

All Nippon Airways Financial Results Third Quarter 2006



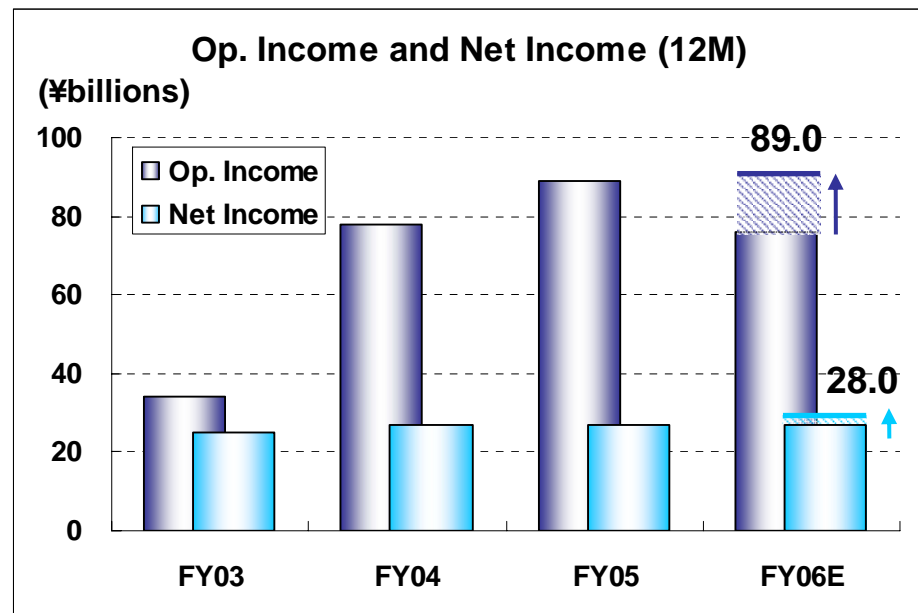
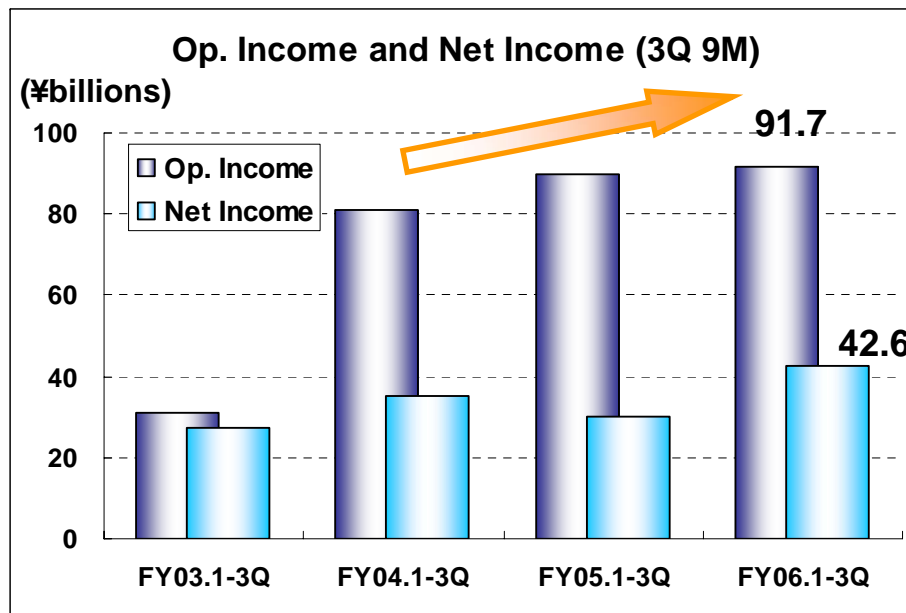
February 2007

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Financial Review FY06 3Q, ended Dec 31, 2006

- Record consolidated revenues, operating income, and net income
 - Revenues: ¥1,134.5bn (up 9.3%)
 - Operating income: ¥91.7bn (up 1.9%)
 - Net income: ¥42.6bn (up 42.5%)
- Forecast revised upward
 - Revenues: ¥1,450.0bn to ¥1,480.0bn
 - Operating income: ¥76.0bn to ¥89.0bn
 - Recurring income: ¥47.5 to ¥59.0bn
 - Net income: ¥27.0bn to ¥28.0bn



I. Financial Results for FY06 3Q



(1) Consolidated Financial Summary Income Statements

	FY06 3Q 9M 06/4-12	Change	FY06 1H 06/4-9	FY06 3Q 3M 06/10-12	Change
Operating Revenues	1,134.5	96.3	752.8	381.6	34.4
Operating Expenses	1,042.8	94.5	684.0	358.7	31.8
Operating Income	91.7	1.7	68.7	22.9	2.5
Op. Income Margin (%)	8.1	-0.6	9.1	6.0	0.2
Non Op. Gains/Losses	-18.9	-4.3	-10.7	-8.1	-3.7
Recurring Income	72.7	-2.5	57.9	14.7	-1.1
Extraordinary Gains/Losses	0.2	13.6	-1.1	1.4	0.0
Net Income	42.6	12.7	33.2	9.3	-0.8

¥ billions

Consolidated Balance Sheets

	Dec.31, 2006	Mar.31, 2006	Change	Sep.30, 2006	Change
Assets	1,642.3	1,666.8	-24.5	1,639.4	2.8
Shareholders' Equity	402.6	346.3	56.2	393.8	8.7
Ratio of Shareholders' Equity (%)	24.5	20.8	3.7	24.0	0.5
Interest Bearing Debts	783.6	846.3	-62.6	767.0	16.6
including off balanced transactions	1,141.3	1,169.0	-27.6	1,130.2	11.0
Debt/Equity Ratio (times)	1.9	2.4	-0.5	1.9	-0.0
including off balanced transactions	2.8	3.4	-0.5	2.9	-0.0

