

All Nippon Airways Performance Review for the 3rd Quarter FY08 and the Way Forward



Jan 30, 2009

ANA Group Corporate Philosophy

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— 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 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

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FY08 3Q Financial Results

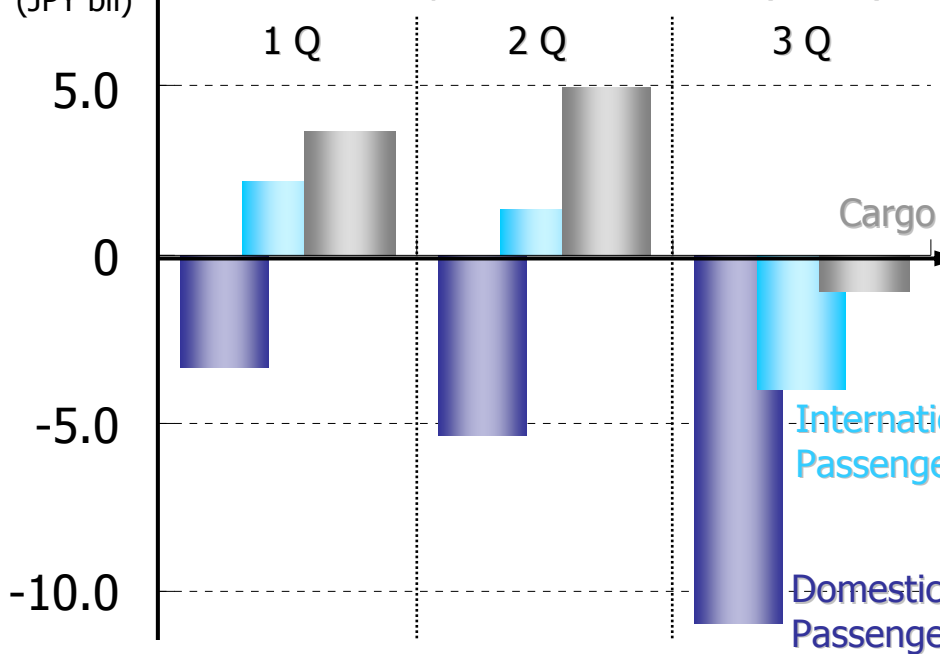
Revenue decreased due to unforeseen weakening demand

- FY08 3Q Highlights**
- Revenue and profit decreased in all segments due to rapidly weakening demand
 - Demand down on all international passenger routes
 - Implemented cost reduction plan for FY08 2H

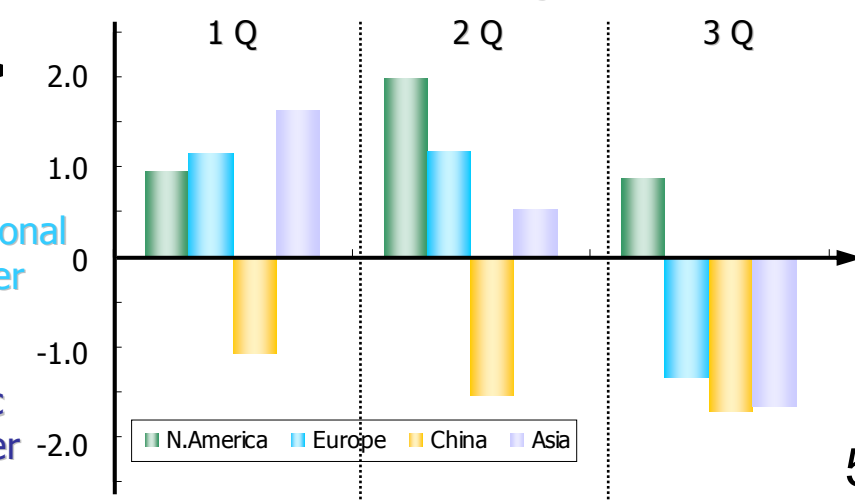
FY08 3Q Results (JPY bil)

	FY08 3Q 9 months	vs. LY
Op. Revenue	1,107.4	-34.1
Air Transportation	978.2	-19.0
Op. Income	40.3	-53.6
Air Transportation	37.6	-49.6
Recurring Income	22.7	-56.0
Net Income	9.4	-108.5
EBITDA	123.8	-40.2

