

All Nippon Airways Strategy and Outlook for FY2007



April 2007

ANA Group's 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's Corporate Vision

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

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

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

- ✓ 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



ASEC (ANA Safety Education Center)

Establish an organizational structure ensuring that all Group companies maintain the same level of safety

- ✓ Strengthen the organizational function of Group safety promotion
- ✓ Set up ANA Group advisory panels with external experts periodically (From Aug to Feb 2007)

Enhance the corporate culture prioritizing safety

- ✓ Educate personnel in safety culture
- ✓ Organized safety promotion seminars and forums
- ✓ Set up ASEC (ANA Group Safety Education Center) (Feb 2007)

Build a robust system enduring the safety risk exposure

- ✓ Revised safety management manual
- ✓ Set up SMS (Safety Management System)
- ✓ Introduced LOSA (Aug 2007)

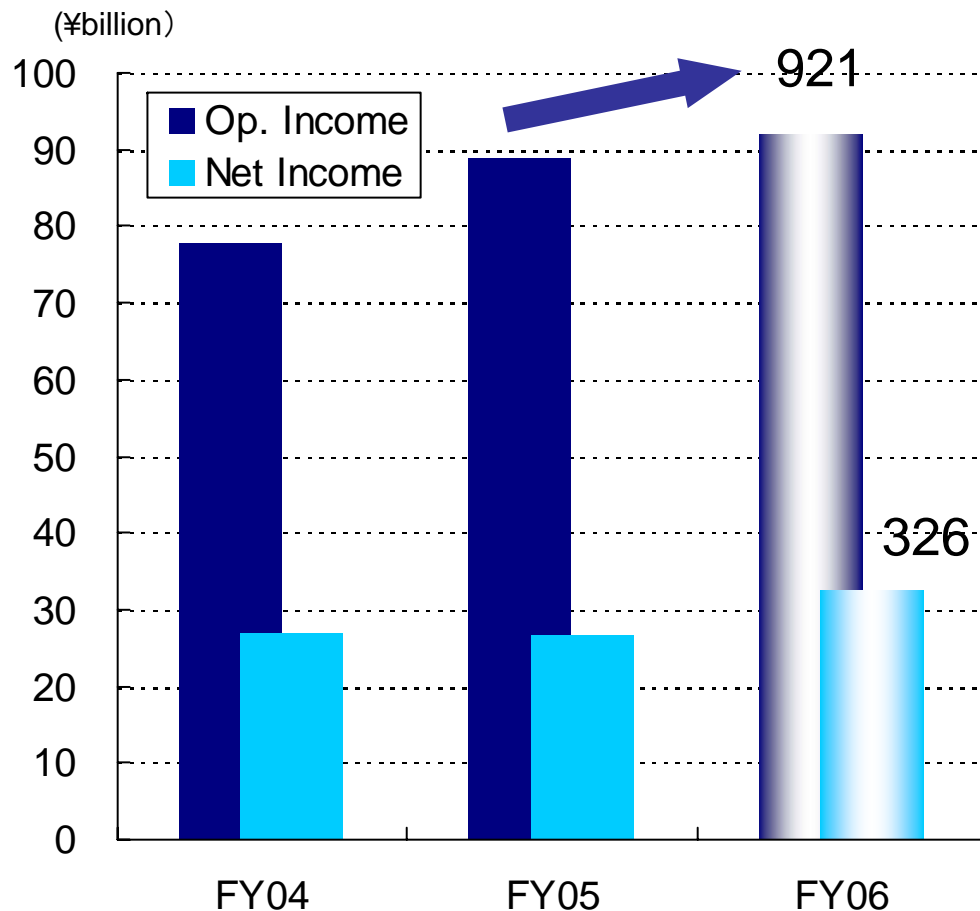
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Forward-Looking Statements. This material contains statements based on ANA's current plans, estimates, strategies and beliefs; all statements that are not statements of historical fact are forward-looking statements. These statements represent the judgments and hypotheses of the Company's managers 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 technologies, demand, prices and economic environments; 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. Review of Results for FY2006