¥ billions

Consolidated Summary of Cash Flows

	FY06 3Q 9M 06/4-12	Change	FY06 1H 06/4-9	FY06 3Q 3M 06/10-12
Cash Flow from Operating Activities	135.9	8.9	113.8	22.0
Cash Flow from Investing Activities	-97.6	-40.9	-35.5	-62.0
Cash Flow from Financing Activities	-67.0	-27.4	-83.8	16.7
Net Increase or Decrease	-28.6	-59.5	-5.6	-23.0
Cash and Cash Equivalent at the end	214.1	19.9	237.1	214.1
Depreciation and Amortization	64.2	8.3	41.6	22.5
Capital Expenditures	186.4	2.8	122.0	64.3

¥ billions

I. Results for FY06 3Q

(2) Results by Segment

	Revenues				Operating Income			
	FY06 3Q 9M 06/4-12	Change	FY06 3Q 3M 06/10-12	Change	FY06 3Q 9M 06/4-12	Change	FY06 3Q 3M 06/10-12	Change
Air Transportation	949.9	91.9	320.6	36.0	79.7	0.9	19.0	2.9
Travel	158.1	5.8	49.1	1.0	2.9	-0.7	0.4	-0.5
Hotels	51.3	1.0	17.9	-0.0	4.9	2.2	1.7	0.0
Others	148.2	7.7	48.6	1.1	4.1	-0.5	1.7	0.0
Eliminations	-173.2	-10.3	-54.7	-3.6	-0.1	-0.1	-0.0	0.1
Total	1,134.5	96.3	381.6	34.4	91.7	1.7	22.9	2.5

¥ billions

Remarks about segments other than air transportation for FY06 3Q 3M

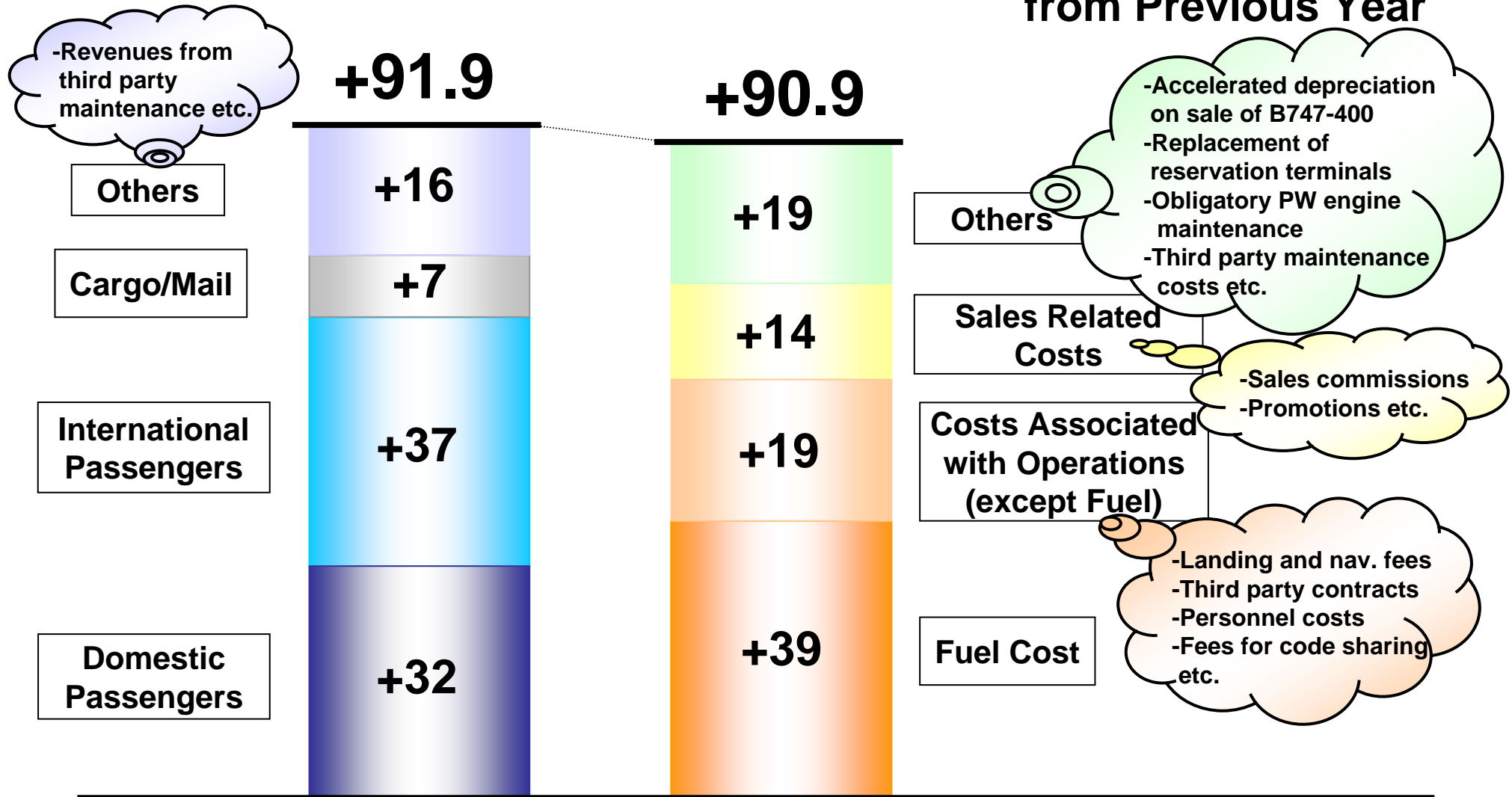
• ANA and InterContinental Hotels Group (IHG) agreed hotel operating joint venture in Japan (Dec.)

