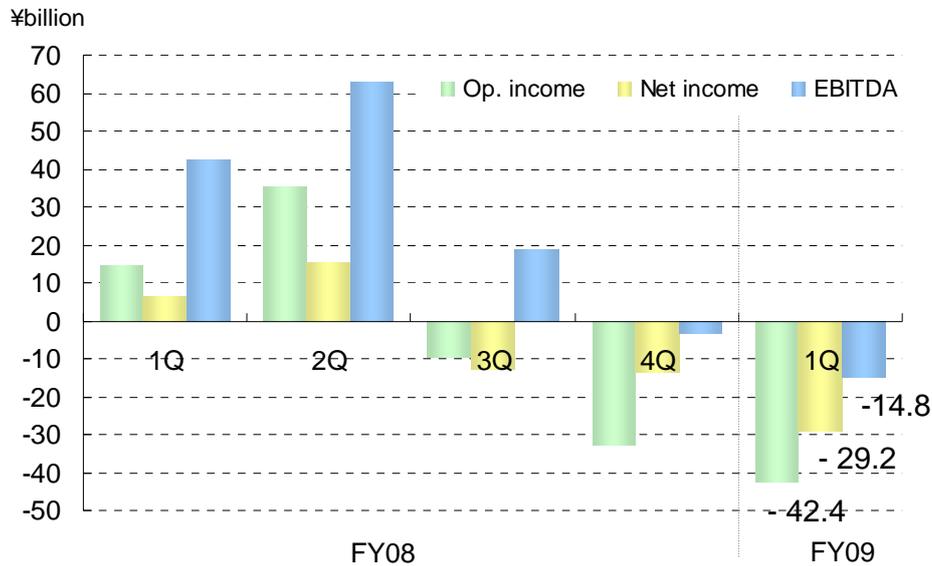
*This conference call was held in Japanese.

- ◎ Thank you for taking the time to join us today.
- ◎ I'd like to begin our briefing now.
- ◎ Please follow along with the presentation materials.

I . Financial Results FY09 Q1	P.3-8
(1) Consolidated Financial Summary	
(2) Results by Segment	
II . Air Transportation	P.9-16
(1) Air Transportation Overall	
(2) Breakdown of Changes in Revenue and Cost	
(3) Passenger Business (Dom./Int'l)	
(4) Cargo Business	
III . FY09 Emergency Income Recovery Plan	P.17-18
IV . Fuel and Currency Hedging	P.19
V . Supplementary Reference	P.20-23

Highlights of Financial Results FY09 1Q

- Operating revenues ¥269.8bn (down ¥75.6bn)
- Operating income -¥42.4bn (down ¥57.0bn)
- Net income -¥29.2bn (down ¥35.8bn)



© The highlights of the current quarter’s results are as shown here.

© Details will be covered in the following pages.

Intentionally Blank

Consolidated Financial Summary
Income Statements

	Apr-Jun/2008	Apr-Jun/2009	Change
Operating Revenues	345.5	269.8	- 75.6
Operating Expenses	330.9	312.3	- 18.6
Operating Income	14.6	- 42.4	- 57.0
Op. Margin (%)	4.2	-	-
Non-Op. Gains/Losses	- 3.5	- 7.0	- 3.5
Recurring Income	11.0	- 49.4	- 60.5
Extraordinary Gains/Losses	0.9	1.4	+ 0.4
Net Income	6.6	- 29.2	- 35.8

¥billion

©ANA 2009

5

- ◎ This page provides an overview of the income statement.
- ◎ A 75.6 billion yen fall in operating revenues to 269.8 billion was offset by an 18.6 billion fall in operating costs, containing the fall in operating income at 57.0 billion.
- ◎ However, an operating loss of 42.4 billion yen was posted.
- ◎ Non-operating losses closed at 7.0 billion, mainly due to increased interest payments.
- ◎ This resulted in recurring losses of 49.4 billion.
- ◎ With extraordinary losses of 1.4 billion, and accounting for taxes, the net quarterly loss was 29.2 billion yen.

Consolidated Balance Sheet

	Mar 31, 2009	Jun 30, 2009	Change
Assets	1,761.0	1,822.4	+ 61.3
Shareholders' Equity	321.8	328.5	+ 6.6
Ratio of Shareholders' Equity (%)	18.3	18.0	- 0.2
Interest Bearing Debts	897.2	1,003.2	+ 106.0
Debt/Equity Ratio (times)	2.8	3.1	+ 0.3

Note: D/E ratio when including off-balance lease obligation of ¥193.3 billion (¥196.6 billion in previous year) is 3.6 times (3.4 times in previous year)

¥billion

- ◎ This is an overview of the consolidated balance sheet.
- ◎ Net assets rose 61.3 billion yen from the end of the previous period, to 1,822.4 billion, on an increase in fixed assets due primarily to greater investment in aircraft.
- ◎ Shareholders' equity increased by 6.6 billion, to 328.5 billion yen.
- ◎ This was due to a significant improvement in deferred losses on hedging instruments, despite a drop resulting from booking a quarterly net loss and payment of dividends.
- ◎ Shareholders' equity ratio worsened by 0.2% versus the end of the previous period, to 18.0%.
- ◎ Interest bearing debt increased by 106.0 billion mainly due to new borrowing.
- ◎ As a result, the debt/equity ratio increased to 3.1 times.
- ◎ Note that, with the exception of the domestic over allotment, proceeds from our recent public offering completed totaled 133.4 billion.

