

All Nippon Airways Financial Results FY10 First Quarter



July 30, 2010

©ANA2010

1

©Thank you for participating in today's conference call.

©I will provide an overview of our first quarter financial results for the fiscal year ending March 2011.

Contents

I. Financial Results FY10 First Quarter

Highlights FY10 First Quarter	P.4
Consolidated Financial Summary	
Income Statements	P.5
Consolidated Financial Position	P.6
Consolidated Statements of Cash Flow	P.7
Results by Segment	P.8
Air Transportation Business	
Operating Revenues and Expenses	P.9
Operating Income Changes	P.10
Domestic Passenger Operations	P.11-12
International Passenger Operations	P.13-14
Cargo Operations	P.15-17
【Reference】 2Q Air Transportation Traffic Trend	P.19
【Reference】 Fuel price and Exchange Rate	P.20

II. Supplemental Reference

International Passenger Results by Destination	P.23
International Cargo Results by Destination	P.24
Aircraft in Service	P.25

Cautionary Statement

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.

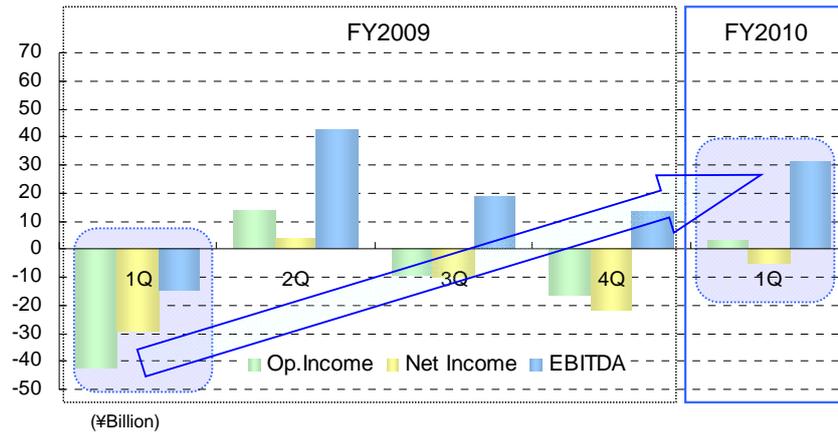
I. Financial Results FY10 First Quarter



Highlights FY10 First Quarter

Highlights of Financial Results FY10 1Q and FY09 1Q-4Q

- Consolidated operating income for 1Q amounted to 2.9bn yen (45.3bn yen year-on-year improvement)
- 5.2bn yen net loss for the quarter (23.9bn yen year-on-year improvement); EBITDA of 31.4bn yen (46.3bn yen year-on-year improvement)
- All financial indicators showed significant year-on-year improvement; favorable earnings growth from seasonality of quarter immediately prior (FY09 4Q)



©ANA2010

4

- ◎ I will be going into greater detail for our first quarter financial results later, but first I want to address a quarter-by-quarter comparison, beginning with the first quarter of the prior fiscal year.
- ◎ The decline in earnings after the Lehman Collapse reached a bottom during the first quarter of the prior fiscal year. After that time, our quarterly earnings have continued to trace a path of gradual recovery.
- ◎ Comparing the first quarter from this year with the first quarter of the prior year, we see improvements of more than 40.0 billion yen in both operating income and EBITDA. Quarterly net income improved by more than 20.0 billion yen.

Consolidated Financial Summary

Income Statements

	1Q/FY09	1Q/FY10	Change
Operating Revenues	269.8	306.8	+ 36.9
Operating Expenses	312.3	303.8	- 8.4
Operating Income	- 42.4	2.9	+ 45.3
Op. Margin (%)	-	1.0	-
Non-Op. Gains/Losses	- 7.0	- 5.9	+ 1.0
Recurring Income	- 49.4	- 2.9	+ 46.4
Extraordinary Gains/Losses	1.4	- 2.3	- 3.7
Net Income	- 29.2	- 5.2	+ 23.9

(¥Billion)

- ◎ Here, I will provide an overview of our operating results.
- ◎ The global economy has escaped the worst period of an unparalleled economic downturn; economies around the world are now gradually returning to growth] cycles.
- ◎ Given these conditions, demand for air transportation has also seen a significant recovery year-on-year. As a result, operating revenues reached 306.8 billion yen, representing a year-on-year improvement of 36.9 billion yen.
- ◎ Operating expenses decreased 8.4 billion yen year-on-year. This was a reflection of our consistent efforts to reduce expenses as called for in our business plan.
- ◎ As a result of these efforts, operating income improved by 45.3 billion yen compared to the same period in the prior year, amounting to 2.9 billion yen.
- ◎ We recorded a recurring loss of 2.9 billion yen, and the net loss for the quarter amounted to 5.2 billion yen.