II. Air Transportation

(1) Air Transportation Overall

	FY06 3Q 9M 06/4-12	Change	FY06 1H 06/4-9	FY06 3Q 3M 06/10-12	Change
Domestic Passengers	556.5	31.9	372.9	183.5	13.2
International Passengers	209.7	36.7	138.2	71.5	13.7
Cargo and Mail	79.3	6.9	49.8	29.5	2.5
Others	104.3	16.3	68.2	36.1	6.4
Operating Revenues	949.9	91.9	629.3	320.6	36.0
Fuel and Fuel Tax	173.1	39.2	109.2	63.8	14.0
Landing and Navigation Fees	78.6	2.8	52.4	26.1	1.0
Aircraft Leasing Fee	66.1	-0.1	43.7	22.3	1.1
Depreciation and Amortization	58.9	9.2	37.9	20.9	3.9
Aircraft Maintenance	49.5	5.9	31.1	18.4	1.9
Personnel	174.9	6.4	116.6	58.2	1.3
Sales Commission	69.0	9.2	44.9	24.1	3.8
Contracts	59.9	6.1	38.9	21.0	2.5
Others	139.9	12.1	93.3	46.5	3.3
Operating Expenses	870.1	90.9	568.5	301.6	33.1
Operating Income	79.7	0.9	60.7	19.0	2.9

Breakdown of 3Q Cumulative Revenue and Cost Deviation from Previous Year



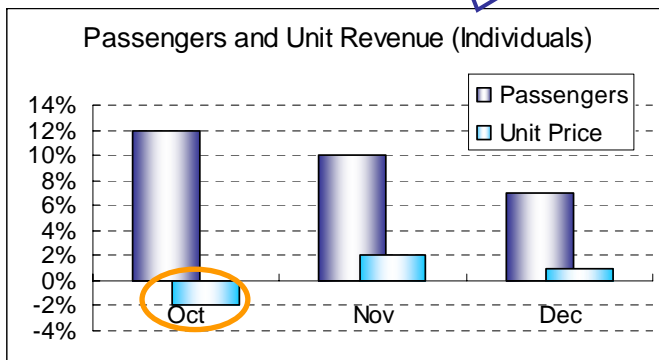
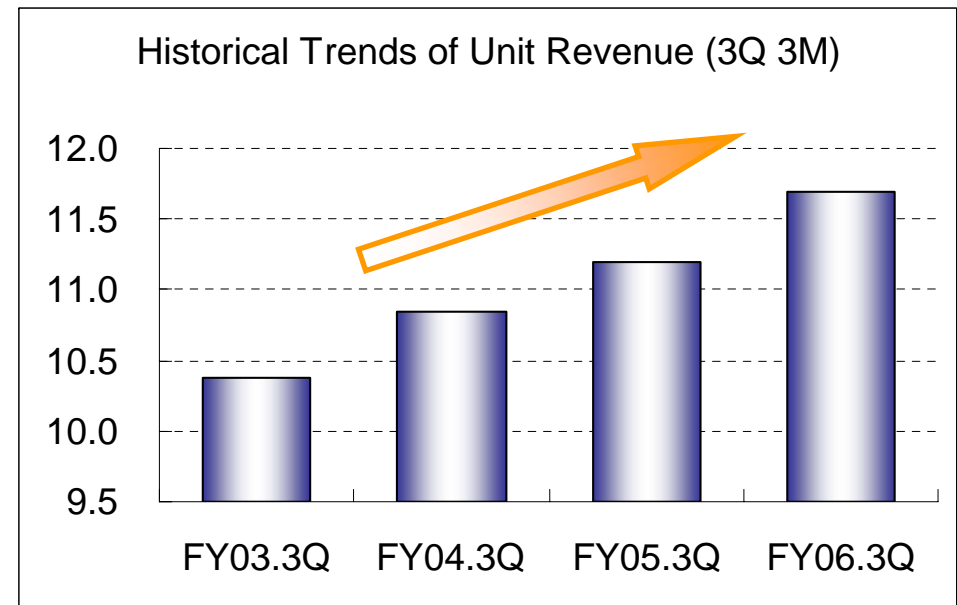
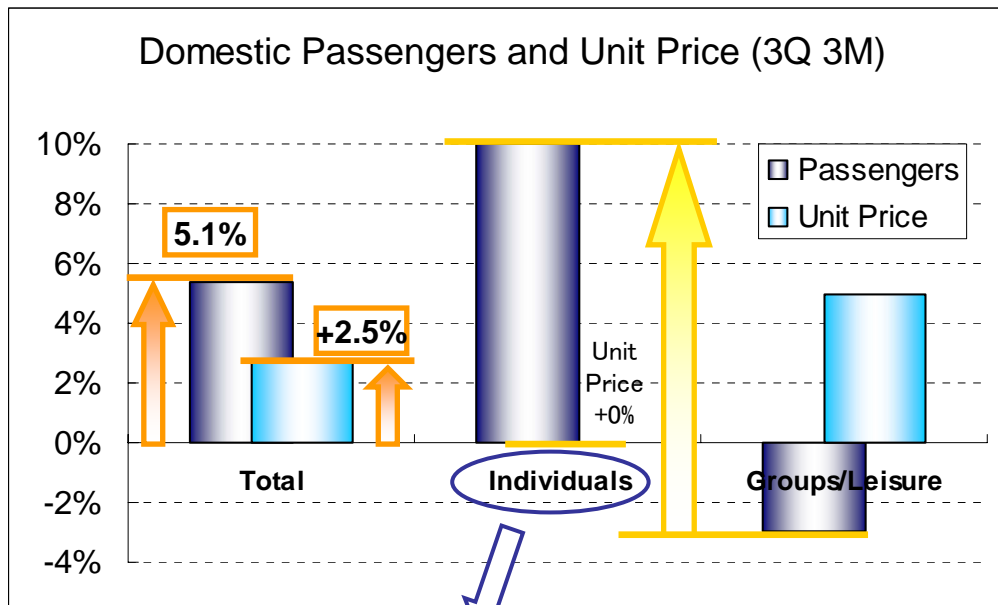
(2) Passenger Operations Domestic Passengers