Consolidated Summary of Cash Flow

	Apr-Jun/2008	Apr-Jun/2009	Change
Cash Flow from Operating Activities	- 38.8	- 8.5	+ 30.3
Cash Flow from Investing Activities	- 15.3	- 88.8	- 73.4
Cash Flow from Financing Activities	34.1	96.0	+ 61.9
Net Increase or Decrease	- 20.0	- 1.3	+ 18.6
Cash and Cash Equivalent at the beginning	179.9	143.4	} -1.3
Cash and Cash Equivalent at the end	159.8	142.0	
Depreciation and Amortization	27.7	27.5	- 0.2
Capital Expenditures	32.5	91.6	+ 59.1
EBITDA	42.3	- 14.8	- 57.2
EBITDA Margin (%)	12.3	-	-

©ANA 2009 * EBITDA: Op. Income + Depreciation

¥billion

7

- ◎ Here is a summary of cash flow.
- ◎ Due to a significant drop in operating revenues, cash flow from operating activities was minus 8.5 billion yen.
- ◎ While this represents an improvement of 30.3 billion when compared to the same period in the previous year, this is because last year included a major tax payment of 78.7 billion.
- ◎ Reflecting aircraft-related investments, cash flow from investing activities ended with expenditures of 88.8 billion.
- ◎ While progress was made in loan repayments, fund-raising through new loans brought cash flow from financing activities to 96.0 billion.
- ◎ As a result, cash and cash equivalents ended the period at levels similar to the end of the previous period, at 142.0 billion yen.

Results by Segment

	Operating Revenues			Operating Income		
	Apr-Jun/08	Apr-Jun/09	Change	Apr-Jun/08	Apr-Jun/09	Change
Air Transportation	307.5	236.8	- 70.7	14.5	- 41.5	- 56.0
Travel	41.5	33.6	- 7.8	- 0.4	- 1.2	-0.7
Others	36.5	33.8	- 2.6	0.3	0.1	-0.2
Eliminations	- 40.0	- 34.4	+ 5.6	0.1	0.1	+ 0.0
Total	345.5	269.8	- 75.6	14.6	- 42.4	- 57.0