Consolidated Financial Summary

Consolidated Financial Position

	Mar 31, 2010	Jun 30, 2010	Change
Assets	1,859.0	1,976.2	+ 117.1
Shareholders' Equity	473.5	455.2	- 18.3
Ratio of Shareholders' Equity (%)	25.5	23.0	- 2.4
Interest Bearing Debts	941.6	1,033.6	+ 91.9
Debt/Equity Ratio (times)	2.0	2.3	+ 0.3

(¥ billion)

*D/E ratio when including off-balanced lease obligation of ¥180.2 billion (¥183.5 billion as of the end of March, 2010) is 2.7 times (2.4 times as of the end of March, 2010)

- ◎ This page shows our financial status.
- ◎ An increase in cash reserves and investments in aircraft combined to increase total assets by 117.1 billion yen.
- ◎ Shareholders' equity fell by 18.3 billion yen to 455.2 billion yen, while our shareholders' equity ratio ended the period at 23.0%.
- ◎ The continued appreciation of the yen and a somewhat weak fuel market compared to March 31, 2010 led to a 19.4 billion yen year-on-year increase in deferred loss on hedging instruments, which was the main factor behind the decline in shareholders' equity.
- ◎ Interest-bearing debt increased by 91.9 billion yen.
- ◎ This increase was due to the fact that we issued 20.0 billion yen in straight bonds in April. We also received new borrowings from banking institutions in the amount of 100.0 billion yen at the end of June.
- ◎ As a result, our debt/equity ratio at the end of the quarter was 2.3 times.

Consolidated Financial Summary

Consolidated Statements of Cash Flow

	1Q/FY09	1Q/FY10	Change
Cash Flow from Operating Activities	- 8.5	39.4	+ 48.0
Cash Flow from Investing Activities	- 88.8	- 89.2	- 0.4
Cash Flow from Financing Activities	96.0	87.2	- 8.8
Net Increase or Decrease	- 1.3	37.3	+ 38.6
Cash and Cash Equivalent at the beginning	143.4	148.1	+ 37.3
Cash and Cash Equivalent at the end	142.0	185.5	
Depreciation and Amortization	27.5	28.4	+ 0.9
Capital Expenditures	91.6	48.1	- 43.5
EBITDA (*)	- 14.8	31.4	+ 46.3
EBITDA Margin (%)	-	10.3	-

* EBITDA: Op. Income + Depreciation

(¥ billion)

- ◎With improved operating revenues, cash flows from operating activities moved from a net outflow of 8.5 billion yen in the prior fiscal year to a net inflow of 39.4 billion yen.
- ◎Cash flows from investing activities were nearly equal to the prior period, amounting to a net outlay of 89.2 billion yen.
- ◎Payments in connection with the delivery of aircraft and investments of time deposits in excess of three months were the primary reasons for cash outlays.
- ◎Cash flows from financing activities amounted to 87.2 billion yen, the result of the issuance of straight bonds and borrowings from banks.
- ◎Based on the preceding, the balance of cash and cash equivalents at the end of the quarter increased by 37.3 billion yen compared to the end of the prior fiscal year, reaching 185.5 billion yen.

Consolidated Financial Summary

Results by Segment

		1Q/FY09	1Q/FY10	Change
Revenues	Air Transportation	236.8	274.5	+ 37.7
	Travel	33.6	32.7	- 0.9
	Others	33.8	34.1	+ 0.2
	Eliminations	- 34.4	- 34.5	- 0.1
	Total	269.8	306.8	+ 36.9
Operating Income	Air Transportation	- 41.5	1.1	+ 42.6
	Travel	- 1.2	0.6	+ 1.8
	Others	0.1	1.0	+ 0.9
	Eliminations	0.1	0.0	- 0.1
	Total	- 42.4	2.9	+ 45.3