Record operating income exceeding original plans

ANA op. income and net income



Summary of FY2006 results

- Took appropriate response to soaring oil price
- Acquired high yield customers

Domestic market: Individ. & business travelers

Super Seat Premium

Int'l market: strong business demand

- Bolstered financial condition

	FY2006	Change
Revenue (¥billion)	1,489.6	+120.8
Op. income (¥billion)	92.1	+3.3
Op. income Margin	6.2%	-0.3%
Net income (¥billion)	32.6	+5.9

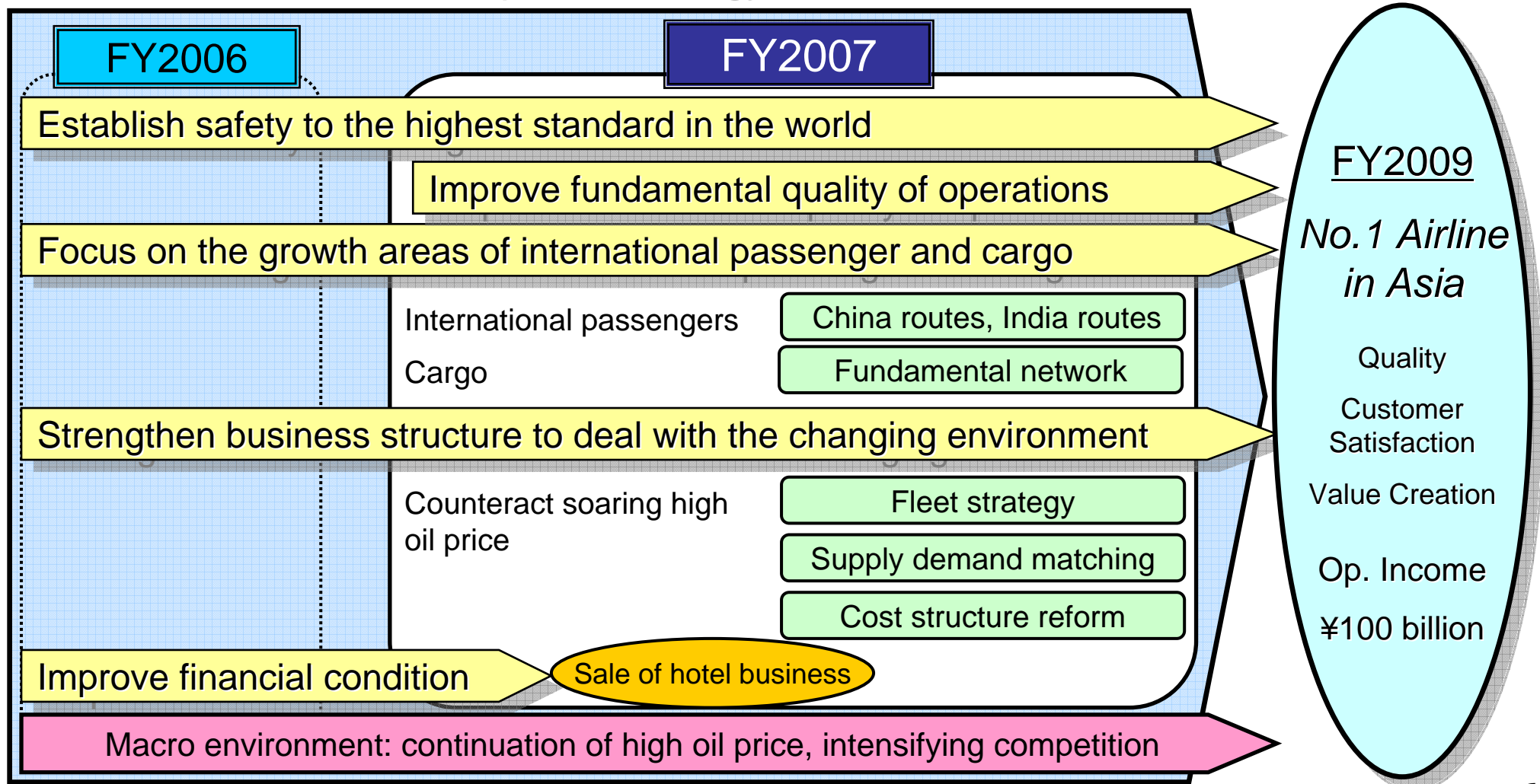
ROA	6.0%	+0.3%
D/E ratio (times) *	2.8	-0.6