	FY06 3Q 9M 06/4-12	Change	FY06 1H 06/4-9	FY06 3Q 3M 06/10-12	Change
Passengers (thousands)	35,413	102.0%	23,393	12,019	105.1%
Available Seat Km (millions)	47,105	102.1%	31,460	15,645	102.9%
Revenue Passenger Km (millions)	30,907	102.2%	20,470	10,436	105.0%
Load Factor (%)	65.6	+0.0	65.1	66.7	+1.3
Passenger Revenues (¥billions)	556.5	106.1%	372.9	183.5	107.8%
Unit Revenue (¥/ASK)	11.8	103.9%	11.9	11.7	104.7%
Yield (¥/RPK)	18.0	103.8%	18.2	17.6	102.6%
Unit Price (¥)	15,716	104.0%	15,944	15,272	102.5%

Domestic Passenger Operation Highlights

✓ Marked Shift to Higher Individual Fares

✓ Unit Revenue Improving Consistently



Topics for Domestic Flight Operations during FY06 3Q 3M

- Started new schedule focused on Okinawa Hub (Nov.).
- Started “Raku-Pak” travel product developed in collaboration with Rakuten Travel (Oct.).

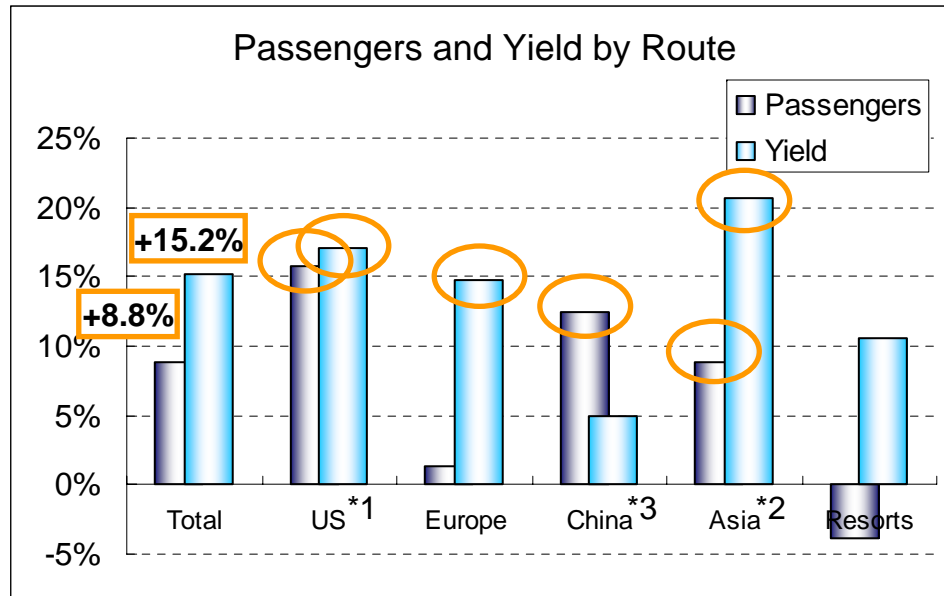
II. Air Transportation

International Passengers

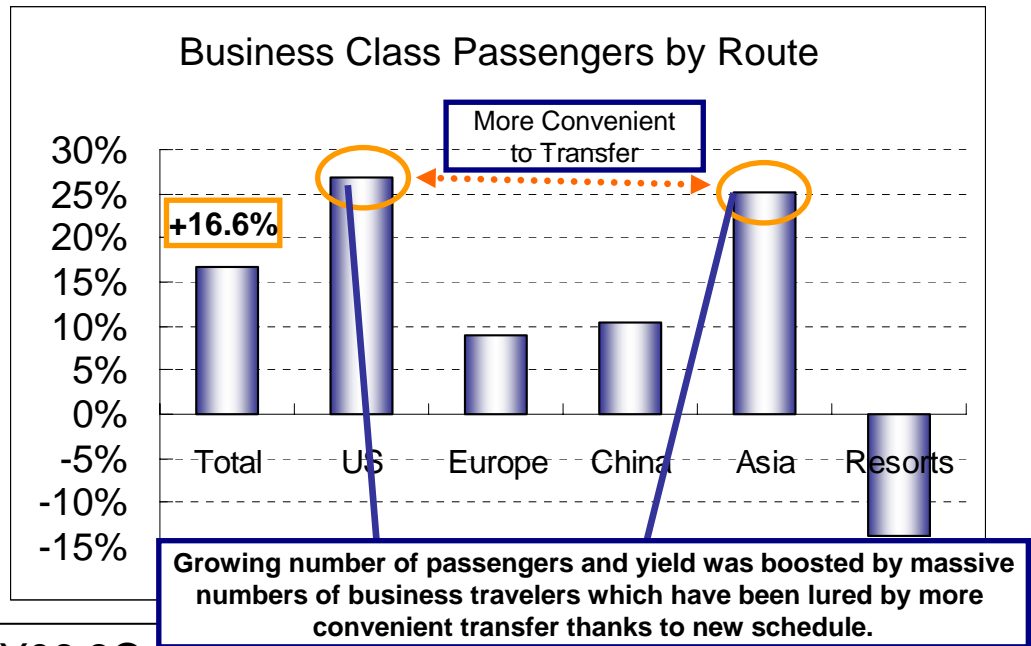
	FY06 3Q 9M 06/4-12	Change	FY06 1H 06/4-9	FY06 3Q 3M 06/10-12	Change
Passengers (thousands)	3,388	110.9%	2,239	1,148	108.8%
Available Seat Km (mil)	19,679	103.7%	12,839	6,840	107.2%
Revenue Passenger Km (mil)	15,089	107.7%	9,996	5,092	107.4%
Load Factor (%)	76.7	+2.9	77.9	74.5	+0.2
Passenger Revenues (¥billions)	209.7	121.2%	138.2	71.5	123.7%
Unit Revenue (¥/ASK)	10.7	116.9%	10.8	10.5	115.4%
Yield (¥/RPK)	13.9	112.5%	13.8	14.0	115.2%
Unit Price (¥)	61,911	109.3%	61,731	62,261	113.7%

International Passenger Operation Highlights

✓ Passengers and Yield Growing Continuously



✓ Business Class Passengers Growing on most Routes



Topics for International Flight Operations during FY06 3Q 3M

- Narita-Chicago started (Oct.). *1
- Double daily on Narita-Singapore route and new schedule for Bangkok route released (Oct.). *2
- Daily on Narita-Xiamen and Qingdao (Oct.). *3
- Double daily on Kansai-Shanghai (Oct.). *3
- Agreed to code sharing with Asiana Airways to 154 flights/week from Feb. 2007 (Dec.).