¥billion

©ANA 2009

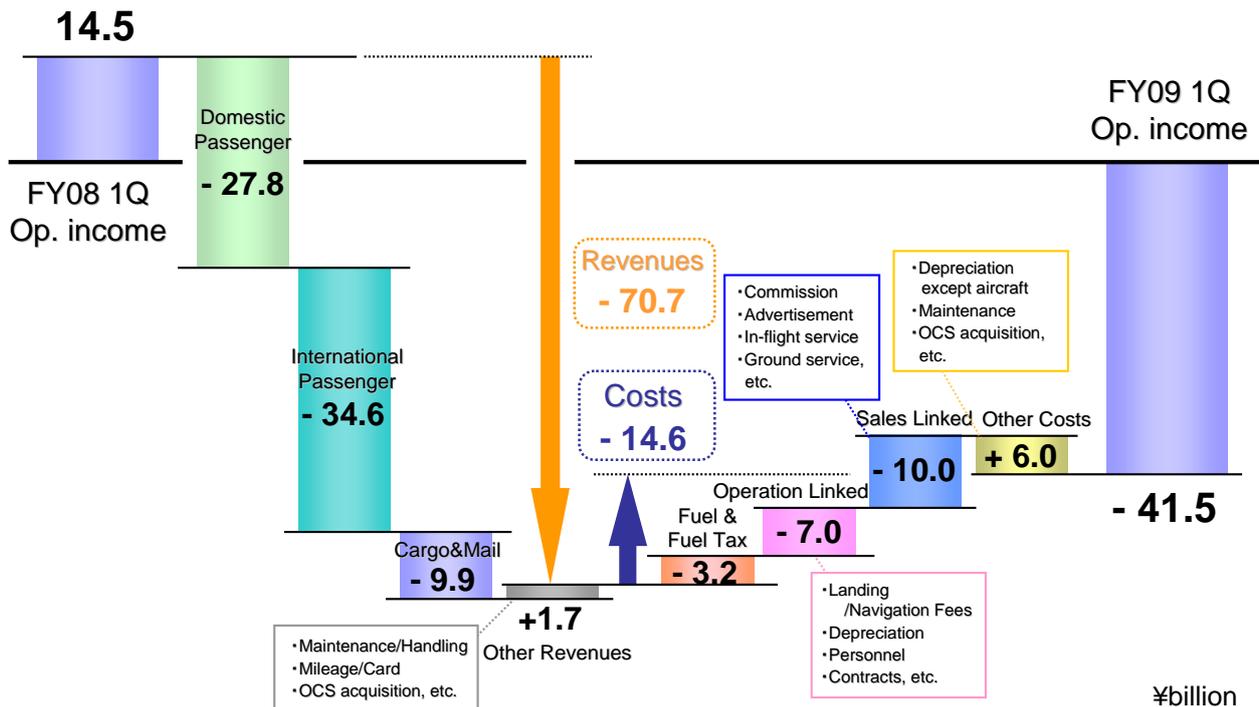
8

- ◎ This slide describes results by segment.
- ◎ Results for the air transportation segment will be discussed in the following pages.
- ◎ Affected by a drop in demand for both domestic and overseas travel, due primarily to the effects of swine flu, revenue in the travel segment fell by 7.8 billion yen, resulting in an operating loss of 1.2 billion.
- ◎ Revenues in the others segment fell 2.6 billion, due to a drop in revenues from our trading business.

Air Transportation Overall

		Apr-Jun/2008	Apr-Jun/2009	Change
Operating Revenues	Domestic Passenger	166.4	138.6	- 27.8
	International Passenger	78.5	43.8	- 34.6
	Domestic Cargo	8.0	7.6	- 0.4
	International Cargo	19.6	10.2	- 9.3
	Mail	1.9	1.8	- 0.1
	Others	32.8	34.5	+ 1.7
	Total	307.5	236.8	- 70.7
Operating Expenses	Fuel and Fuel Tax	61.7	58.4	- 3.2
	Landing and Navigation Fees	25.3	23.5	- 1.7
	Aircraft Leasing Fees	14.8	14.2	- 0.5
	Depreciation and Amortization	27.0	26.9	- 0.1
	Aircraft Maintenance	14.5	14.7	+ 0.1
	Personnel	60.0	58.2	- 1.8
	Sales Commission and Promotion	24.7	15.9	- 8.7
	Contracts	19.8	19.1	- 0.6
	Others	44.9	47.0	+ 2.1
	Total	293.0	278.3	- 14.6
	Op. Income	Op. Income	14.5	- 41.5

Breakdown of Changes in Operating Revenue and Cost



©ANA 2009

Note: Operation and sales linked costs, and other costs shown have been rounded down

10

- ◎ I'll now explain changes in operating revenues and expenses in our air transportation business.
- ◎ Revenue was strongly affected by the sluggish economy and the spread of swine flu, with domestic passenger revenues down 27.8 billion yen, and international passenger revenues falling by 34.6 billion.
- ◎ Cargo and mail revenue was down by 9.9 billion, primarily due to sluggish demand for international cargo transport.
- ◎ As a result, overall operating revenues fell by 70.7 billion.
- ◎ At the same time, the FY09 Emergency Plan or FY09 Contingency Plan established at the beginning of the period has resulted in a steady reduction in costs.
- ◎ Fuel costs fell by 3.2 billion overall on capacity cuts and efforts to reduce fuel use.
- ◎ Note that while the amount of the fuel cost reduction in the quarter was somewhat less than in the fiscal year plan, we expect that from the second quarter on, with improvements in losses on hedging instruments, the effects of this reduction will gradually grow.
- ◎ Operation linked costs dropped by approximately 7.0 billion on lower traffic, reductions in personnel costs, and reduced airport landing fees.
- ◎ Sales linked costs were down by approximately 10.0 billion, due to the elimination of sales commissions for international tickets and a curbing of advertising expenses, and as a result, overall operating expenses fell by 14.6 billion.
- ◎ The above resulted in an operating loss of 41.5 billion yen.

Passenger Business Domestic Passenger Business

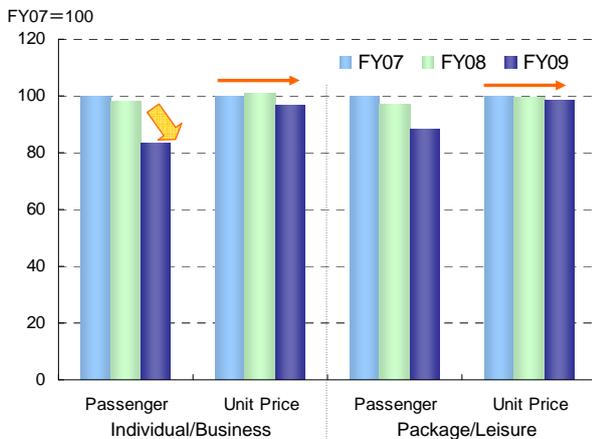
	Apr-Jun/2008	Apr-Jun/2009	% Y/Y
Passengers (thousands)	10,453	9,030	86.4
Available Seat Km (million)	14,923	14,318	95.9
Revenue Passenger Km (million)	9,082	7,948	87.5
Load Factor (%)	60.9	55.5	- 5.3pts
Passenger Revenues (¥ billion)	166.4	138.6	83.3
Unit Revenue (¥/ASK)	11.2	9.7	86.8
Yield (¥/RPK)	18.3	17.4	95.2
Unit Price (¥)	15,922	15,351	96.4