FY08 Air Transportation Revenues (vs. LY)



FY08 International Passenger Revenue (vs. LY)



Outlook for FY08

Revised guidance reflecting weakening demand

- Measures for FY08 4Q
- Revise business plan and further cut supply
 - Additional cost reduction for FY08 4Q on top of the existing FY08 2H cost reduction plan

FY08 Revised Outlook

	Previous Revision	Current Revision	Change
Op. Revenue	1,460	1,400	-60
Air Transportation	1,302	1,237	-65
Op. Income	55	8	-47
Air Transportation	52	5.5	-46.5
Recurring Income	29	-10	-39
Net Income	17	-9	-26
Dividends (yen)	3	N.D.	-

(JPY Billion; N.D.: Not Determined)

Additional plan for FY08 4Q **2.0 bil yen improvement**

Supply Reduction (Feb 09 ~)

- Reduce Narita-Mumbai (Daily to 3/W)
- Suspend Kansai-Dalian/Shenyang
- Reduce Narita-Shanghai (3/D to 2/D)
- Downgauge Narita-Bangkok (B777 to B767)

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Cost Reduction

- Board members' compensation
- Advertising and sales related cost
- Other manageable costs

The Way Forward

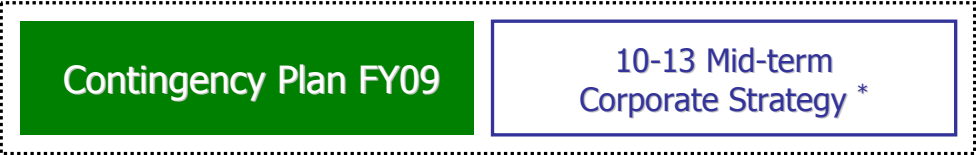
Implement Contingency Plan FY09 in response to world recession

World recession bites
 GDP growth projection for 2009
 Japan -1.4%; US -1.6%; Europe -1.2%; China +7.1%

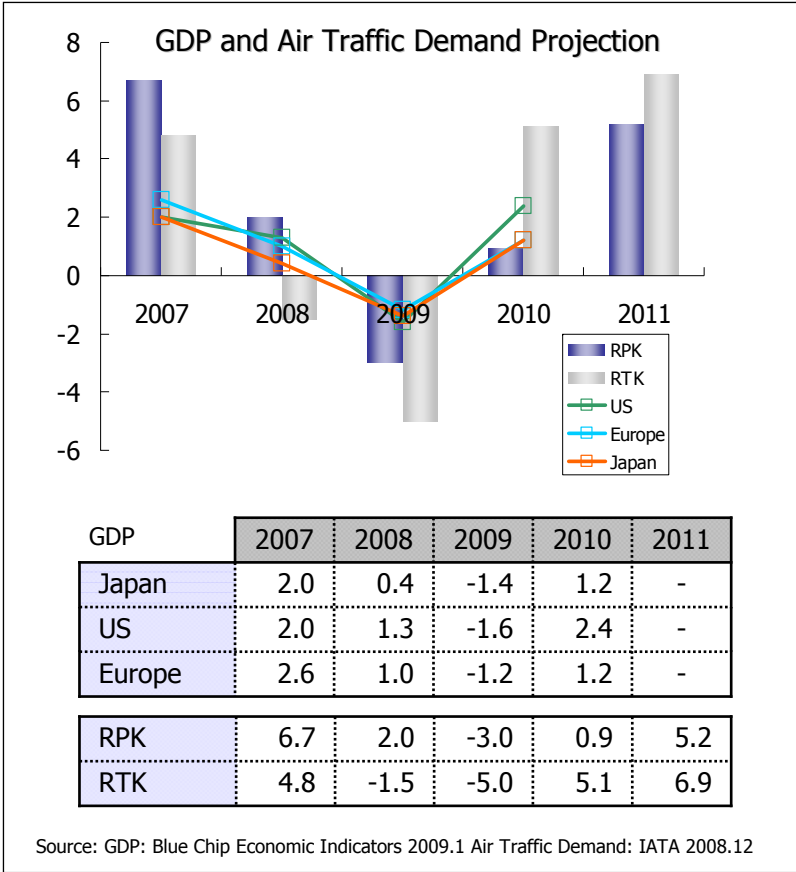
Severe impact on air transportation service
 Air Traffic Demand Projection for 2009: RPK -3.0%; RTK -5.0%

