



ANA 2011-12 Corporate Plan

All Nippon Airways

February, 2011

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

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I. ANA 2011-12 Corporate Plan



FY2010-11 Corporate Plan - Progress

Highly likely to finish in profit as FY10 income outperformed the initial plan

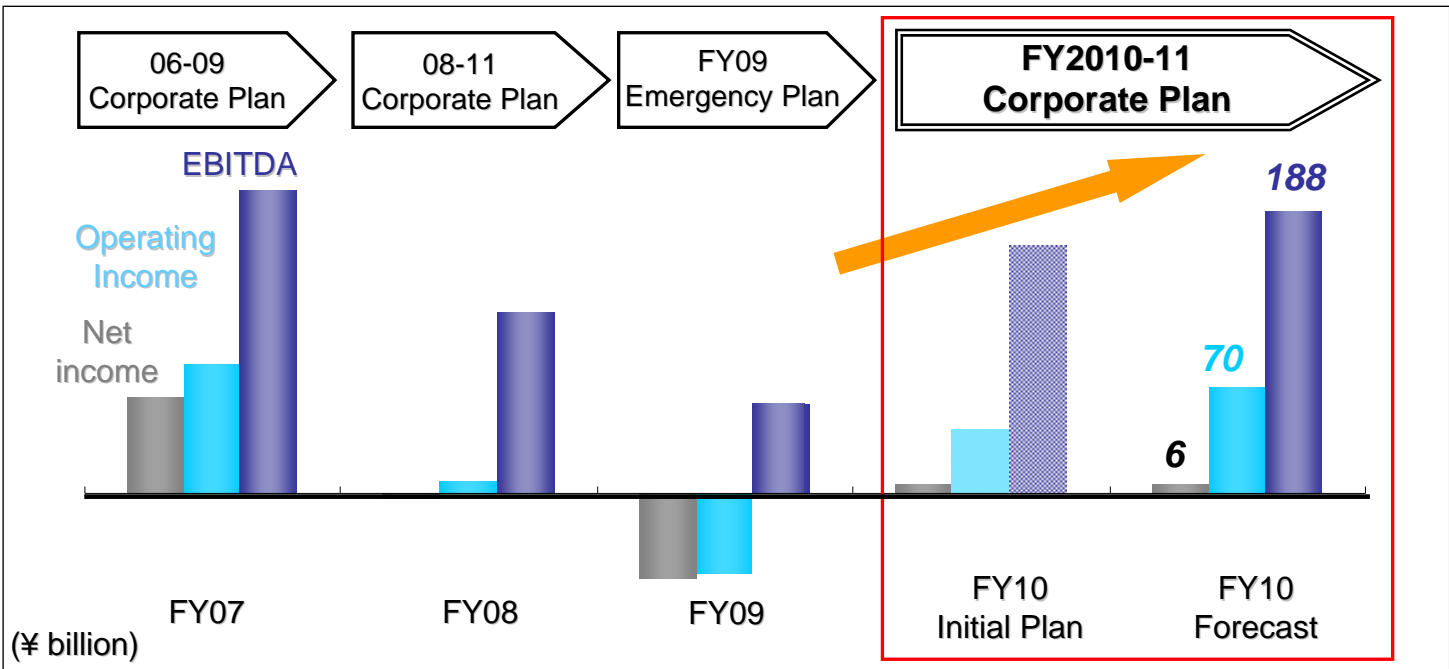
Progress

- ✓ Enhanced marketing and competitiveness led to greater high yield passenger demand and cargo volume, resulting in significant revenue improvements
- ✓ Implementation of cost reduction and further cost controls led to additional profit improvements