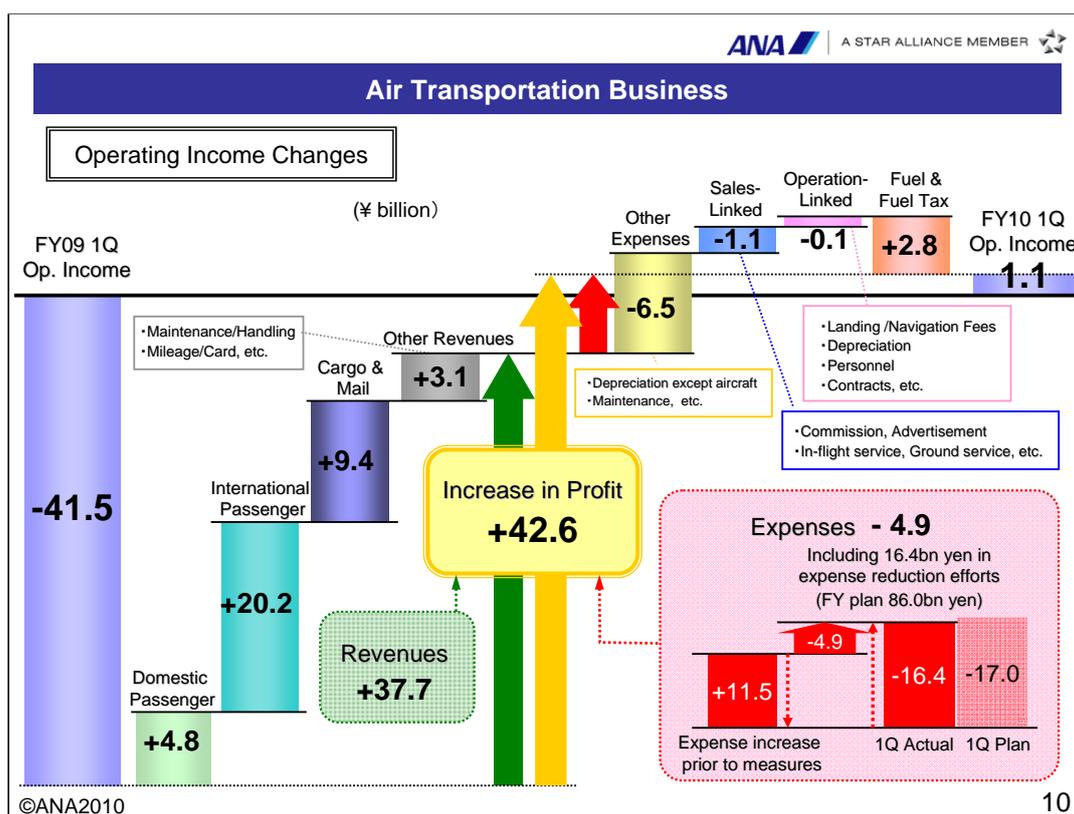
(¥ billion)

- ◎These are our results by segment.
- ◎I will go into greater detail regarding our air transportation business later in this presentation.

Air Transportation Business

Operating Revenues and Expenses		1Q/FY09	1Q/FY10	Change
Operating Revenues	Domestic Passengers	138.6	143.5	+ 4.8
	International Passengers	43.8	64.1	+ 20.2
	Cargo and Mail	19.7	29.1	+ 9.4
	Others	34.5	37.7	+ 3.1
	Total	236.8	274.5	+ 37.7
Operating Expenses	Fuel and Fuel Tax	58.4	61.2	+ 2.8
	Landing and Navigation Fees	23.5	22.5	- 1.0
	Aircraft Leasing Fees	14.2	15.7	+ 1.4
	Depreciation and Amortization	26.9	27.9	+ 1.0
	Aircraft Maintenance	14.7	9.0	- 5.6
	Personnel	58.2	56.7	- 1.4
	Sales Commission and Promotion	15.9	15.5	- 0.4
	Contracts	19.1	20.0	+ 0.9
	Others	47.0	44.4	- 2.6
	Total	278.3	273.3	- 4.9
Op.Income	Operating Income	- 41.5	1.1	+ 42.6

(¥ billion)