Respond to crisis and get ready for Haneda and Narita airport expansion

Short-term Measures Mid-term



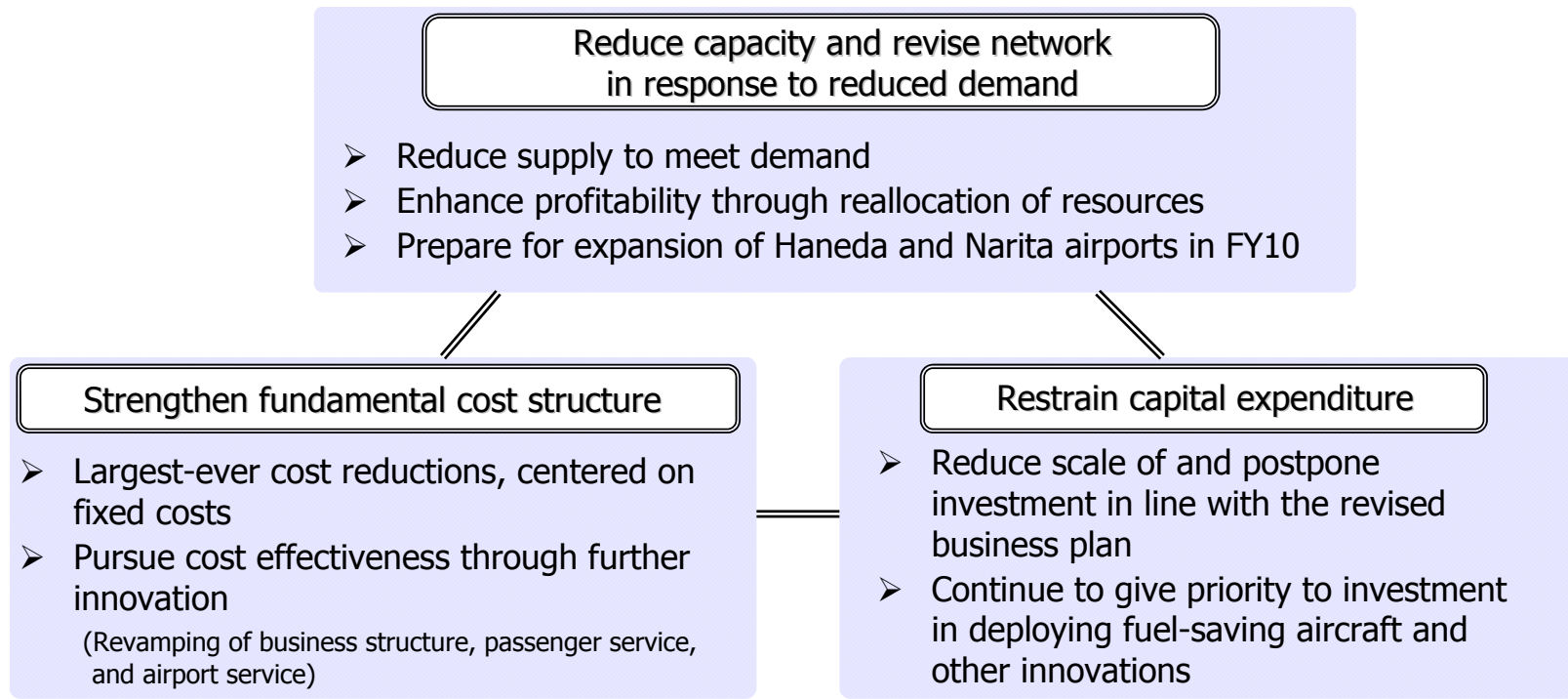
* Tentative name for next mid-term corporate strategy (FY2010-13)