Domestic Passenger Business Trends

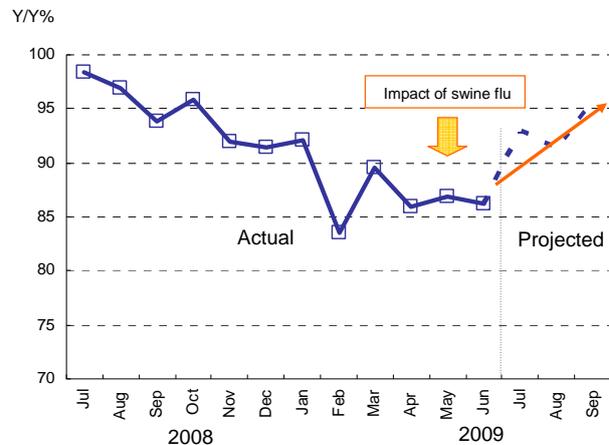
✓ Price levels maintained, but steep drop in number of individual passengers

✓ Impact of swine flu eases, demand improving from Q2 on

[Quarterly results] No. of passengers and unit price by segment



No. of domestic passengers



Topics for FY09 1Q:

- Started new "Senior Sorawari" Fare
- Increased flights between Tokyo (Haneda) and Okinawa (beginning May 8)
- Revamped domestic Premium Class in-flight meals (beginning June 1)
- Started limited-time sales of "Onigiri Set" (June 1 through August 31, on flights departing before 9 a.m. between Haneda and Itami, Chitose, and Fukuoka)



- ◎ This slide describes trends in our domestic passenger operations.
- ◎ While spurring leisure demand through introduction of new fares such as the "Senior Sorawari," and setting more flexible fares and fare periods such as "Tabiwari" and others, we also worked to capture maximum revenue by raising our "Business-Kippu" and other fares for business passengers.
- ◎ However, because of the worsening economy during the current quarter and the impact of swine flu, demand fell significantly, with the number of passengers at 86.4% year on year.
- ◎ The graph on the left is a comparison of the change in passenger numbers and prices for the individual and package tour passenger segments, from FY07 through the quarter under discussion.
- ◎ As you can see, while the drop in prices for individual and tour passengers is not significant, there has been a significant drop in individual passengers, particularly in the first quarter of FY09.
- ◎ This drop in higher-yield individual passengers resulted in the average unit price falling to 96.4% year on year.
- ◎ Domestic passenger revenue thus ended the quarter at 83.3% year on year.
- ◎ However, the impact of swine flu weakened in July, and, as can be seen in the graph on the right, passenger demand is trending towards a recovery.

International Passenger Business

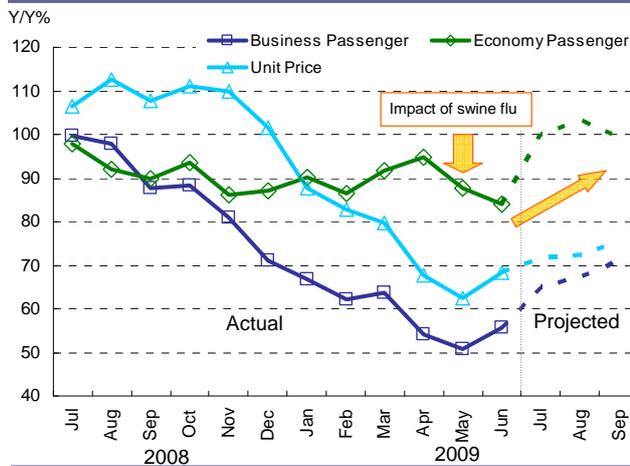
	Apr-Jun/2008	Apr-Jun/2009	% Y/Y
Passengers (thousands)	1,148	970	84.5
Available Seat Km (million)	7,086	6,670	94.1
Revenue Passenger Km (million)	5,121	4,446	86.8
Load Factor (%)	72.3	66.7	- 5.6pts
Passenger Revenues (¥billion)	78.5	43.8	55.9
Unit Revenue (¥/ASK)	11.1	6.6	59.3
Yield (¥/RPK)	15.3	9.9	64.3
Unit Price (¥)	68,403	45,223	66.1

International Passenger Business Trends

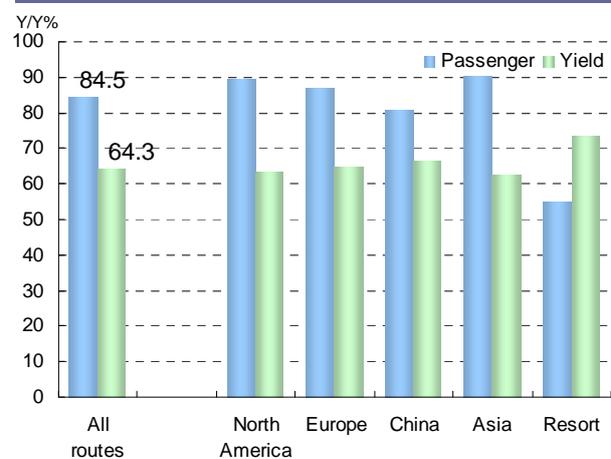
✓ Further drop in demand due to swine flu, but trending toward recovery