* Debts includes off balance lease obligation

II. Important Issues for FY2007

Advance mid-term plan following achievement of FY06

< ANA 06-09 Mid-term Corporate Strategy >



II. Important Issues for FY2007

Outlook for FY07: right direction to achieve ¥100 billion in FY09

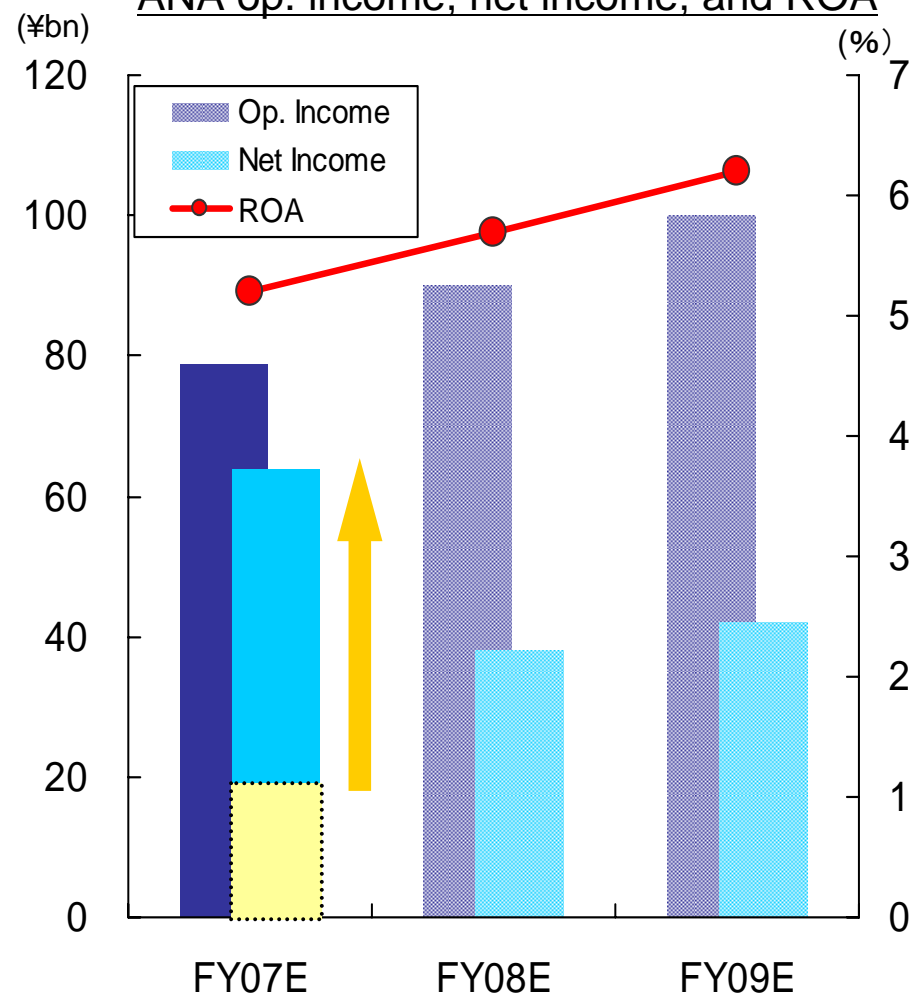
Outlook for 2007

	FY07	Change
Revenues (¥billion)	1,490	+0.4
Op. income (¥billion)	79	-13.1
Op. income Margin	5.3%	-0.9%
Net income (¥billion)	64	+31.4