Contingency Plan FY09

Transform business structure by revising network and enhancing profitability

Pillars of the Contingency Plan FY09



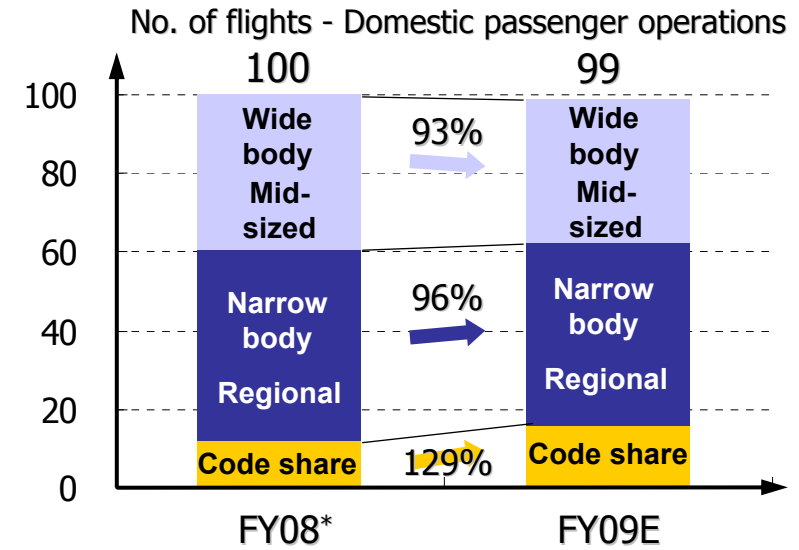
Deal appropriately with changes in the operating environment, weather the immediate crisis, and carry efforts forward into FY10

Plan for FY09 Domestic Passenger Operations

Better allocate resources to improve profitability and strengthen competitiveness

Measures for FY09

- Revise network through more effective use of resources
- Strengthen profitability and competitiveness on major routes
- Utilize code sharing and seasonal flights on local routes



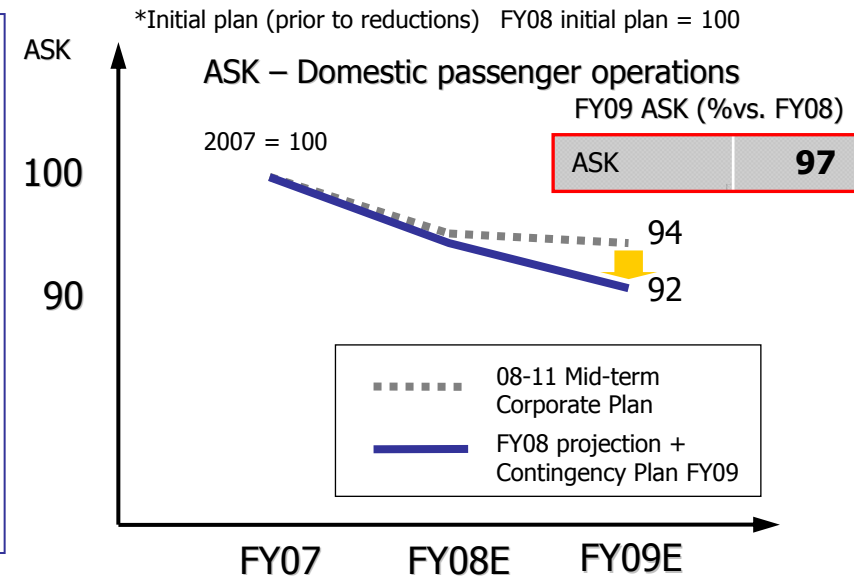
Enhancing network profitability

Suspended/reduced routes

- Kobe-Sendai suspended
- Haneda-Kobe
- Kansai-Haneda/Kochi/Matsuyama/Kagoshima (Reduced)
- Chubu-Fukuoka/Akita/Yonago/Tokushima (Reduced)
- Kobe-Okinawa
- Sapporo-Niigata/Fukuoka-Okayama/Hiroshima (Seasonally reduced)
- Kansai-Memanbetsu (Seasonally reduced)