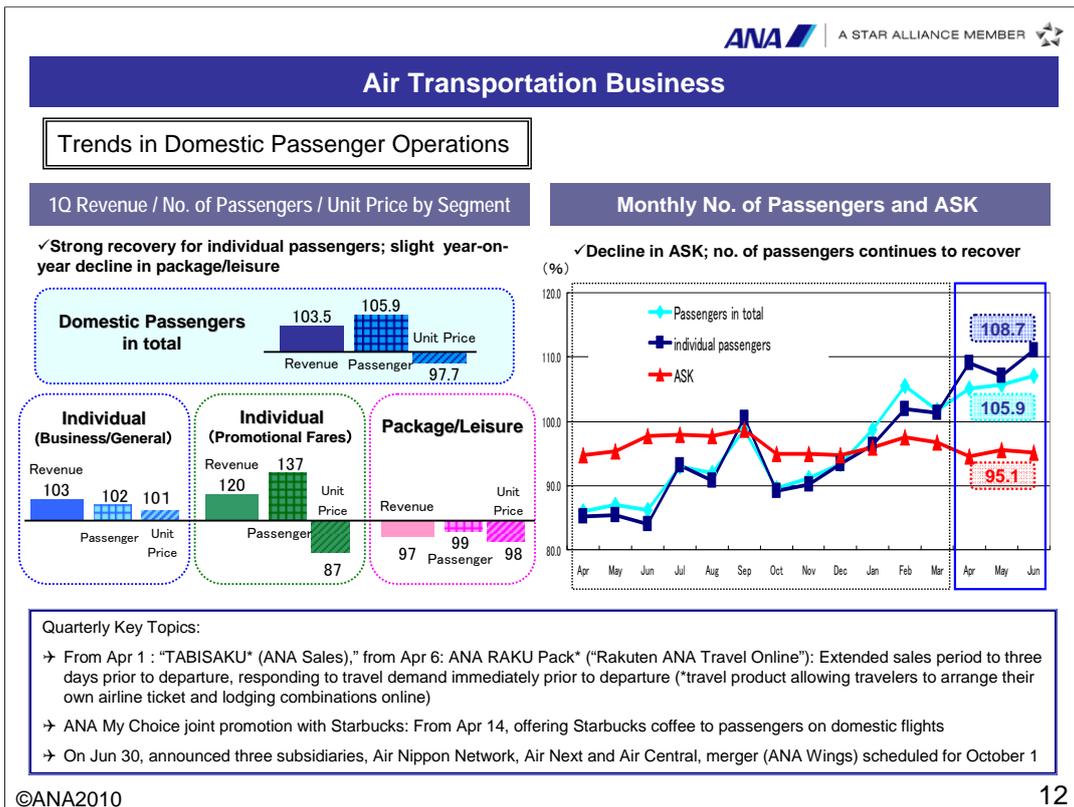


- ◎ This is a year-on-year comparison of operating revenues, operating expenses and operating income in our air transportation business.
- ◎ Each of our business segments experienced increased operating revenues, amounting to an overall increase of 37.7 billion yen.
- ◎ International passengers and international cargo experienced a recovery in demand and improved unit prices, which combined to significantly contribute to revenue growth.
- ◎ Although fuel expenses increased by 2.8 billion yen year-on-year due to the increase in the market price, total operating expenses decreased 4.9 billion yen year on year.
- ◎ Next, I wish to address the progress of the 86.0 billion yen in cost reduction measures incorporated in our business plan.
- ◎ Of the total 86.0 billion yen for a full year in cost reductions, we achieved 16.4 billion yen in cost reductions during the first quarter. This is in line with our plan.
- ◎ Reductions in personnel costs, sales and distribution costs, and cost restructuring have progressed according to plan.
- ◎ Given the preceding results, operating income for the first quarter of the current fiscal year resulted in 1.1 billion yen.
- ◎ Next, I will review operations in our air transportation segment, beginning with Page 12.

Air Transportation Business

Domestic Passenger Operations

	1Q/FY09	1Q/FY10	% Y/Y
Passengers (thousands)	9,030	9,566	105.9
Available Seat Km (million)	14,318	13,616	95.1
Revenue Passenger Km (million)	7,948	8,398	105.7
Load Factor (%)	55.5	61.7	+ 6.2 pts
Passenger Revenues (¥ billion)	138.6	143.5	103.5
Unit Revenue (¥/ASK)	9.7	10.5	108.9
Yield (¥/RPK)	17.4	17.1	98.0
Unit Price (¥/Passenger)	15,351	15,003	97.7