ROA	5.2%	-0.8%
Dividend per share (¥)	5.0	+2.0

Dubai crude oil (\$/BBL)	63
Kerosene (\$/BBL)	83
Exchange rate (¥/\$)	115

ANA op. income, net income, and ROA



III. Primary Measures for FY2007

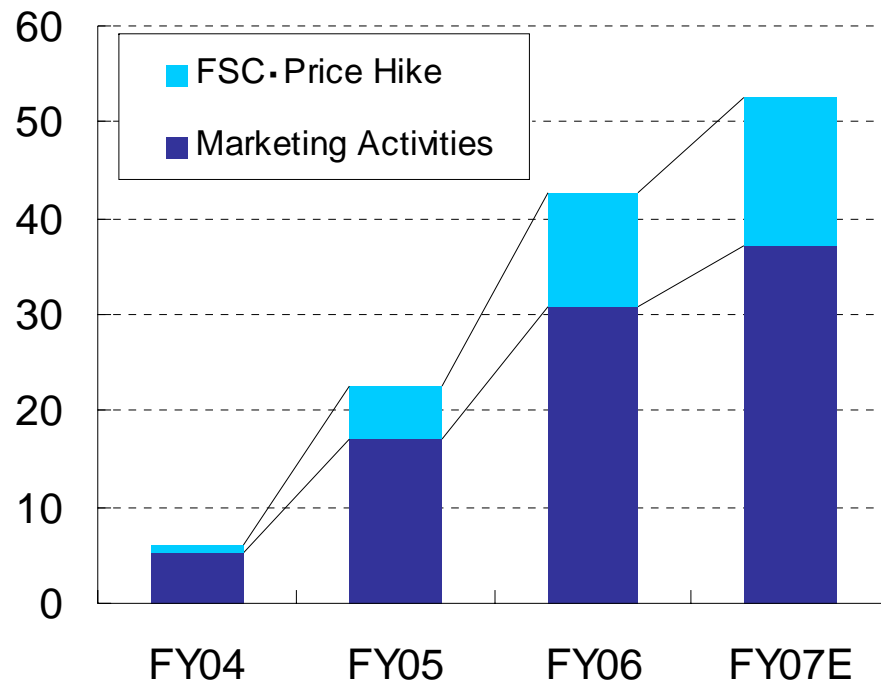
International passenger operation: continue acquisition of high yield business demand

FY2007 year on year
ASK 108.5% Revenues 105.3%

Yield improved by marketing activities

Expand high yield routes and supply demand matching

(%) Breakdown of yield improvement (vs. FY03)



➤ Network Schedule

Narita – Guangzhou (May 07)

Narita – Bombay (Sep 07)

B737-700ER (Business Jet, 36 business seats)

Haneda – Hongqiao (when available)

Charter flights to China etc.



➤ Supply Demand Matching

20 Anniversary

Narita – Beijing Up-gauging (B767→B777)

Nagoya - Shanghai Down-gauging (B767→A320)

Narita – Xiamen Down-gauging (B767→A320)