✓ Notable drop in both demand and yield across all destinations

No. of passengers and unit prices by class



FY09 1Q no. of passengers and yield by destination



Topics for FY09 1Q:

- Revised IATA international fares (starting with April 1 departures from Japan)
- Reduced fuel surcharge (for tickets issued between April 1 and June 30; surcharge to be eliminated between July 1 and September 30)
- Introduced service charge for issuing and re-issuing international tickets (beginning April 1)
- Started service on Kansai-Seoul (Gimpo) (beginning April 1)

- ◎ This slide describes trends in our international passenger operations.
- ◎ In this first quarter, we worked to stimulate demand in the leisure passenger segment by offering a wide range of fares, and introduced the “Eco-wari” on routes to China.
- ◎ As we explained at the last fiscal year results briefing at the end of April, a trend toward recovery in the leisure travel segment could be seen.
- ◎ However, as shown in the graph on the left, with swine flu coming out just before Golden Week, demand in the business and leisure segments was hit hard.
- ◎ As a result, passenger numbers reached only 84.5% year on year.
- ◎ In addition to the drop in passenger numbers, as shown in the chart on the right, there was a broad decline in yield across all routes, with overall yield at 64.3% of the previous year’s level.
- ◎ This was due in part to sluggish business demand, as well as the lowering of fuel surcharges.
- ◎ International passenger revenue was thus down significantly, to just 55.9% compared to the previous year.
- ◎ At the same time, as seen in the chart on the left, both economy and business class passenger numbers, and unit price levels will begin to recover in July, after hitting bottom in May of this year.

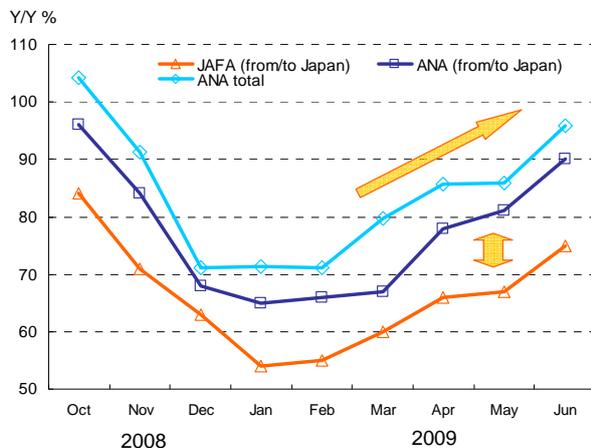
Cargo Business

		Apr-Jun/2008	Apr-Jun/2009	% Y/Y
Domestic Cargo	Cargo Revenues (¥ billion)	8.0	7.6	94.7
	Available Ton Km (million)	485	463	95.4
	Revenue Ton Km (million)	110	108	98.7
	Revenue Ton (thousand tons)	113	109	96.4
	Unit Price (¥/kg)	71	70	98.2
International Cargo	Cargo Revenues (¥ billion)	19.6	10.2	52.3
	Available Ton Km (million)	700	658	94.0
	Revenue Ton Km (million)	459	388	84.6
	Revenue Ton (thousand tons)	97	86	89.1
	Unit Price (¥/kg)	202	118	58.7
Freighter (Int'l/Dom)	Cargo Revenues (¥ billion)	6.0	3.2	53.7
	Available Ton Km (million)	181	142	78.9
	Revenue Ton Km (million)	95	70	73.9
	Revenue Ton (thousand tons)	36	31	87.9
	Unit Price (¥/kg)	167	102	61.1

Cargo Business Trends

✓ International freight movement recovering after hitting bottom in February

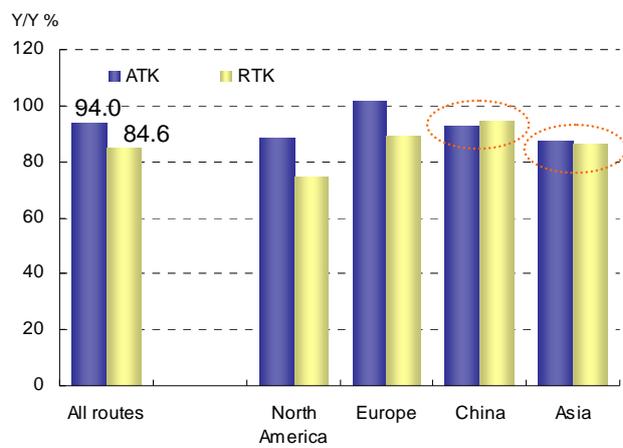
ANA and JAFA Japan imports/exports



Source: JAFA (Japan Aircargo Forwarders Association)