Improvements compared to FY09

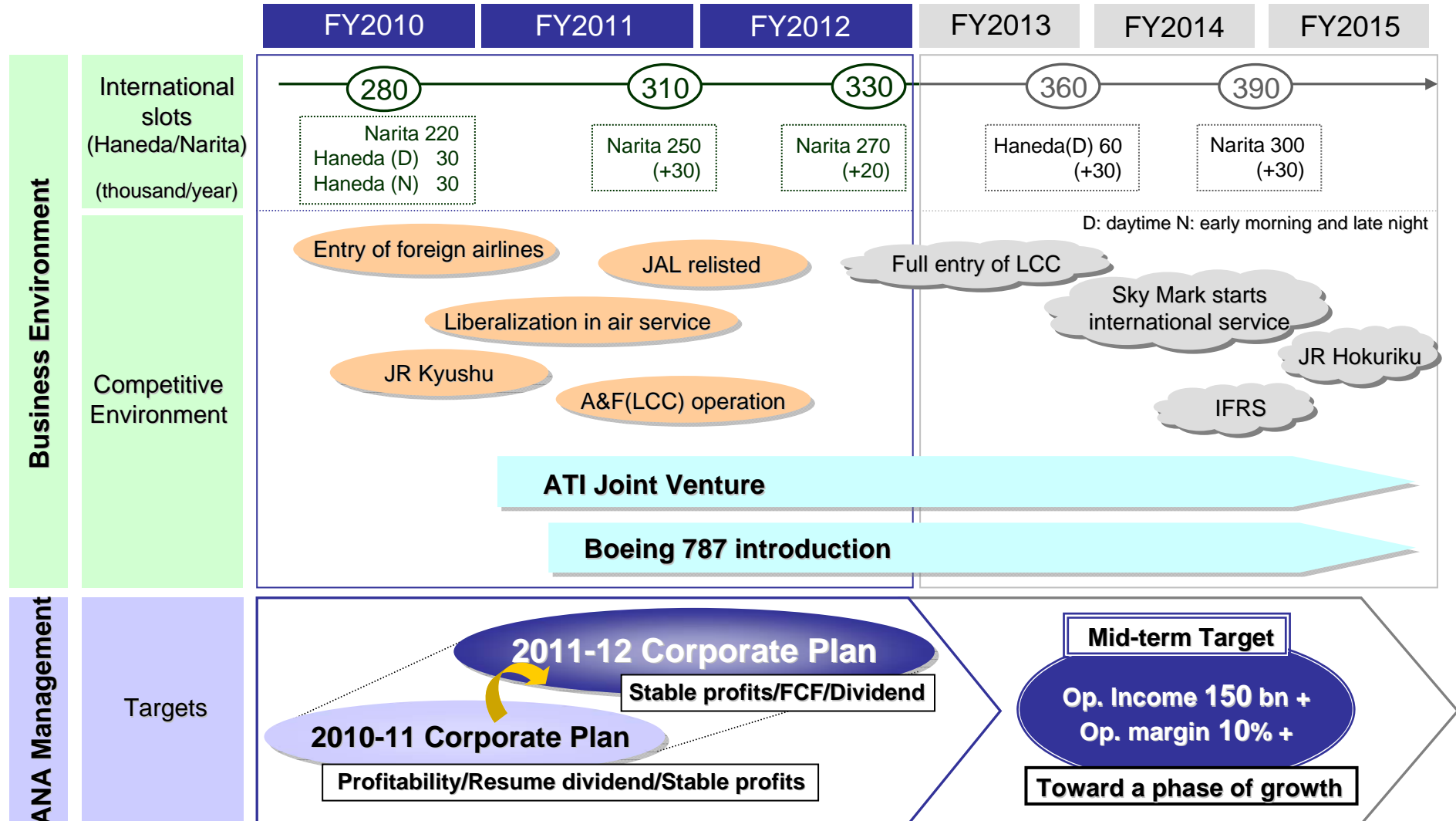
Approx. ¥120 bn in op. profit Approx. ¥130 bn in EBITDA (cash flow)

Expect to achieve a complete recovery, outperforming initial plan



FY2011-12 Corporate Plan - (1) Operating Environment

Respond to a changing operating environment and switch to a more solid structure in the next two years, toward a phase of growth



FY2011-12 Corporate Plan - (2) Outline

Execute structural reform, strengthening risk resistance and enhancing managerial efficiency

Management theme

- ☞ Enhance managerial efficiency through maximum utilization of management resources
- ☞ Establish solid revenue foundations resistant to volatility

Major Initiatives

✓ Globally marketing taking the opportunity of Haneda internationalization and ATI JV
 • Build marketing systems that are not limited to domestic or international segments and strengthen global competitiveness

✓ Raise productivity through maximum utilization of the assets and personnel
 • Attain business expansion by maximizing utilization of existing resources

✓ Continue disciplined cost reduction
 • Continue last year's efforts and further reduce expenses and unit costs

✓ Restructure group businesses
 • Further integrate Group companies by restructuring sales and operating systems

✓ Reinforce financial position
 • Secure free cash flow and reduce interest bearing debt

✓ Enhance fundamental operations and service quality
 • Increase customer satisfaction and seek to achieve the world's highest levels of operation and service quality (Skytrax five-star)