Introduce B777-300ER
on London & San Francisco

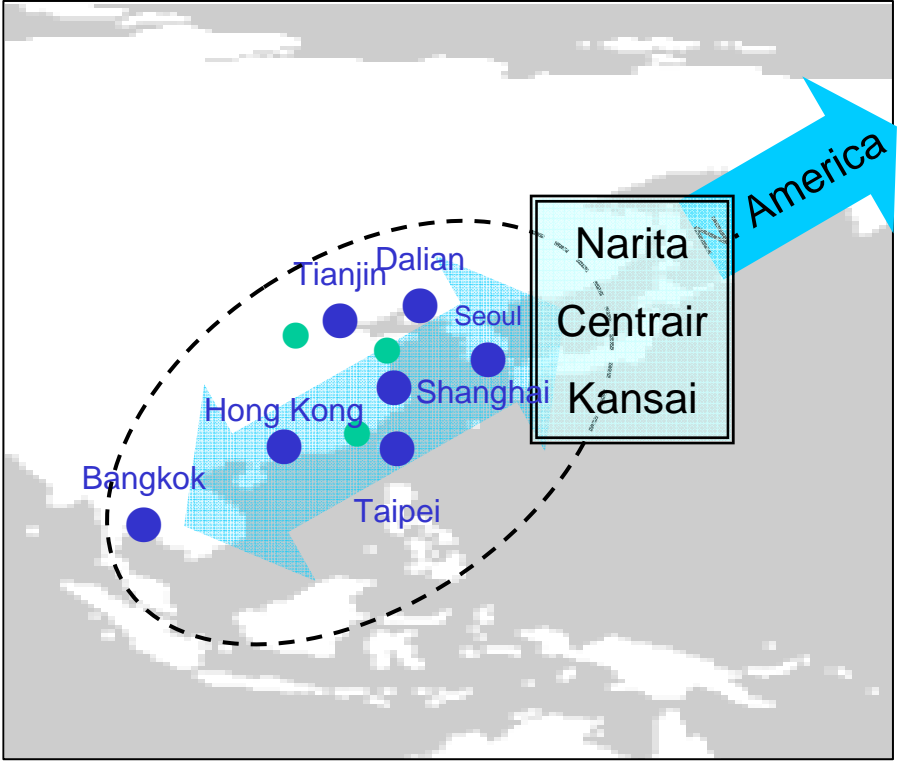
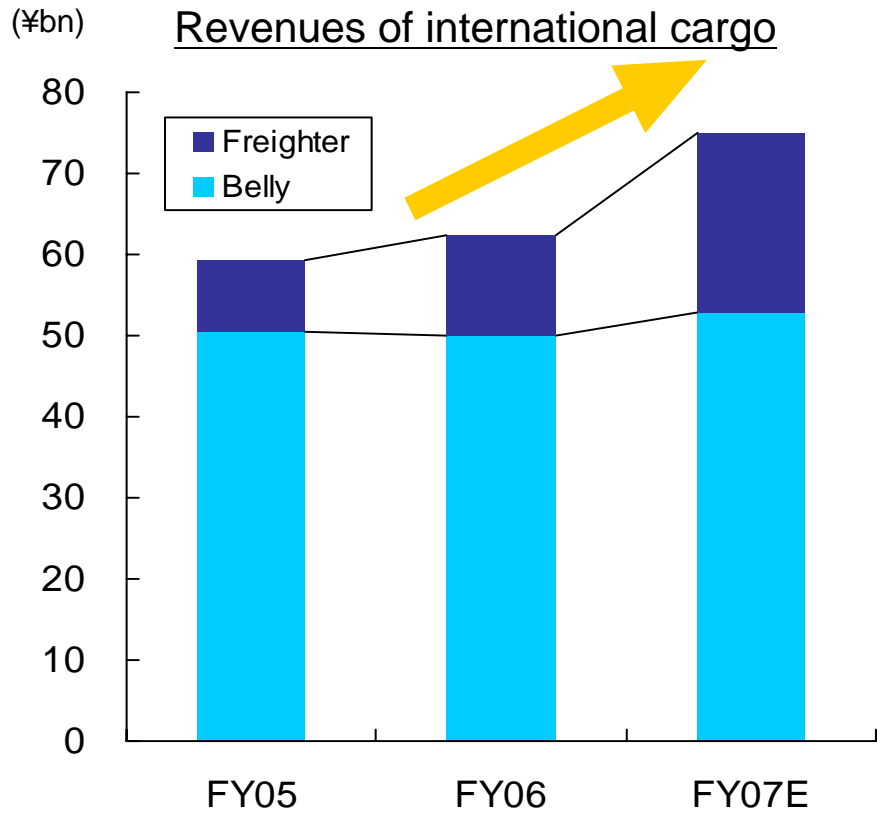
III. Primary Measures for FY2007