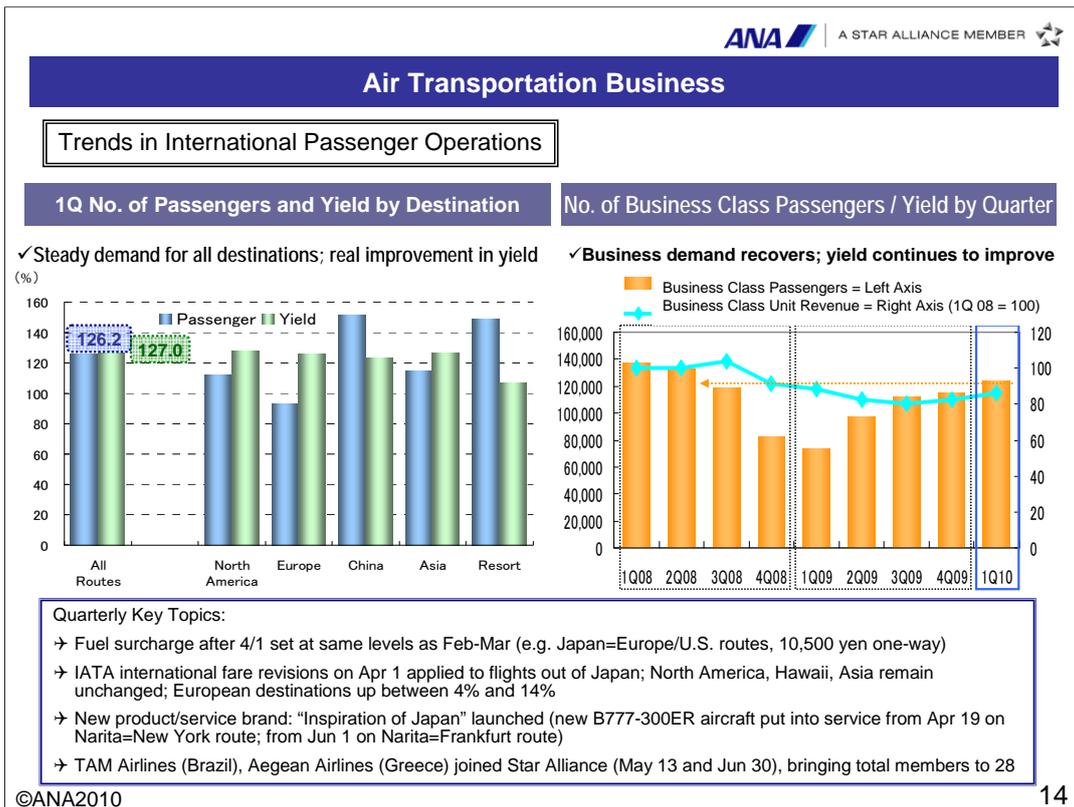


- ◎ This is the status of our domestic passenger operations.
- ◎ As you can see in the graph on the right, although we cut ASK by 4.9% year on year during the first quarter, demand for individual travel rose by a strong 8.7% year on year, leading to an overall recovery in passenger numbers, up 5.9% year on year.
- ◎ As you can see in the graph on the left, the number of passengers and unit prices for individual business travelers both increased compared to the same period in the prior fiscal year.
- ◎ Given the continued rollout of discount fares by our major domestic competitor, we concluded that we had no choice but to increase discounts for "Super Tabiwari" and other promotional fares for individual passengers.
- ◎ As a result, unit prices as a whole decreased by approximately 2% year-on-year. You can see that promotional fares had a significant effect on demand, contributing to a recovery in domestic passenger revenues to a certain degree.
- ◎ As we continue to adjust capacity levels and achieve an appropriate balance between demand stimulation and yield management, we will meet overall plan revenues.

Air Transportation Business

International Passenger Operations

	1Q/FY09	1Q/FY10	% Y/Y
Passengers (thousands)	970	1,224	126.2
Available Seat Km (million)	6,670	6,656	99.8
Revenue Passenger Km (million)	4,446	5,121	115.2
Load Factor (%)	66.7	76.9	+ 10.3 pts
Passenger Revenues (¥ billion)	43.8	64.1	146.2
Unit Revenue (¥/ASK)	6.6	9.6	146.6
Yield (¥/RPK)	9.9	12.5	127.0
Unit Price (¥/Passenger)	45,223	52,412	115.9



- ◎ This page shows trends for international passenger operations.
- ◎ As you can see in the graph on the right, overall passenger numbers increased 26.2% compared to the same period in the prior year.
- ◎ Demand has recovered significantly, owing partly to the rebound from the effects of the H1N1 flu during the prior year.
- ◎ A downgauging in aircraft and flight cancellations due to the April volcanic eruptions in Europe pushed year-on-year results lower in Europe. In contrast, the Shanghai Expo and other factors that stimulated demand contributed to a marked increase in passenger numbers for our routes to China.
- ◎ With this recovery in demand, load factors rose to a strong 76.9%, helping us effectively manage yield.
- ◎ Owing mainly to a focus on passenger mix, yield showed a 27.0% year-on-year improvement.
- ◎ In the graph on the right, you can see our business class passenger results, generating the passenger mix effects observed.
- ◎ Business class passenger numbers and yield continue to improve; we are seeing passenger numbers nearing the levels of the first half of fiscal 2008, just prior to the Lehman Collapse.