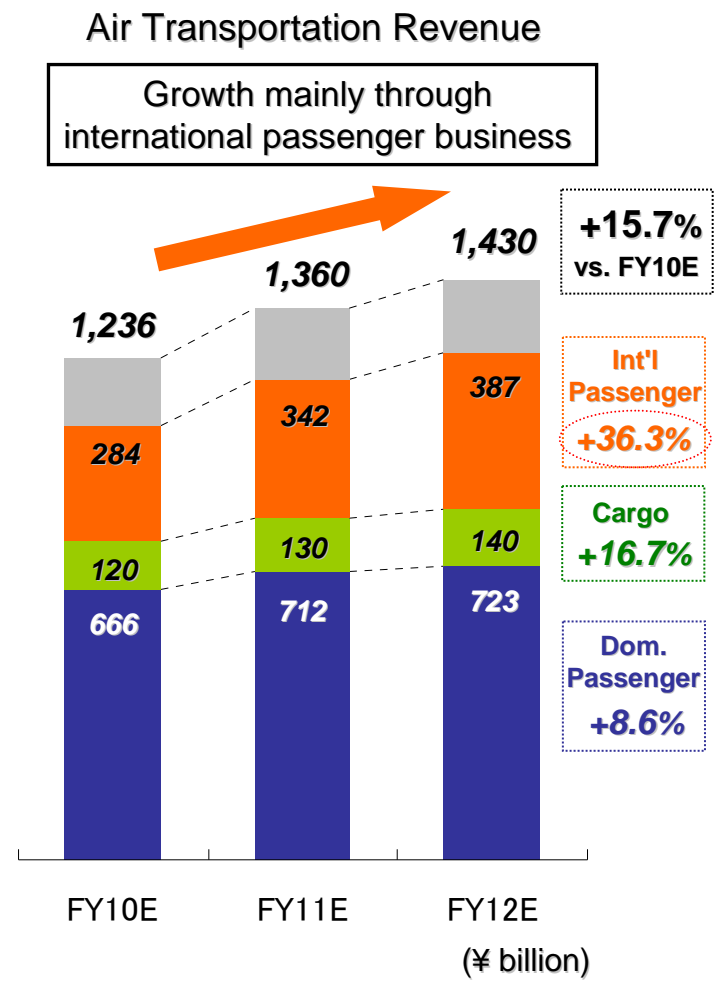
Build a robust corporate structure that will prevail amidst intensifying global competition from FY13 onwards