Cargo operation: build fundamental revenue platform by expanding network

FY2007 Freighter year on year ATK157.2% Revenues 120.7%

Revenue improved by increasing freighter fleet

Weekday operation on main routes



of freighters 3 → 4 → 6 Lease from ABX

● Weekday freighter operation
● Other days

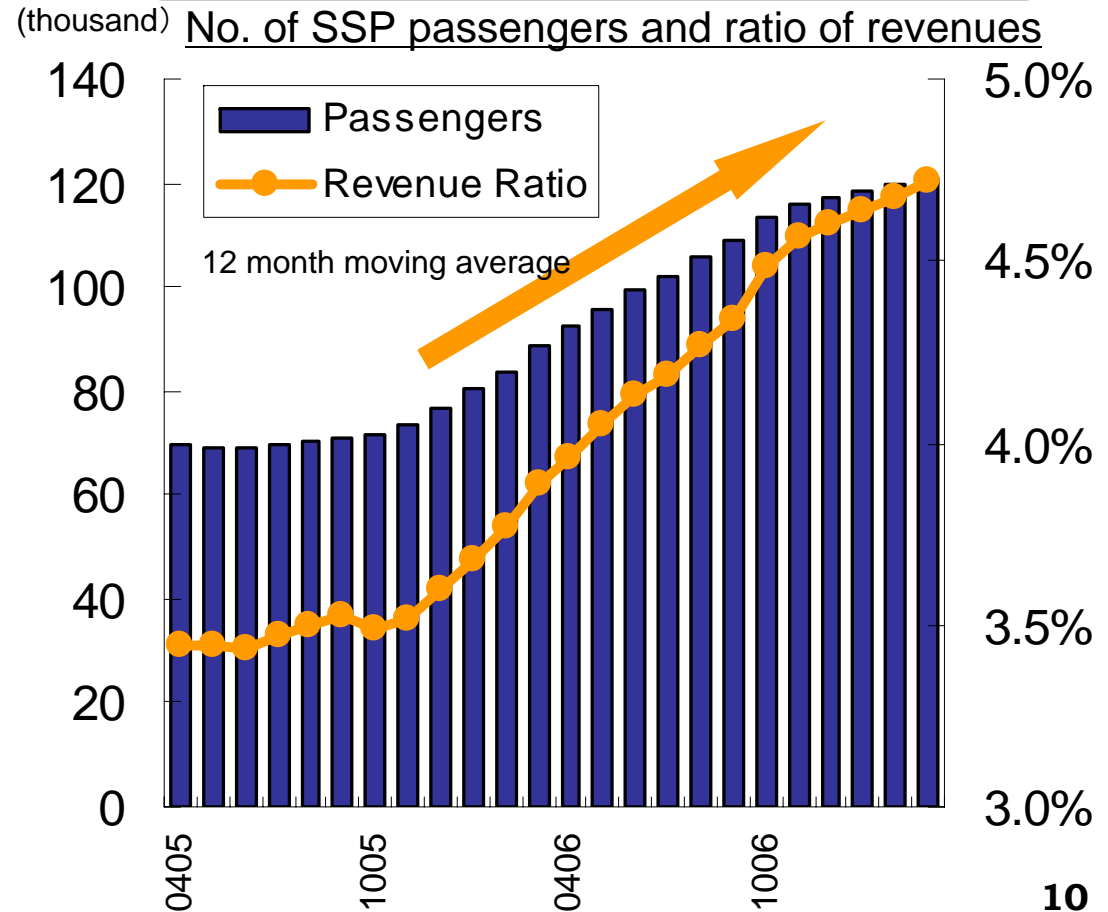
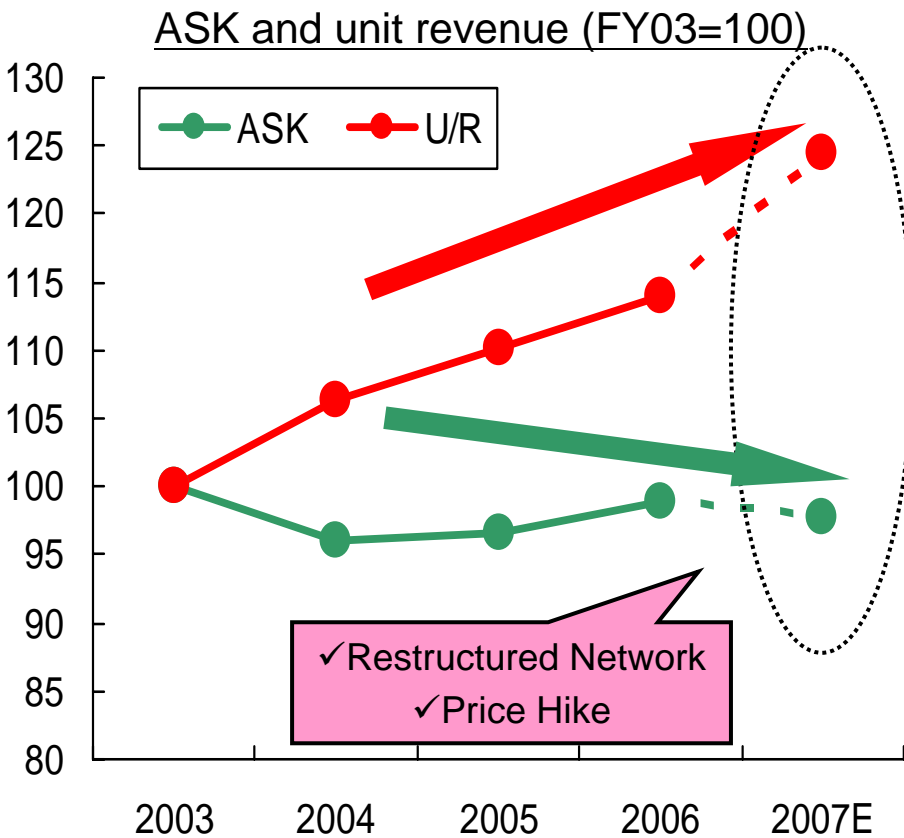
III. Primary Measures for FY2007