Air Transportation Business

Cargo Operations

	1Q/FY09	1Q/FY10	% Y/Y
Domestic Cargo	Cargo Revenues (¥ billion)	7.6	7.5 99.0
	Available Ton Km (million)	463	450 97.2
	Revenue Ton Km (million)	108	104 95.6
	Revenue Ton (thousand tons)	109	103 94.9
	Load Factor (%)	23.5	23.1 - 0.4 pts
	Unit Revenue (¥/ATK)	16.5	16.8 101.8
	Unit Price (¥/kg)	70	73 104.3
Domestic Freighter 【Included above】	Cargo Revenues (¥ billion)	0.4	0.4 97.6
	Available Ton Km (million)	10	9 89.3
	Revenue Ton Km (million)	2	2 101.5
	Revenue Ton (thousand tons)	3	2 91.4
	Load Factor (%)	27.6	31.4 + 3.8 pts
	Unit Revenue (¥/ATK)	40.1	43.9 109.3
	Unit Price (¥/kg)	137	147 106.8

Air Transportation Business

Cargo Operations

	1Q/FY09	1Q/FY10	% Y/Y
International Cargo	Cargo Revenues (¥ billion)	10.2	20.0 194.5
	Available Ton Km (million)	658	698 106.1
	Revenue Ton Km (million)	388	485 124.9
	Revenue Ton (thousand tons)	86	132 152.3
	Load Factor (%)	59.0	69.5 + 10.5 pts
	Unit Revenue (¥/ATK)	15.6	28.7 183.3
	Unit Price (¥/kg)	118	151 127.7
International Freighter 【Included above】	Cargo Revenues (¥ billion)	2.8	7.3 259.3
	Available Ton Km (million)	132	181 136.8
	Revenue Ton Km (million)	67	116 172.9
	Revenue Ton (thousand tons)	28	70 244.9
	Load Factor (%)	50.9	64.4 + 13.4 pts
	Unit Revenue (¥/ATK)	21.3	40.4 189.5
	Unit Price (¥/kg)	98	104 105.9

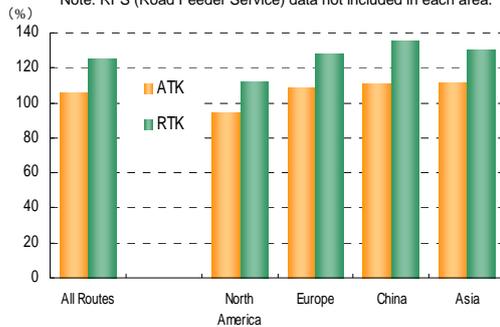
Air Transportation Business

Trends in Cargo Operations

1Q International Freight ATK / RTK by Destination

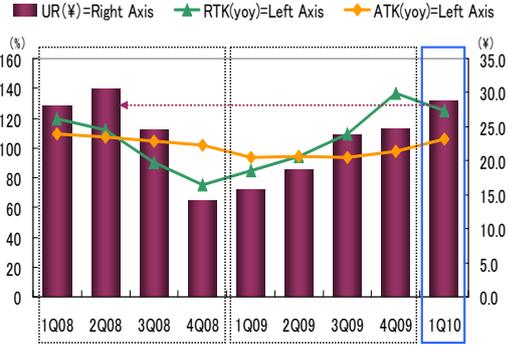
✓ Volume grows steadily to all destinations; load factors improve