FY2011-12 Corporate Plan - (3) Management Targets

**Establish a solid earnings base and reinforce financial position
by ensuring stable operating income above ¥100 bil**

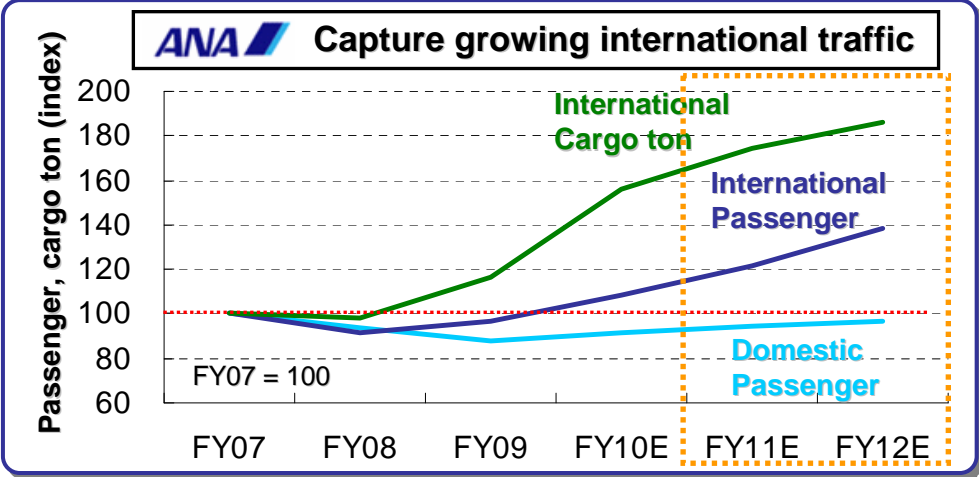
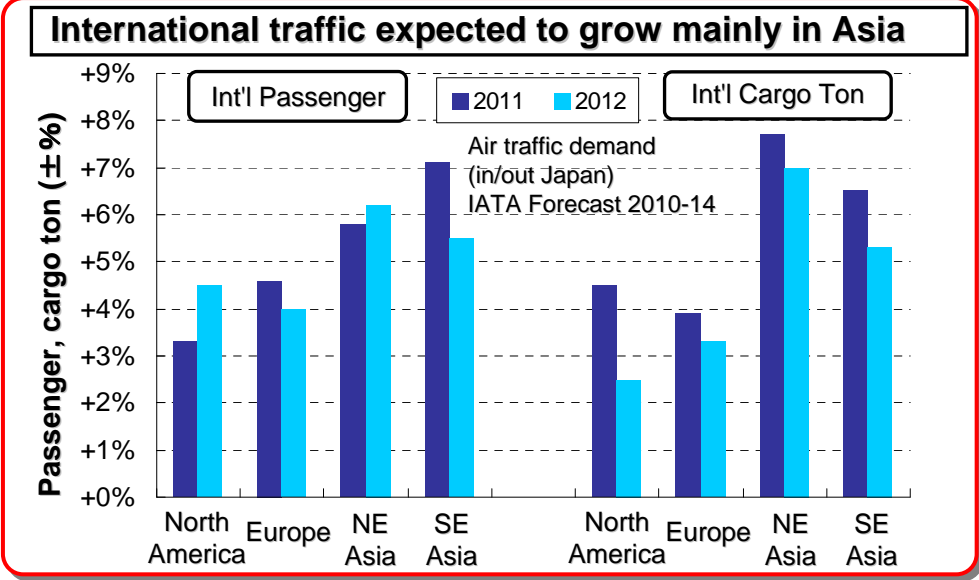
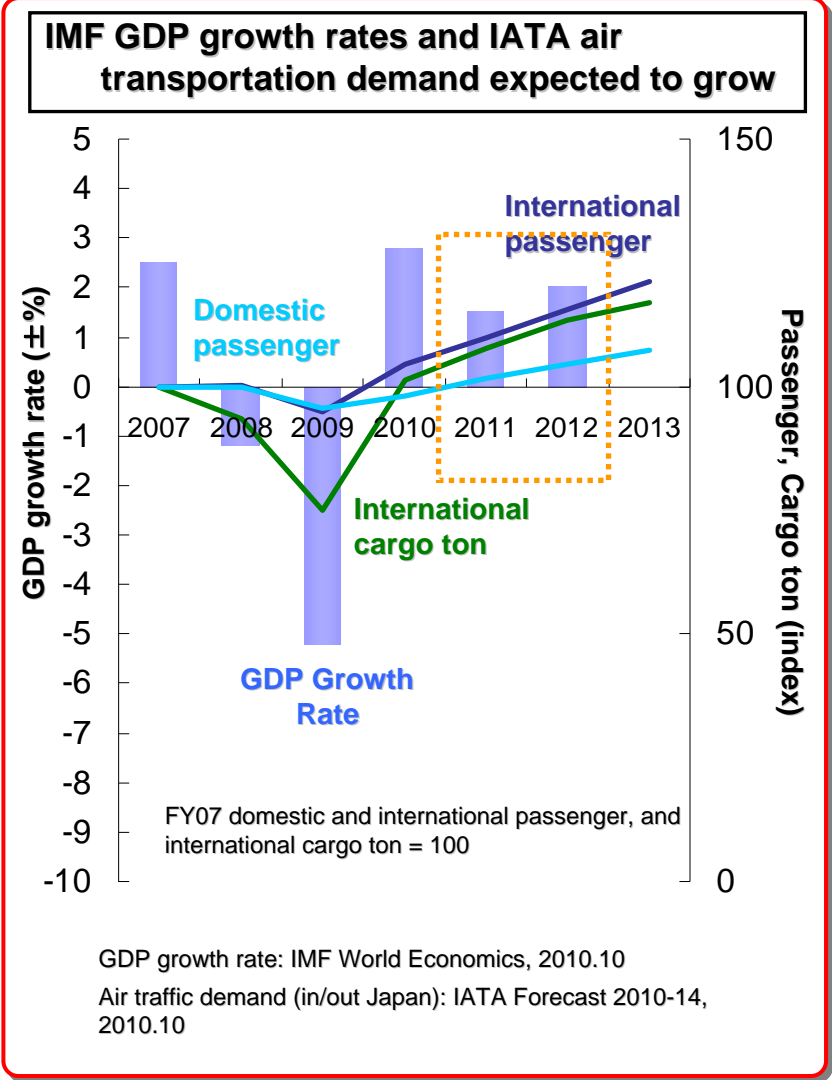
	FY10 Forecast	FY11 Plan	FY12 Plan
Operating Revenues	1,377	1,500	1,570
Operating Income	70	110	130
Operating Margin	5.1%	7.3%	8.3%
Recurring Income	37	70	82
Net Income	6	45	53
Earnings per Share	2.4 yen	17.9 yen	21.1 yen

(¥ billion)