✓ China and Asia lead recovery in freight movement

FY09 1Q international freight volume by destination



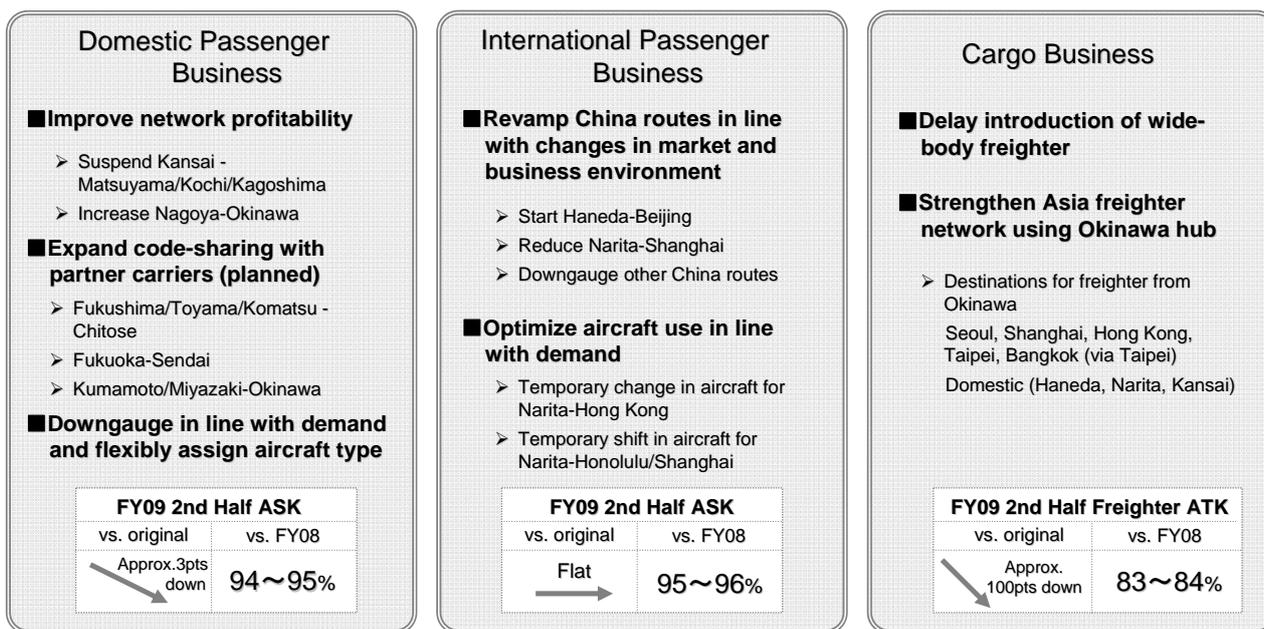
Note: RFS (Road Feeder Service) data not included in each area

Topics for FY09 1Q:

→ Revised fuel surcharge (lowered from April; raised from June; from April, reviewed monthly rather than quarterly)

- ◎ Here are the recent trends in our cargo operations.
- ◎ As shown in the chart on the right, in this first quarter, international cargo ATKs were reduced to 94.0% year on year in response to short-term demand trends, while volume by RTKs was at 84.6%, moving more quickly to recovery than the passenger business.
- ◎ However, with unit prices falling more than 40% compared to the previous year, conditions remain tough.
- ◎ As a result, international cargo revenue was just 52.3% compared to the previous year.
- ◎ The graph on the left shows the total demand for shipments into and out of Japan by weight, as well as ANA shipments into and out of Japan, and overall ANA shipments, including those between third countries.
- ◎ Volume handled by ANA exceeds overall demand, which has begun recovering after reaching bottom in February.
- ◎ In particular, routes to China and Asia seem to be recovering more quickly than those to the U.S. and Europe.
- ◎ While the business environment remains difficult, we will push ahead with further sales efforts going forward.

FY09 2nd Half Revised Business Plan

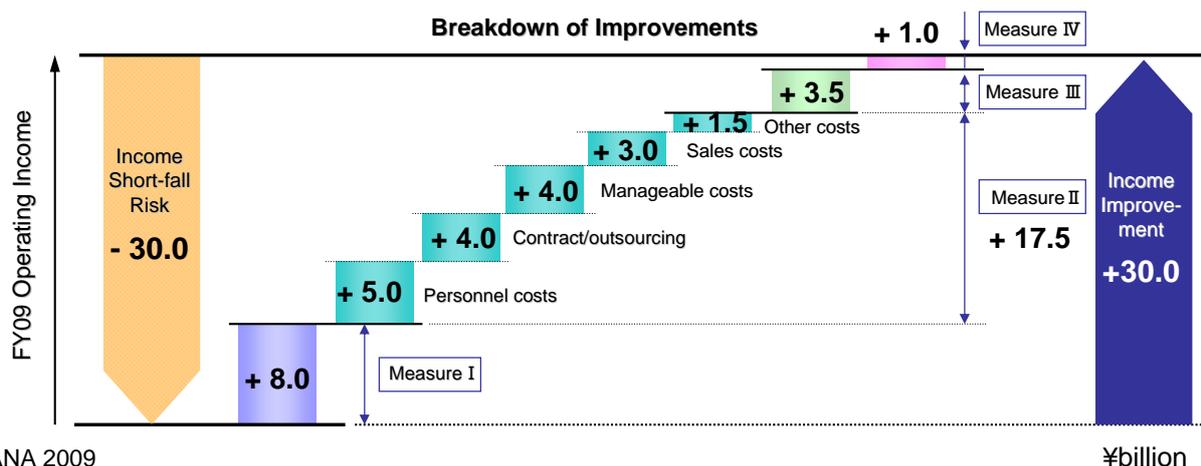


Take advantage of business opportunities, while strengthening supply/demand balance to improve profitability