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



ATK / RTK / Unit Revenue by Quarter

✓ Unit revenues recover to pre-recession levels

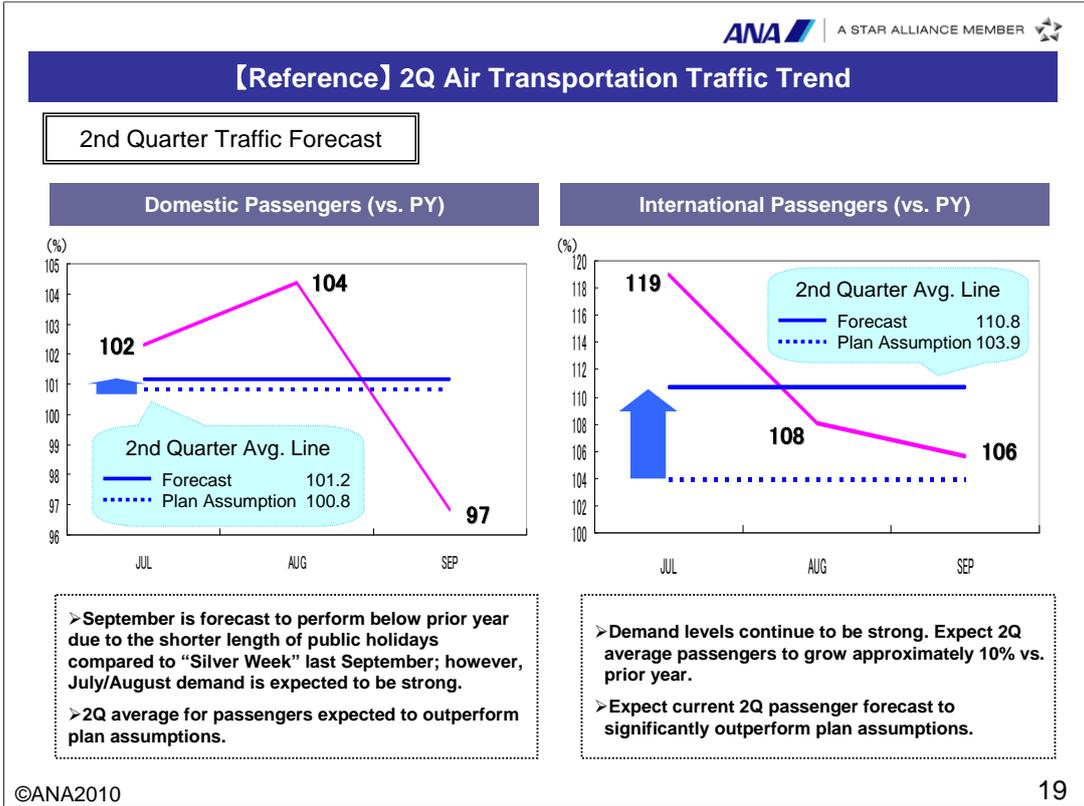


Quarterly Key Topics:

→ Fuel surcharge revisions April: decreased (e.g. Europe/North America/Middle East Routes 75 yen/kg to 69 yen/kg), May: increased (to 75 yen/kg), June: increased (to 81 yen/kg)

- ◎ This is the status of our international cargo operations.
- ◎ Freight movement in our international air cargo business continues to experience a strong recovery.
- ◎ The graph on the left and the results on Page 16 show that the increase in RTK continues to outperform comparative ATK. Load factors have improved more than 10 points compared to the same period in the prior fiscal year.
- ◎ The Okinawa Cargo Hub has been in operation for more than six months now, and traffic results of freighter route utilizing the Okinawa Cargo Hub have stabilized.
- ◎ Cargo RTK in the belly of passenger planes has also experienced strong growth. This is beginning to create a synergistic effect within the entire international cargo network.
- ◎ As shown in the graph on the right, the increase in unit rates and improvement in load factors have combined to generate a continued recovery in unit revenues; we are seeing a trend toward the return to pre-Lehman levels.

Intentionally Blank



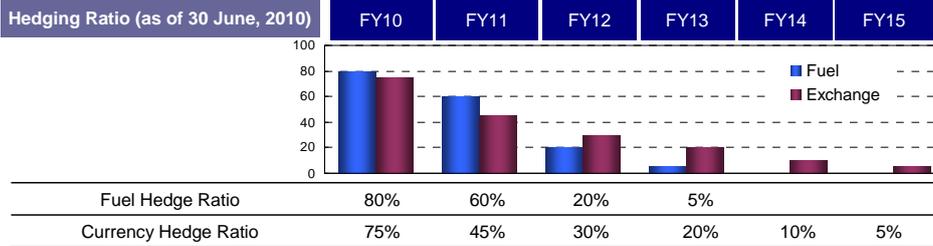
- ◎Next, I want to briefly address our forecast for our domestic and international passenger operations for the second quarter.
- ◎We continue to forecast strong demand in our domestic passenger operations for July and August.
- ◎September is expected to underperform the same period in the prior fiscal year in terms of passenger numbers. This is mainly due to the lack of a long holiday week this September compared to last year. However, we expect that the average number of passengers for the second quarter will outperform both prior year comparative figures and our plan guidance for this fiscal year.
- ◎After the second quarter of the prior fiscal year, international passenger demand began to recover. Accordingly, the second quarter year-on-year comparative growth will narrow compared to the first quarter, but demand itself will continue its strong pace.
- ◎At present, we expect the second quarter passenger numbers to outperform plan guidance by about seven points.