II. Air Transportation

(3) Cargo Operations

	FY06 3Q 9M 06/4-12	Change	FY06 1H 06/4-9	FY06 3Q 3M 06/10-12	Change
Dom. Cargo ton (tons)	349,883	104.4%	223,525	126,358	101.1%
Dom. Revenue Ton Km (thousands)	337,731	104.1%	216,314	121,417	100.7%
Dom. Cargo Revenues (¥billions)	23.4	103.8%	15.1	8.2	102.9%
Int' l. Cargo ton (tons)	205,549	111.0%	127,978	77,571	115.4%
Int' l. Revenue Ton Km (thousands)	930,801	110.0%	577,296	353,505	116.7%
Int' l. Cargo Revenues (¥billions)	46.3	113.1%	28.5	17.7	115.7%
Freighter Cargo ton (tons)	59,708	270.7%	36,517	23,190	232.7%

Topics for Cargo Operations during FY06 3Q 3M

- Opened Chubu-Anchorage-Chicago route by Boeing 767 freighter (Oct.).
- Weekday daily on Kansai-Shanghai by freighter (Oct.).

III. Outlook for FY06



III. Outlook for FY06

(1) Forecast for FY06

	FY2006		
	Announced Jan.31	Announced Oct.31	Change
Operating Revenues	1,480.0	1,450.0	+30.0
Operating Expenses	1,391.0	1,374.0	+17.0
Operating Income	89.0	76.0	+13.0
Operating Income Margin (%)	6.0	5.2	+0.8
Recurring Income	59.0	47.5	+11.5
Net Income	28.0	27.0	+1.0