- ◎ As I've explained, results for the first quarter were extremely difficult.
- ◎ Currently, we believe there is an emergent risk for operating income to worsen by approximately 30.0 billion yen for the fiscal year ending March, 2010, as compared to our original plan.
- ◎ In response to this, we will implement our FY09 Emergency Income Recovery Plan, including a reevaluation of our business plan.
- ◎ Let me first describe that business plan review.
- ◎ In domestic passenger operations, in order to maintain and improve overall network profitability, we will suspend some routes flying into and out of Kansai, and review routes operating into and out of Chubu airport.
- ◎ We will also expand code sharing with partner carriers for flights between regional cities.
- ◎ This will bring a reduction of about 3 points of ASK in the second half, compared to the initial plan.
- ◎ In international passenger operations, we will be restructuring routes to China in line with changes in markets and business conditions.
- ◎ We will add flights between Haneda and Beijing beginning in October, while reducing flights and scaling down on other China routes.
- ◎ In the international cargo operations, we will delay the introduction of wide-body freighters originally scheduled for the second half of the fiscal year.
- ◎ In order to take advantage of demand in the Asia region, which is recovering quickly, we will start our Okinawa cargo hub, beginning in the second half with connections to five regions in China and Asia, and three domestic points.
- ◎ The business plan also calls for a major reduction of about half over the initial plan in the amount of freighter ATK volume supplied.
- ◎ In addition, in both international passenger and cargo operations, we will utilize "Use it or Lose it" rule waivers to make more flexible scheduling based on reservation trends.

FY09 Emergency Income Recovery Plan

Measures in FY09 Emergency Income Recovery Plan	Effect
I. Additional adjustments to supply/demand via review of network plan	¥8.0 bn
II. Additional reductions in personnel and other costs	¥17.5 bn
III. Reductions in general procurement costs	¥3.5 bn
IV. Introduction of "Pay for Value"	¥1.0 bn
Total volume of improvements	¥30.0 bn

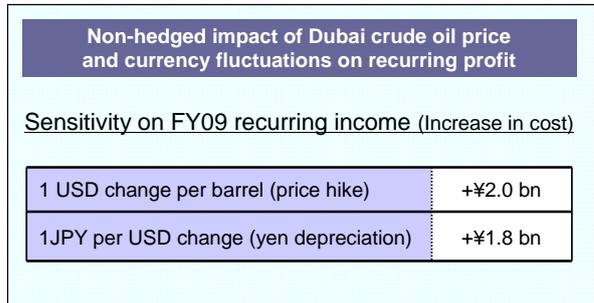
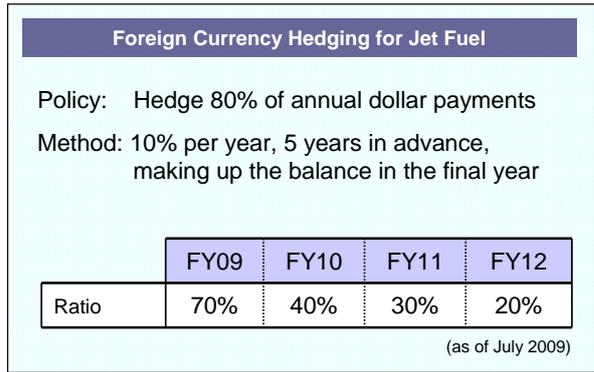
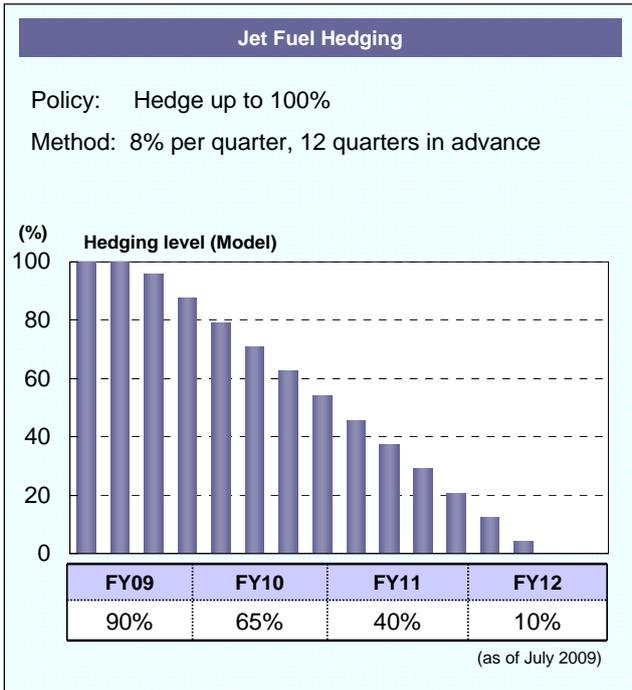