Air Transportation - Demand Outlook

Air transportation demand is expected to recover from FY11 onwards



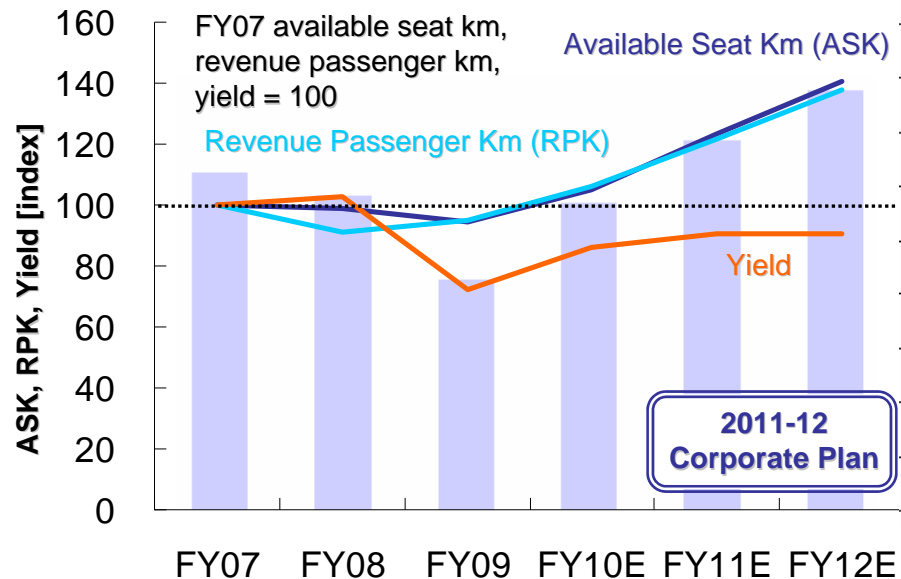
International Passenger Operation (1)

Seize the opportunity of the expansion to efficiently capture demand

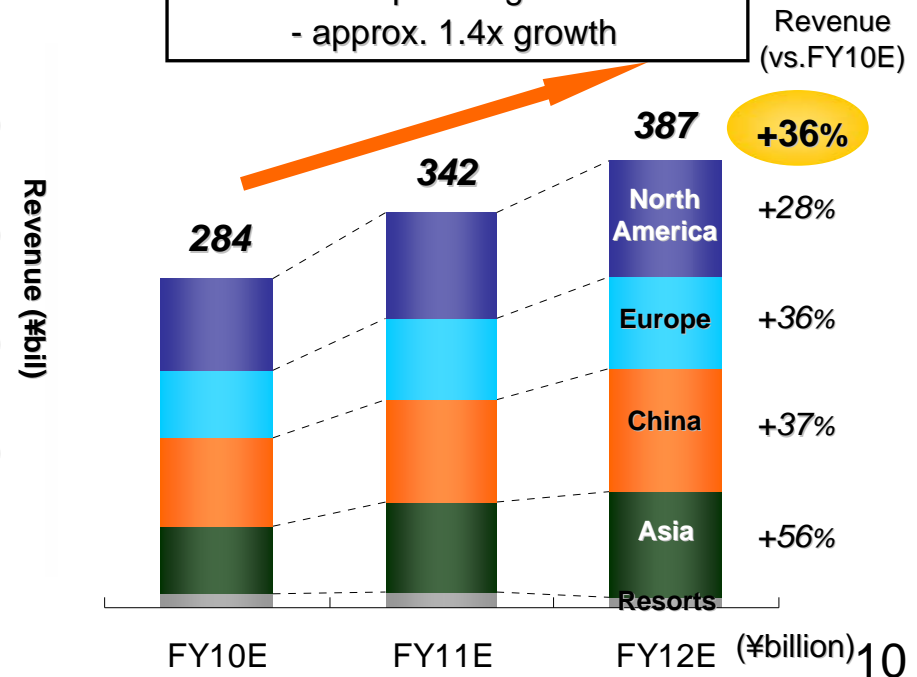
Major Initiatives

- ✈ Build the foundation for a Haneda-Narita dual hub network
- ✈ Maximize revenues through new fare schemes and by capturing global demand through Joint Venture
- ✈ Strengthen our approach to the non-Japanese market and new customer segments through the utilization of web sales channels
- ✈ Acquire new customers based on database marketing
- ✈ Deploy and develop new products