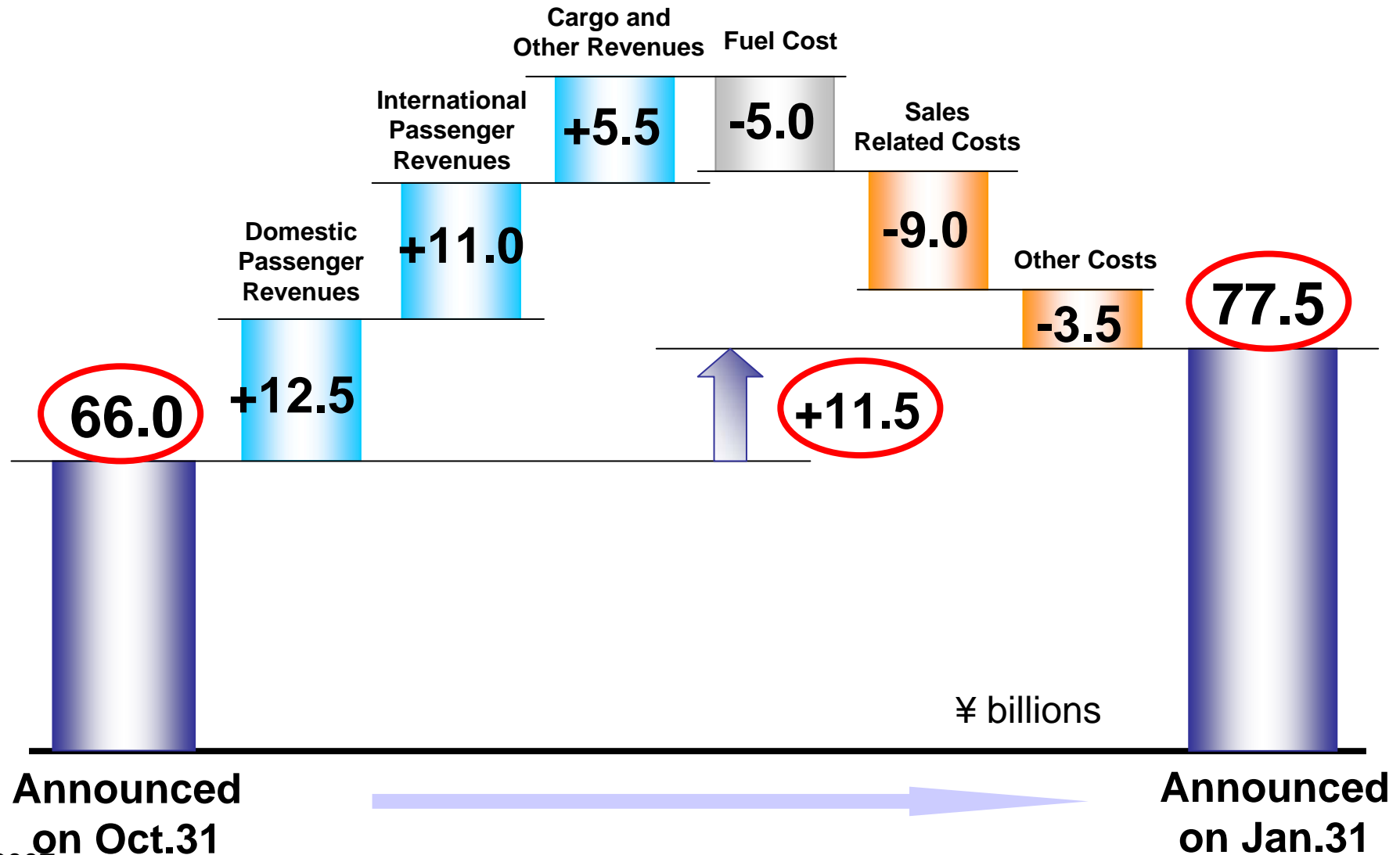
¥ billions

(2) Forecast by Segment

	Announced Jan.31		Announced Oct.31		Change	
	Revenues	Op. Income	Revenues	Op. Income	Revenues	Op. Income
Air Transportation	1,247.6	77.5	1,218.6	66.0	+29.0	+11.5
Travel	208.0	2.5	206.8	2.5	+1.2	-
Hotels	66.6	5.0	67.8	4.0	-1.2	+1.0
Others	196.5	4.0	184.0	3.5	+12.5	+0.5
Eliminations	-238.7	-	-227.2	-	-11.5	-
Total	1,480.0	89.0	1,450.0	76.0	+30.0	+13.0

¥ billions

Breakdown of Deviation from Original Op. Income Forecast in FY06



(3) Assumptions

	Domestic Passengers			International Passengers		
	FY06 1H Act.	FY06 2H Est.	FY06 Est.	FY06 1H Act.	FY06 2H Est.	FY06 Est.
Available Seat Km	101.7	102.2	102.0	101.9	107.8	104.9
Revenue Passenger Km	100.8	103.7	102.2	107.9	104.8	106.3
Passengers	100.5	103.6	102.0	112.0	106.6	109.2
Load Factor	65.1	65.5	65.3	77.9	72.6	75.1
Unit Revenue (¥/ASK)	103.5	104.5	103.9	117.7	111.4	114.4
Yield (¥/RPK)	104.4	103.0	103.7	111.2	114.5	112.9
Unit Price	104.7	103.1	103.9	107.1	112.6	109.9
Available Ton Km	288.2	272.3	278.3			
Cargo Tons	302.0	191.5	228.7			
Exchange Rate 1USD	115	115	115			
Crude Oil	BBL	65	54	60		
Kerosene	BBL	86	72	79		

IV. Business Plan FY07



(1) Business Plan Summary FY07

Domestic Passenger

Strategy

- Enhance supply-demand matching by allocating appropriate aircrafts

+

- Improve customer convenience by providing better connections
- Restructure the network