Domestic passenger operation: greater competitive strength raises unit price

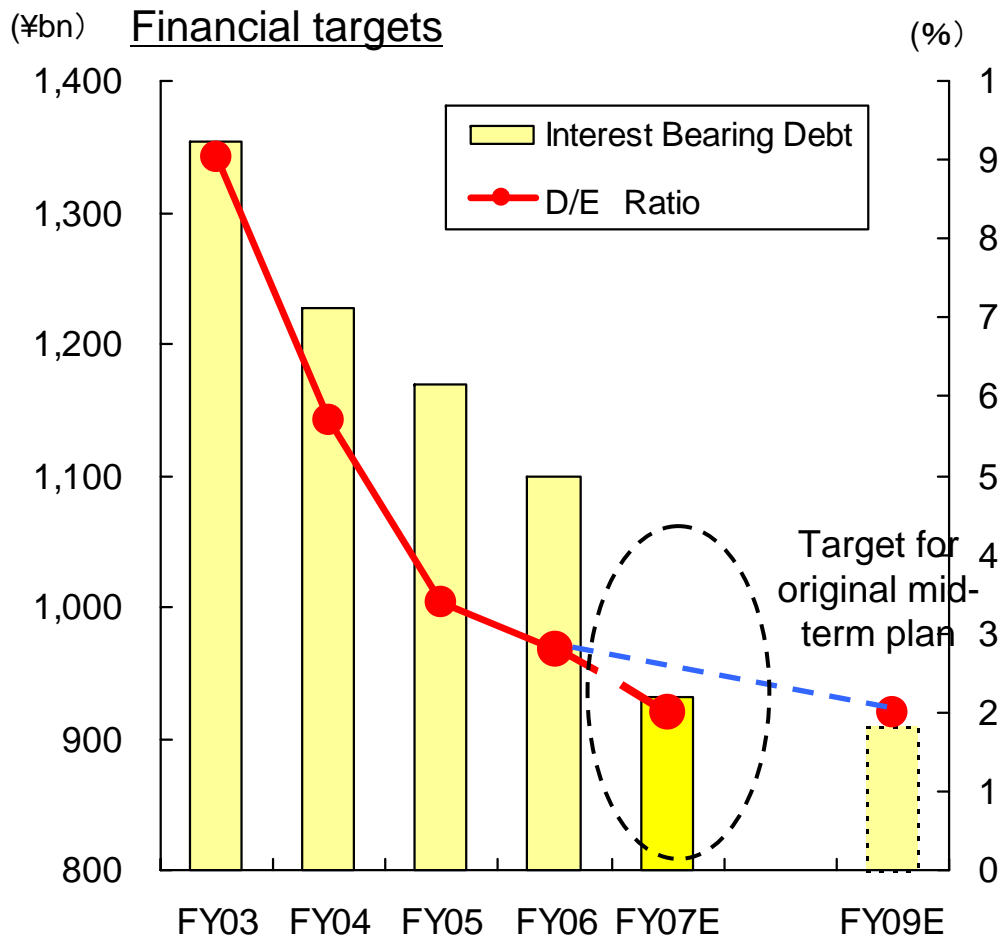
FY2007 year on year
ASK 98.8% Revenues 105.0%