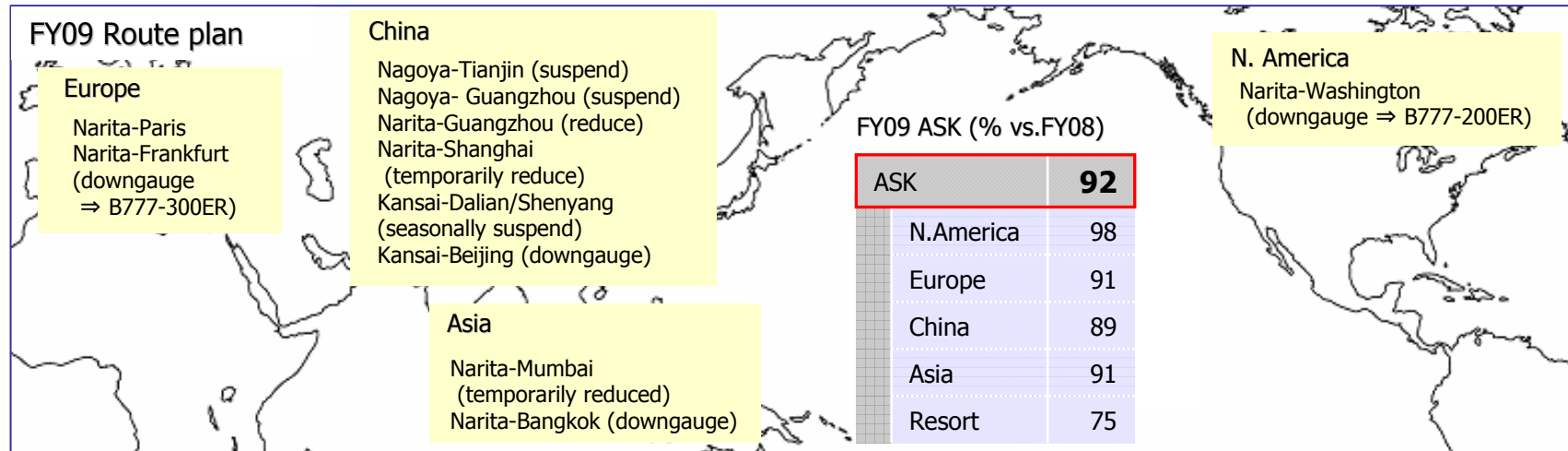
Increased routes

- Haneda-Sapporo (Increased)
- Itami-Narita (Increased)
- Niigata-Okinawa (Year round)
- Fukuoka-Sendai (Reinstated)
- Fukuoka-Ishigaki (Reinstated)



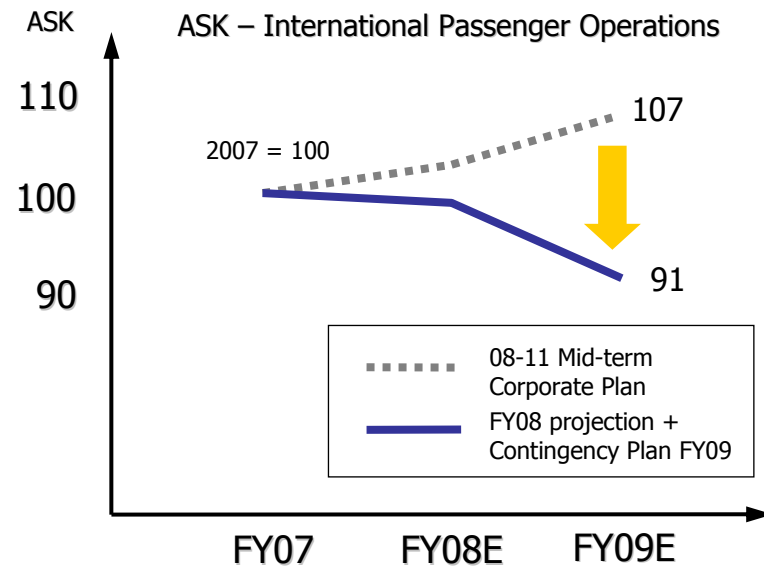
Plan for FY09 International Passenger Operations

Reduce supply to meet demand and adjust use of aircraft to improve profitability



Measures for FY09

- Reduce supply to meet sudden drop in demand
- Downgauge aircraft to improve profitability
- Respond to changes in China market with reduced supply