International Passenger Operations Plan

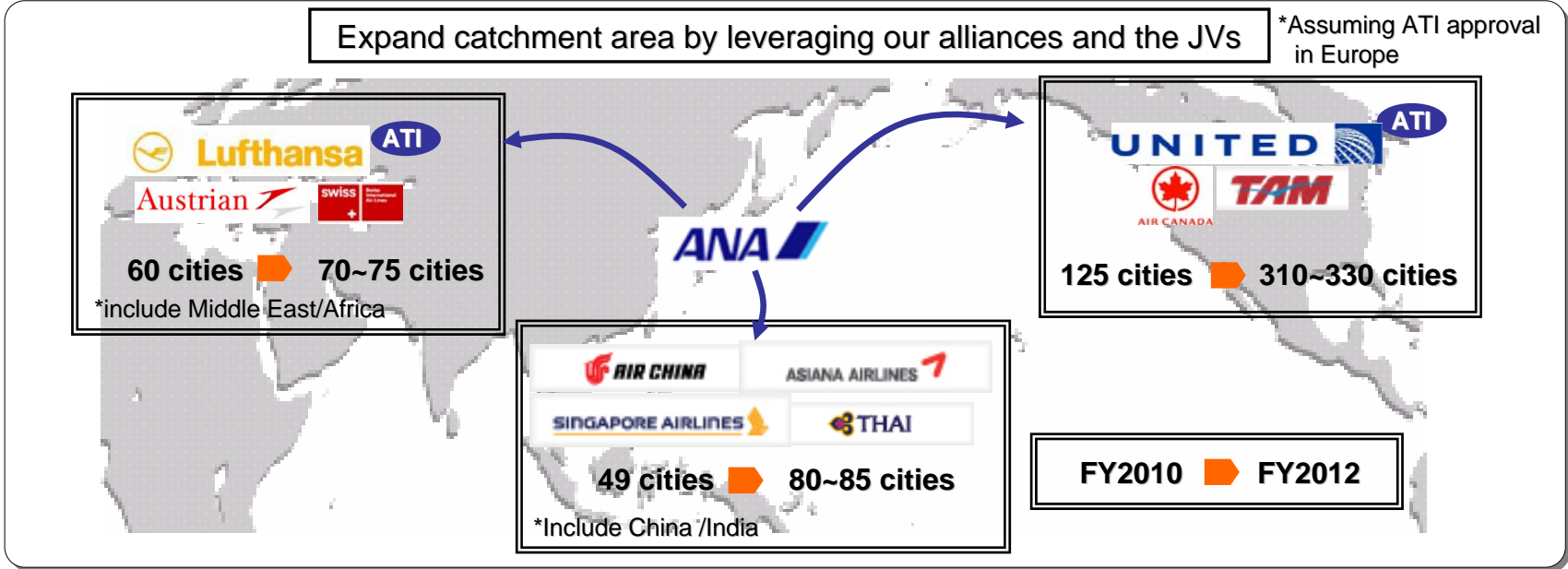


International passenger revenues - approx. 1.4x growth



International Passenger Operation (2)

Further expand catchment areas and aggressively capture demand through Joint Ventures



Maximize revenues through new fare schemes

- Flexible pricing with carrier fares
- Revise fares and set new fares
- Increase maximum fares in tandem with fare deregulation

Through Joint Venture

- + Substantial expansion in the number of cities
- + Set O&D prices strategically responding to the competitive environment