Unit revenue improved by increased frequency

Differentiating products assured better profitability



Sale of hotel business: strengthens competitiveness in core business / accelerates improvement of financial conditions



Cash flow FY2007 (¥bn)

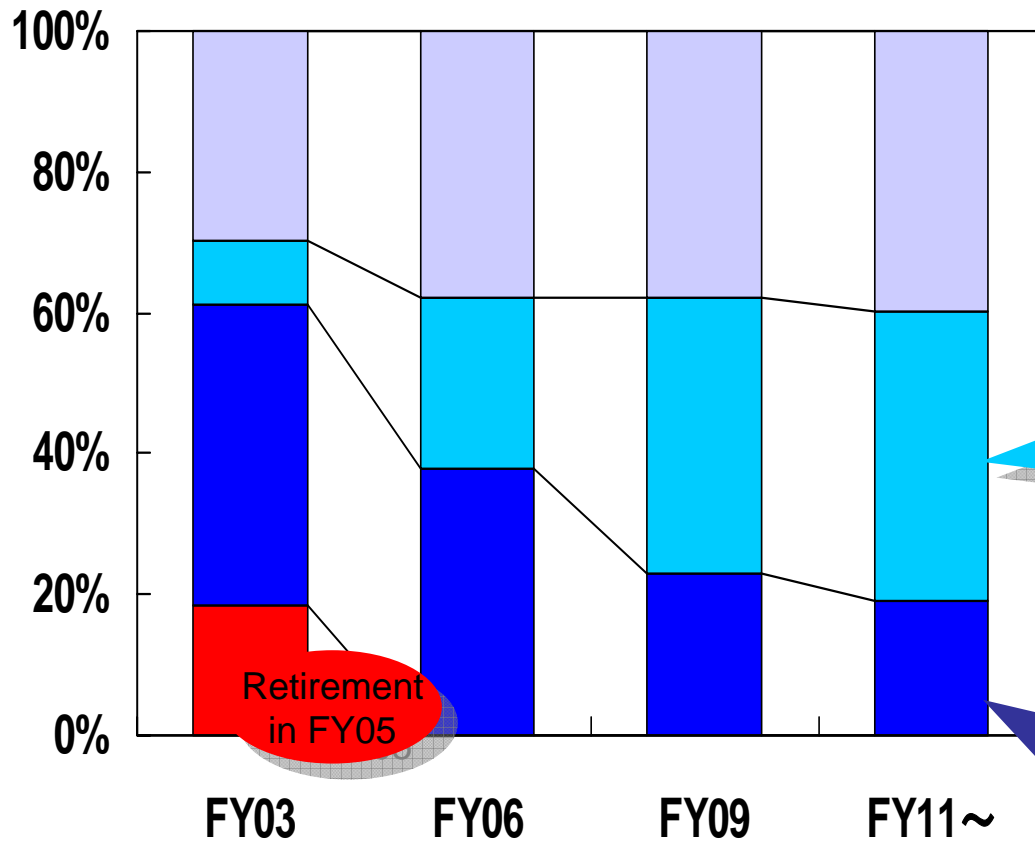
	FY07
CF from operating activities (including lease payments)	+183
<i>Sale of hotel business (Gross gain)</i>	280
Capital Expenditure	-355
CF from investing activities	-82
FCF	+101

for investment in aircraft and to improve financial condition

*Interest Bearing Debts and D/E ratio include off balance lease obligations
 *Shareholders' Equity = Capital + Additional Paid in Capital + Retained Earnings

Fleet strategy: accelerate switch-over to wide-body aircraft with higher fuel efficiency

Fleet composition of wide-body aircraft



Mid body aircraft:
Introduce Boeing 787 (FY08)

Narrow body aircraft:
Streamline to Boeing 737 Series

Boeing 777-300ER 4 additional
→ 17 aircraft

Advance sale of Boeing 747-400
(5 aircraft in FY07, 2 in FY08, 2 in FY09)
23 at the end of FY06
→ 14 at the end of FY09

■ B747-100,200 ■ B747-400 ■ B777-300 ■ B777-200

V. Summary

No.1 Airline in Asia and looking ahead