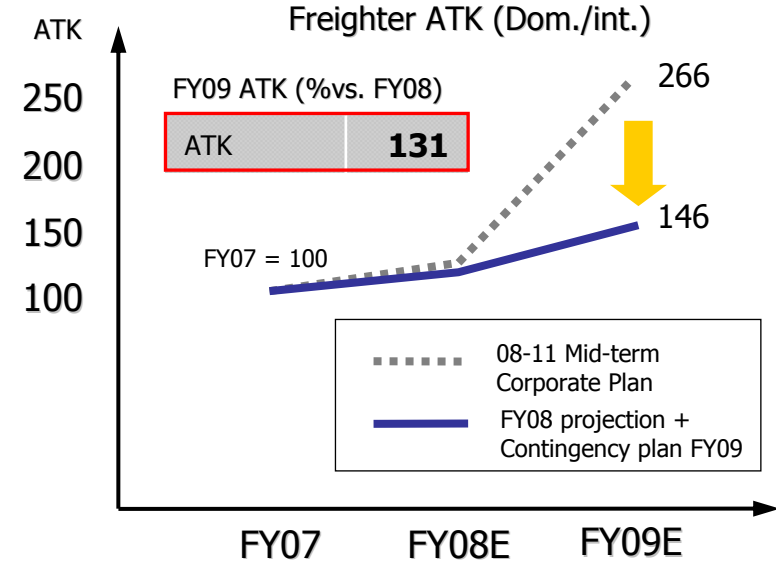
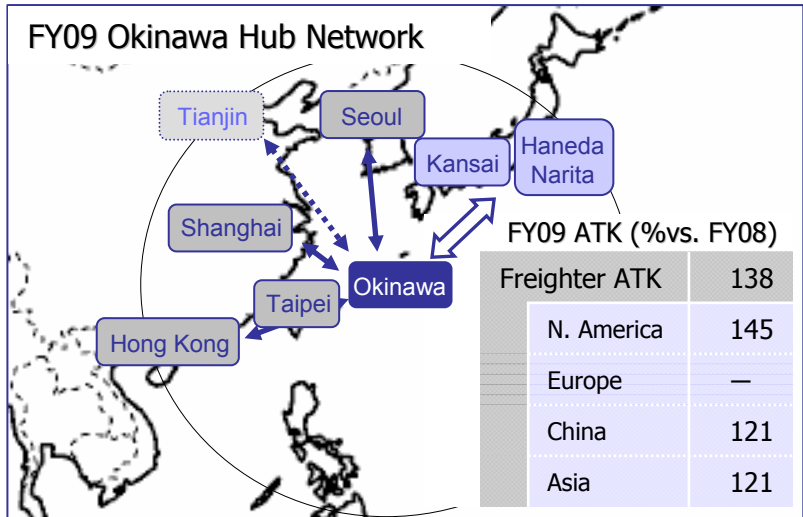
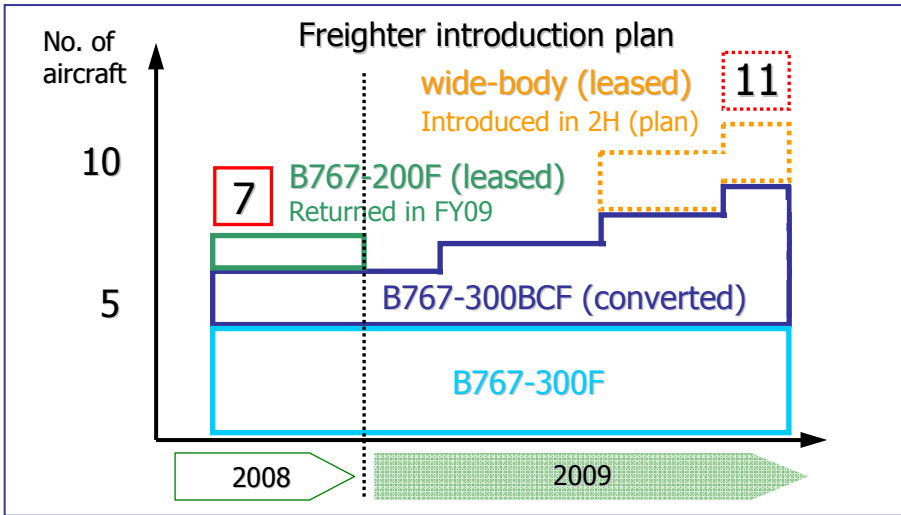