+

- Strengthen products and services
- Urge to shift to individual fares

vs. FY06

Available Seat Km	100%
Flight Frequency	100%

International Passenger

Strategy

- Utilize alliance network

+

- Increase flights to China
- Enhance supply-demand matching

+

- Cultivate markets with Business Jet

+

- Acquire more business travelers
- Increase loyal customers

vs. FY06

Available Seat Km	109%
Flight Frequency	119%

Cargo

Strategy

- Build a solid network

+

- Restructure the network
- Focus on China and Asia

+

- Improve quality of products/services
- Strengthen Sales Force

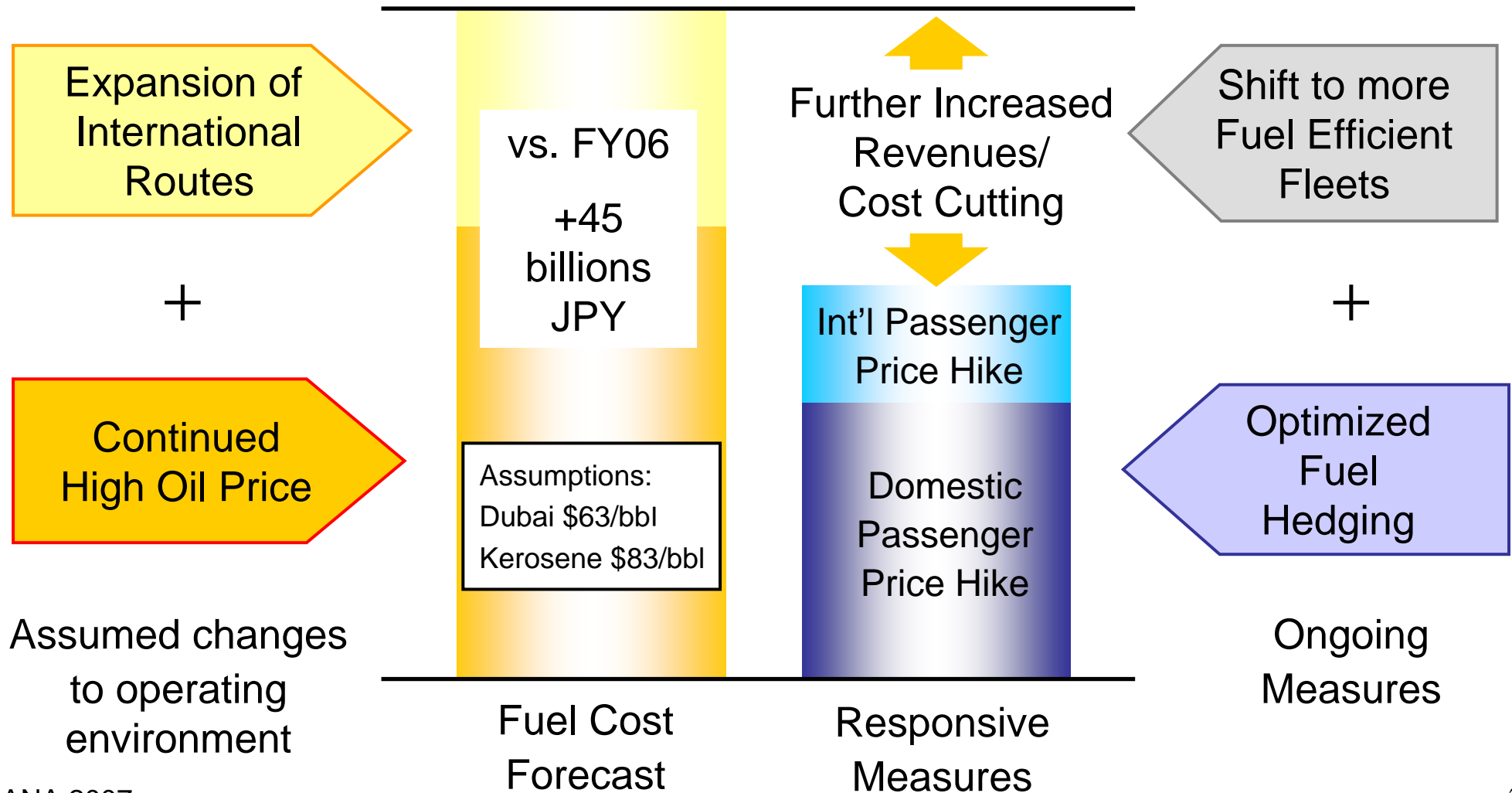
vs. FY06

Freighter

Available Ton Km	109%
Flight Frequency	109%

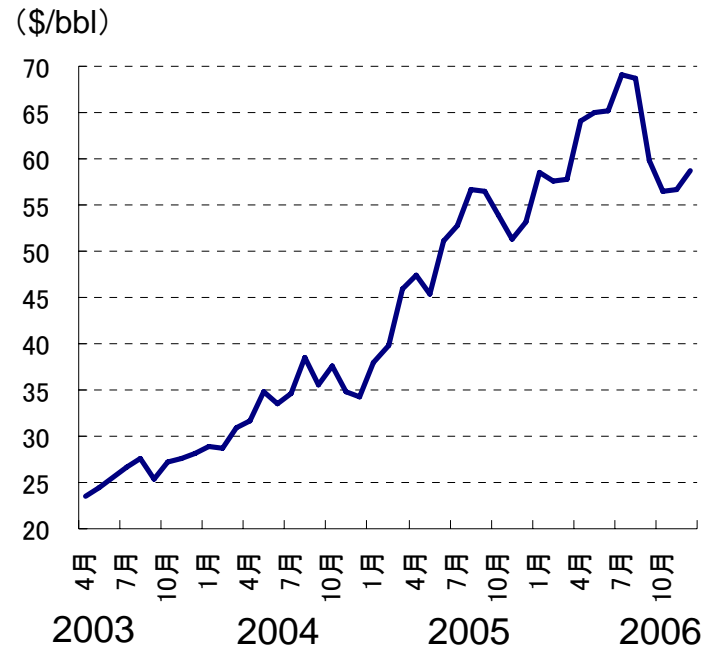
(2) Fuel Cost Forecast and Responsive Measures

FY2007



(3) Fuel and Currency Hedging

Dubai Crude Oil (Spot Price)



Non-hedged impact of Dubai crude oil price and currency fluctuations on recurring profit basis

US\$1 change per barrel: JPY 2.3 billion per year
 JPY1 change: JPY 1.2 billions per year

Jet Fuel Hedging

Policy: Hedge up to 100% of aggregate of fuel purchase

(Up to 80% for total FY07)

Method: 8% per quarter, 12 quarters beforehand.
 (for the amount by FY08, 12% per quarter, 8 quarters beforehand.)

	FY07	FY08	FY09
Hedging Ratio	60%	25%	10%

(as of Dec.06)

Foreign Currency Hedging for Jet Fuel

Policy: Hedge 80% of annual dollar payments

Method: 10% per year 5 years beforehand, making up the balance in the final year.

	FY07	FY08
Hedging Ratio	45%	30%

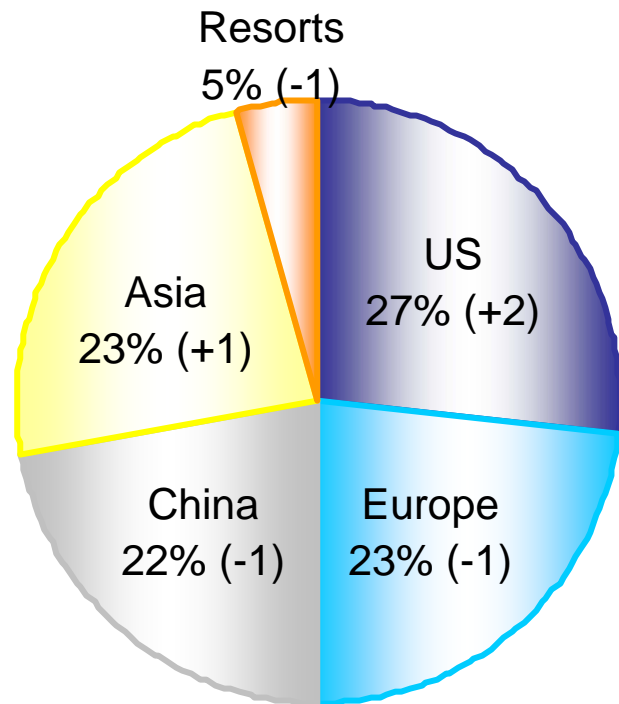
(as of Dec.06)