Launch of New Products

ANA BUSINESS STAGGERED
Europe and North American
6 routes in FY11

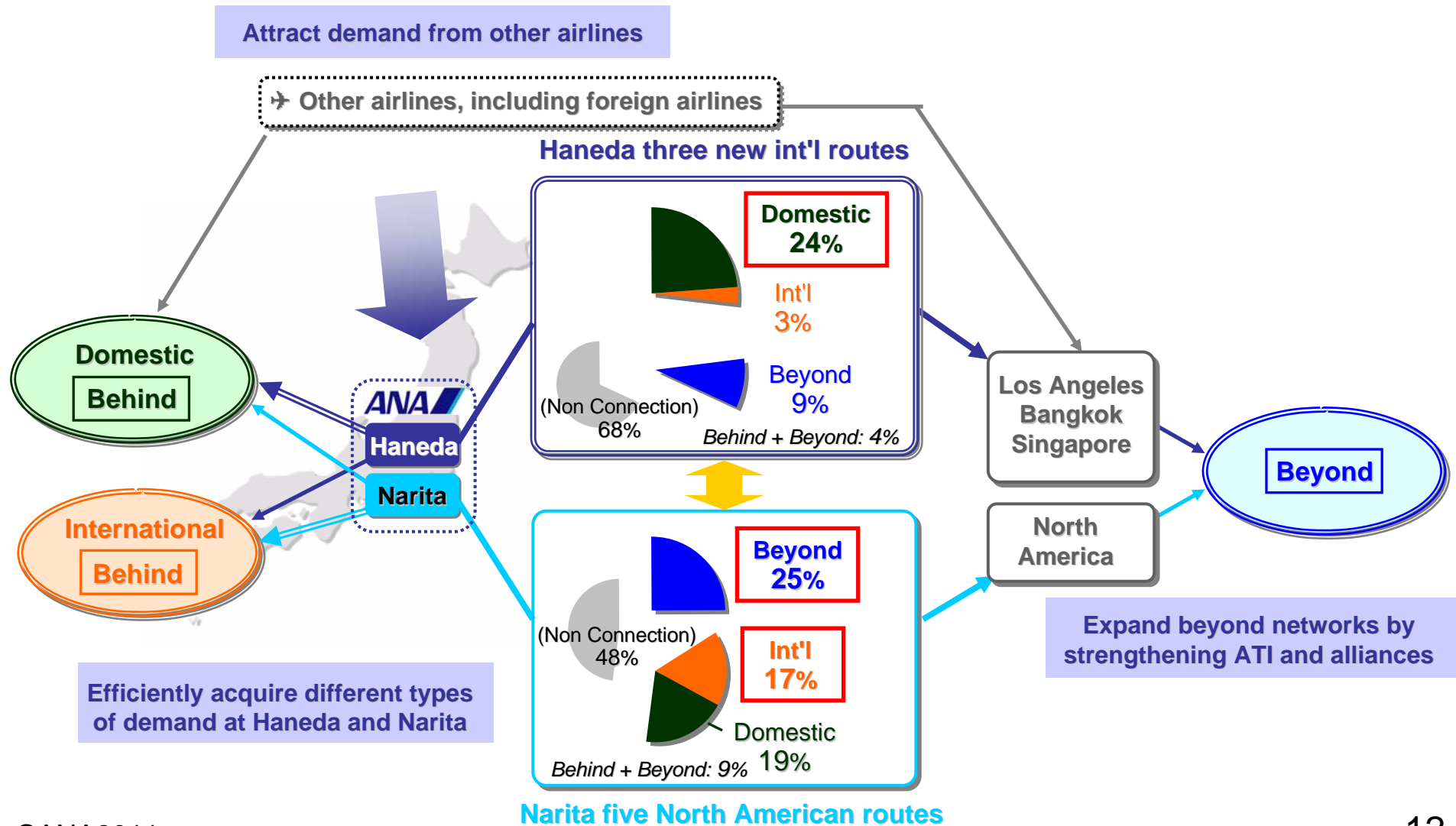


ANA BUSINESS CRADLE
Asia 5 -6 routes in FY11



International Passenger Operation (3)

Exploit the strengths of both Haneda and Narita to attract demand effectively



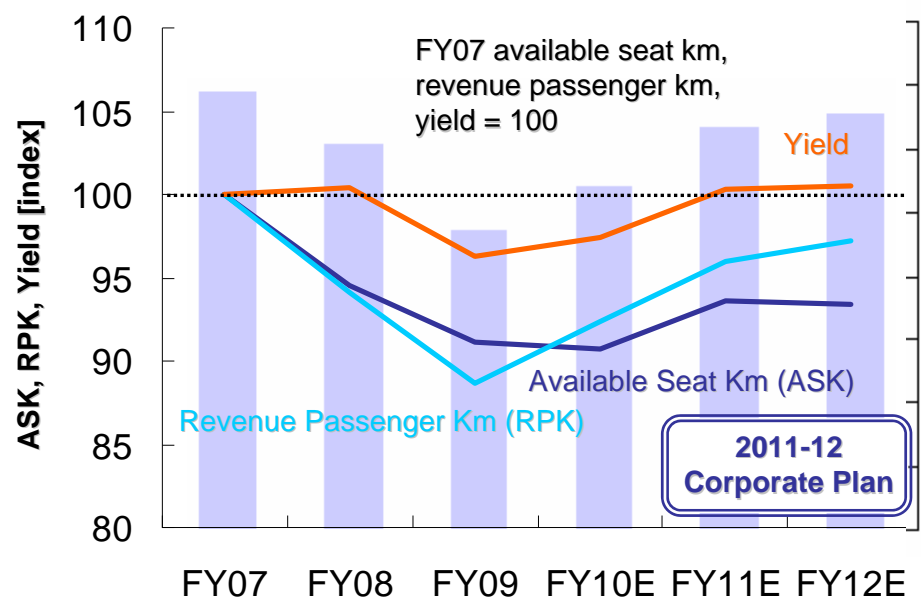
Domestic Passenger Operation

Take advantage of market position to improve profitability by managing capacity and yield

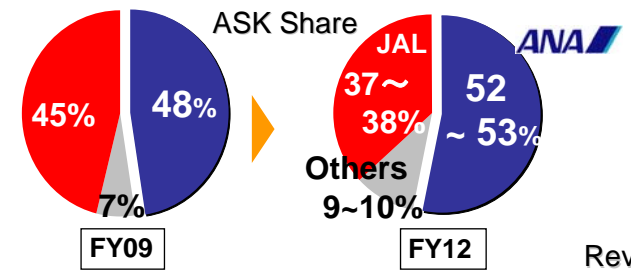
Major Initiatives

- ✈ Enhance competitiveness by taking advantage of the expansion and our competitor's reduced capacity
- ✈ Flexible pricing and yield management which respond to the competitive environment and demand conditions
- ✈ Expand networks by strengthening alliances with our partner carriers
- ✈ Promote direct sales by leveraging new sales channels and points of sales