【Reference】 Fuel Price and Exchange Rate

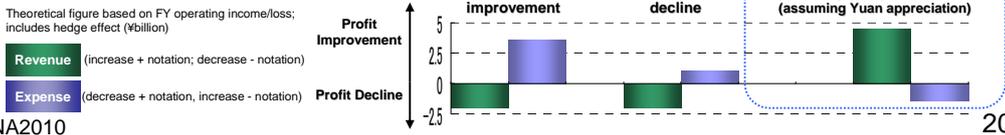
Fuel Price and Exchange Rate

Market Index and Assumptions	FY10(E)	FY11(E)	Non hedged impact of oil price and currency fluctuations on fuel expense	
Dubai Crude Oil (USD/BBL)	75*	80	Crude (USD1 per barrel fluctuation)	1.9bn yen/yr
Singapore Kerosene (USD/BBL)	85*	90	Exchange (¥1/USD fluctuation)	1.8bn yen/yr
Exchange Rate (JPY/USD)	95	95		

*FY 2010 Dubai Crude: First Half \$70/Second Half \$80 Singapore Kerosene: First Half: \$80/Second Half \$90



Effect of Major Currency Fluctuations on Profits



©ANA2010

- ◎Please take a look at the fuel and exchange rate data, as well as our hedging progress.
- ◎The effects of the appreciation of the yen in the recent currency market has, as you can see, been included in our preliminary profit calculations.
- ◎This concludes our presentation today.
- ◎Thank you for your time and attention.

II . Supplemental Reference



Intentionally Blank

International Passenger Results by Destination

		1Q Composition (%)	Change (pts)
Revenue	North America	29.6	- 0.5
	Europe	19.4	- 4.8
	China	29.3	+ 4.9
	Asia	18.8	+ 0.1
	Resort	2.9	+ 0.2
Available Seat Km	North America	31.5	- 0.6
	Europe	19.7	- 2.4
	China	22.8	+ 0.7
	Asia	20.8	+ 0.8
	Resort	5.1	+ 1.5
Revenue Passenger Km	North America	32.5	- 0.9
	Europe	20.1	- 4.7
	China	21.4	+ 4.1
	Asia	20.7	+ 0.2
	Resort	5.4	+ 1.2

International Cargo Results by Destination

		1Q Composition (%)	Change (pts)
Revenue	North America	24.3	- 1.4
	Europe	13.9	- 0.1
	China	37.0	+ 1.3
	Asia	17.7	- 0.3
	Others	7.1	+ 0.4
Available Ton Km	North America	35.3	- 4.3
	Europe	16.8	+ 0.4
	China	22.0	+ 0.9
	Asia	18.3	+ 0.9
	Others	7.5	+ 2.1
Revenue Ton Km	North America	37.4	- 4.1
	Europe	20.2	+ 0.5
	China	18.7	+ 1.4
	Asia	16.3	+ 0.7
	Others	7.4	+ 1.4

Aircraft in Service

	Mar,2010	Jun,2010	Change	Owned	leased	
Wide-Body	Boeing 747-400 (International)	3	3	-	0	3
	Boeing 747-400 (Domestic)	10	10	-	10	0
	Boeing 777-300ER	14	17	+ 3	14	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	19	19	-	8	11
	Boeing 767-300	32	32	-	32	0
	Boeing 767-300F	4	4	-	0	4
	Boeing 767-300BCF	5	5	-	5	0
Narrow-Body	Airbus A320-200 (International)	5	5	-	0	5
	Airbus A320-200 (Domestic)	24	24	-	15	9
	Boeing737-800	8	8	-	8	0
	Boeing 737-700ER	2	2	-	2	0
	Boeing 737-700	16	16	-	12	4
	Boeing 737-500	19	19	-	10	9
Regional	Bombardier DHC-8-400 (Q400)	14	14	-	1	13
	Bombardier DHC-8-300 (Q300)	5	5	-	1	4
Total	210	213	+ 3	143	70	

Intentionally Blank

ANA Group Corporate Philosophy

ANA Group Corporate Philosophy

— Our Commitments —

On a foundation of security and reliability, the ANA Group will:

- Create attractive surroundings for customers
- Continue to be a familiar presence
- Offer dreams and experiences to people around the world

ANA Group Safety Principles

- ✓ Safety is our promise to the public and is the foundation of our business.
- ✓ Safety is assured by an integrated management system and mutual respect.
- ✓ Safety is enhanced through individual performance and dedication

ANA Group Corporate Vision

With air transportation as its core field of business, the ANA Group aims to be one of the leading corporate groups in Asia, providing passenger and cargo transportation around the world.

▶▶ Being the leader in Asia means that we will become

- Number one in quality
- Number one in customer satisfaction
- Number one in value creation

Information

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