Plan for FY09 Cargo Operations

Flexibly expand network from FY09 2H in line with trends in demand

Measures for FY09

- Slow supply in line with trends in demand
- Delay introduction of wide-body aircraft by six months
- Commence Okinawa hub model

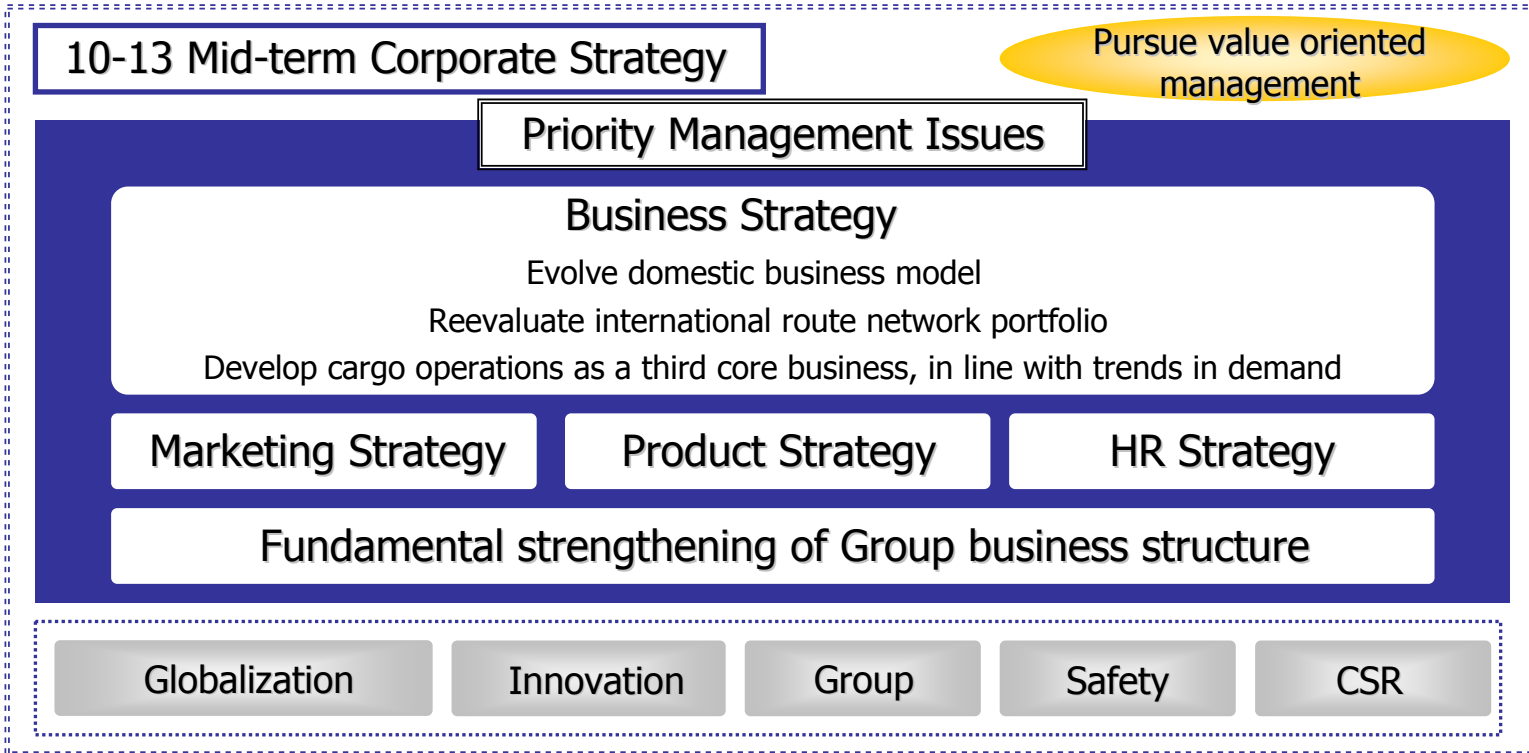


* Tianjin expected start from Mar.09

Next Mid-term Corporate Strategy

Priorities for 10-13 Mid-term Corporate Strategy