V. Supplementary Reference

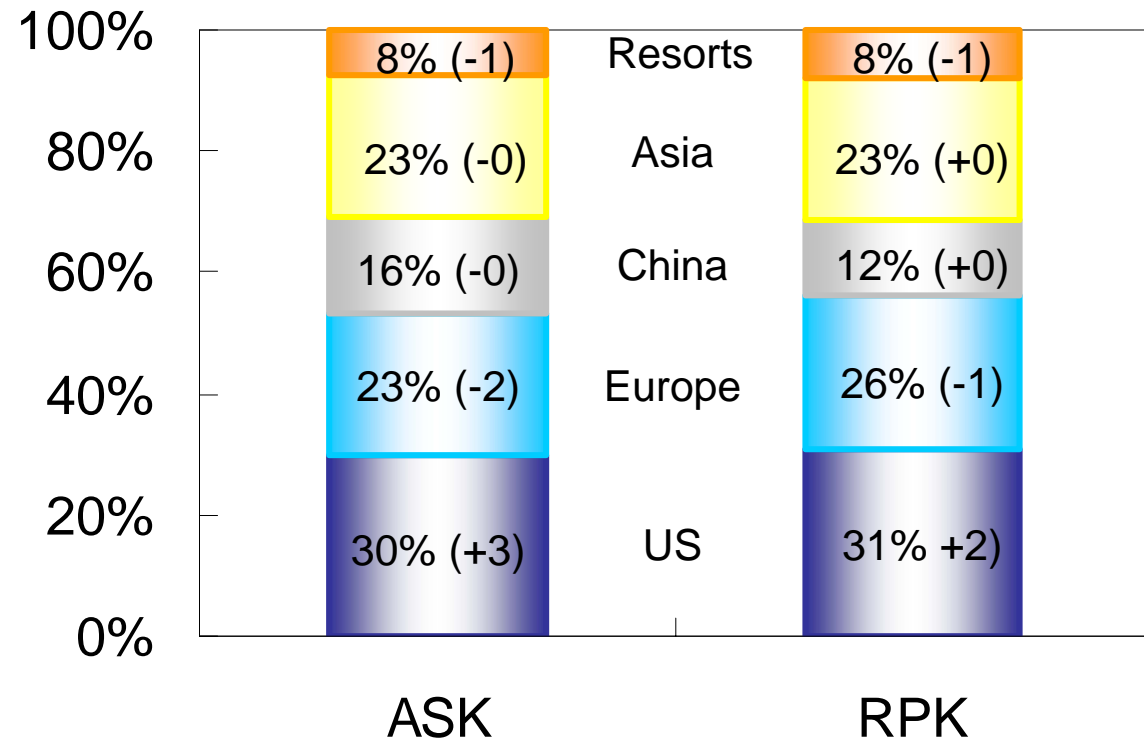


Breakdown of International Passenger Operations FY06 3Q 3M

Operating Revenues

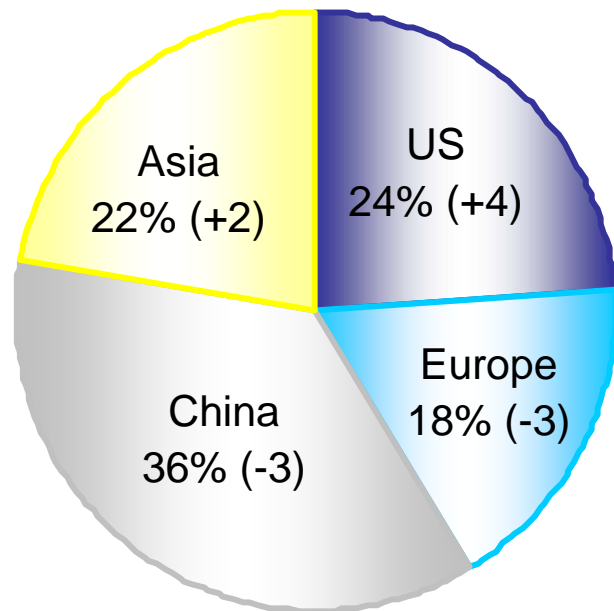


ASK and RPK

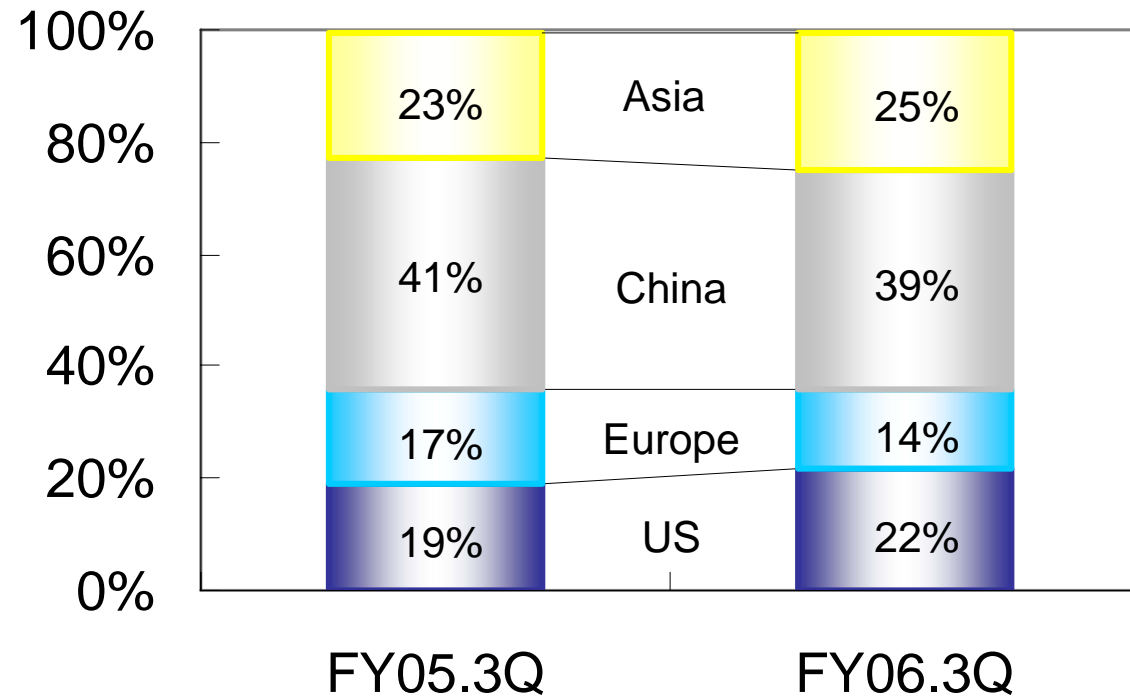


Breakdown of International Cargo Operations FY06 3Q 3M

Operating Revenues



Cargo Tons



Cautionary Statement

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