©ANA 2009

¥billion 18

- ◎ Next, let me briefly describe our FY09 Emergency Income Recovery Plan.
- ◎ It includes the four key points shown here.
- ◎ This plan calls for reductions in variable costs through cutbacks in capacity, and also takes major steps to streamline and reduce fixed costs.
- ◎ The first step, as explained earlier, involves improvements to profitability through a review of our business plan, expected to bring approximately 8.0 billion yen in improved earnings.
- ◎ The second step involves reductions in personnel and other costs. In addition to the expansion of our temporary furlough system, we will work to control contracting, outsourcing, and other costs, implementing cost cuts totaling 17.5 billion.
- ◎ Third is a reduction in general procurement costs. By working to further optimize our choice of suppliers, we will work to achieve improvements of approximately 3.5 billion in the current period.
- ◎ And fourth is the introduction of "Pay for Value".
- ◎ Based on a fundamental approach that calls for a restructuring of all services on both domestic and international routes, we will eliminate certain services, while offering others for a fee, based on market needs.
- ◎ This is expected to result in approximately 1.0 billion in improved earnings.
- ◎ Solid execution of these measures should result in nearly 30.0 billion yen in improvements overall, which will help us to achieve our initial profit plan.

Fuel and Currency Hedging



- ◎ Current hedging ratio and sensitivity are as shown here.
- ◎ Fuel hedging for the current fiscal year is now 90% complete.
- ◎ Sensitivity based on the fiscal year plan is as shown on the bottom right.
- ◎ This completes our presentation for today.
- ◎ Thank you for your time and attention.

V. Supplementary Reference



◇ International Passenger Operation FY09 1Q

		Composition %	Change pts
Revenue	North America	30.1	+ 0.4
	Europe	24.2	+ 0.1
	China	24.4	- 0.8
	Asia	18.7	+ 0.3
	Resort	2.7	- 0.0
ASK	North America	32.1	+1.9
	Europe	22.1	+ 1.1
	China	22.2	- 1.6
	Asia	19.9	- 0.2
	Resort	3.7	- 1.2
RPK	North America	33.4	+ 1.0
	Europe	24.7	+ 0.1
	China	17.2	- 1.1
	Asia	20.5	+ 0.6
	Resort	4.1	- 0.6

International Cargo Operation FY09 1Q

		Composition %	Change pts
Revenue	North America	25.7	- 2.4
	Europe	14.0	- 0.3
	China	35.7	- 0.5
	Asia	18.0	- 0.9
	Others	6.7	+ 4.1
ATK	North America	39.6	- 2.4
	Europe	16.4	+ 1.2
	China	21.1	- 1.6
	Asia	17.4	- 0.2
	Others	5.4	+ 3.1
RTK	North America	41.5	- 5.7
	Europe	19.7	+ 1.0
	China	17.2	+ 0.3
	Asia	15.6	+ 1.6
	Others	5.9	+ 2.9

◇ Aircraft

	Mar31,2009	Jun30,2009	Change	Owned	Leased	
Wide-Body	Boeing 747-400 (International)	5	5	-	2	3
	Boeing 747-400 (Domestic)	10	10	-	10	0
	Boeing 777-300ER	13	13	-	10	3
	Boeing 777-300	7	7	-	7	0
	Boeing 777-200ER	7	7	-	4	3
	Boeing 777-200	16	16	-	14	2
Mid-Body	Boeing 767-300ER	21	22	+ 1	11	11
	Boeing 767-300	33	33	-	33	0
	Boeing 767-300F	4	4	-	0	4
	Boeing 767-300BCF	2	2	-	2	0
Narrow-Body	Airbus A320-200 (International)	5	5	-	0	5
	Airbus A320-200 (Domestic)	25	24	- 1	15	9
	Boeing737-800	4	6	+ 2	6	0
	Boeing 737-700ER	2	2	-	2	0
	Boeing 737-700	16	16	-	12	4
	Boeing 737-500	21	20	- 1	11	9
Regional	Bombardier DHC-8-400 (Q400)	14	14	-	1	13
	Bombardier DHC-8-300 (Q300)	5	5	-	1	4
Total	210	211	+ 1	141	70	

©ANA 2009

Note: as of Jun 2009, excluding leased aircraft outside Group (7 as of Jun 30, 09, 5 as of Mar31, 09) 23

Forward-Looking Statements. This material contains forward-looking statements based on ANA's current plans, estimates, strategies, assumptions and beliefs. These statements represent the judgments and hypotheses of the Company's management based on currently available information. Air transportation, the Company's core business, involves government-mandated costs that are beyond the Company's control, such as airport utilization fees and fuel taxes. In additions, conditions in the markets served by the Company are subject to significant fluctuations.

It is possible that these conditions will change dramatically due to a number of factors, such as trends in the economic environment, fuel prices, technologies, demand, competition, foreign exchange rate fluctuations, and others. Due to these risks and uncertainties, it is possible that the Company's future performance will differ significantly from the contents of this material. Accordingly, there is no assurance that the forward-looking statements in this material will prove to be accurate.

Thank you.

This material is available on our website.

<http://www.ana.co.jp>

Investor Relations  Financial Information  Presentations



Investor Relations, All Nippon Airways Co., Ltd
Phone +81-(0)3-6735-1030