Vision: Become No.1 in Asia in Quality, Customer Satisfaction and Value Creation

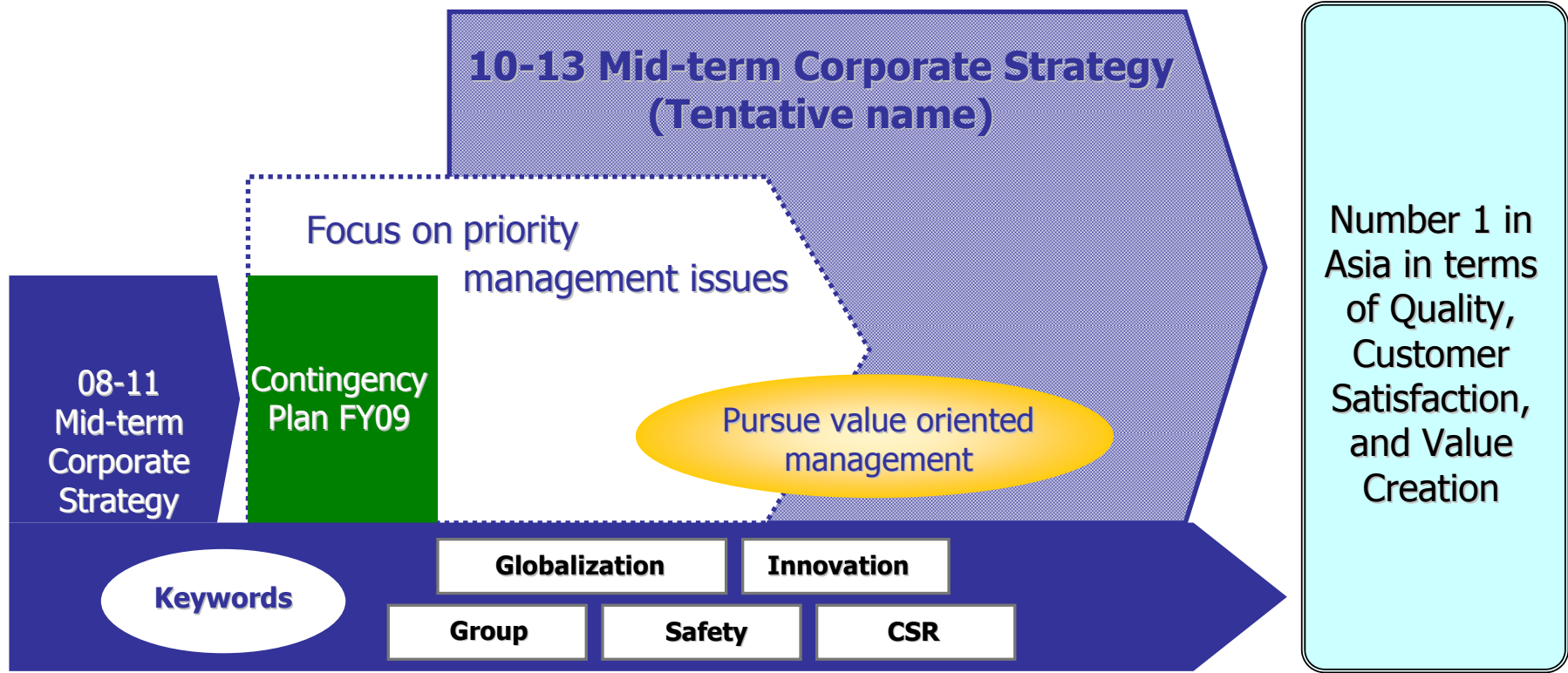


Strengths and growth opportunities



Looking Forward

Working on new 10-13 Mid-term Corporate Strategy based on priority management issues



Cautionary Statement

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 addition, 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.

Thank you.

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