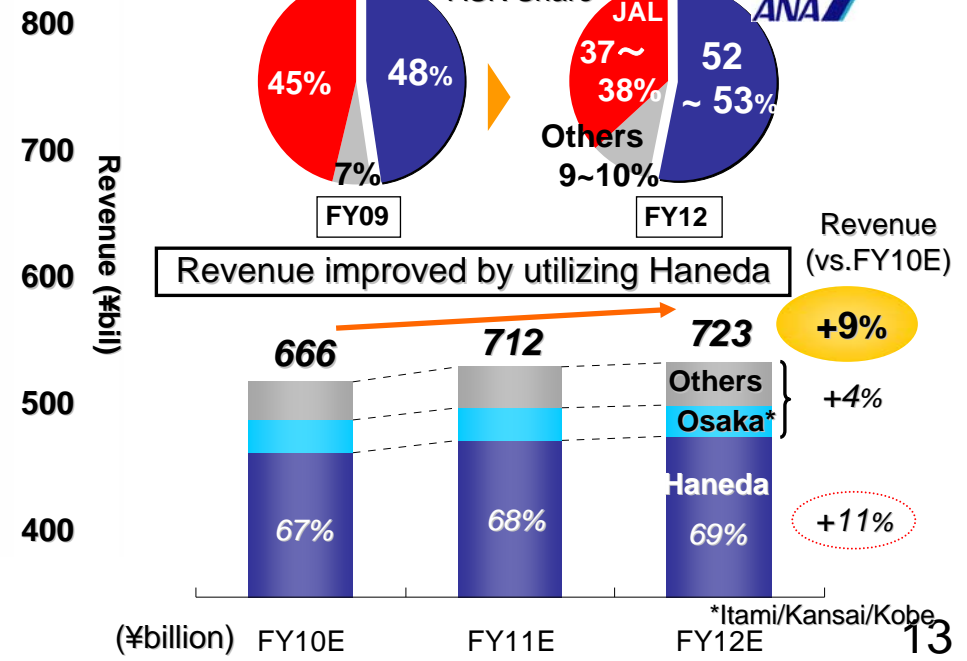
Domestic Passenger Operations Plan



Strengthen competitiveness by gaining capacity share



Revenue improved by utilizing Haneda



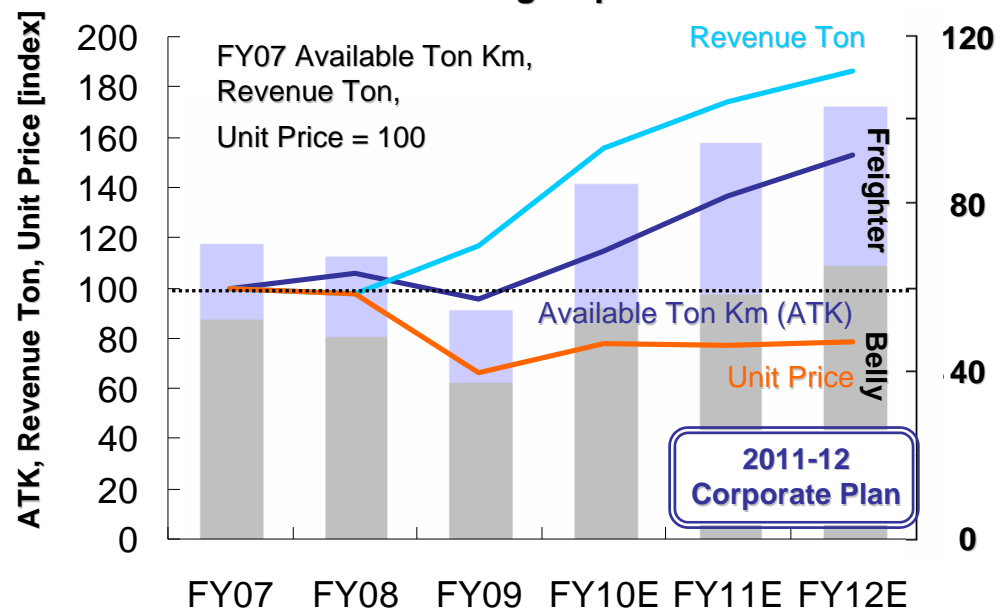
Cargo Operation

Maximize revenues and improve profitability by entrenching the door-to-door business model in the Okinawa hub

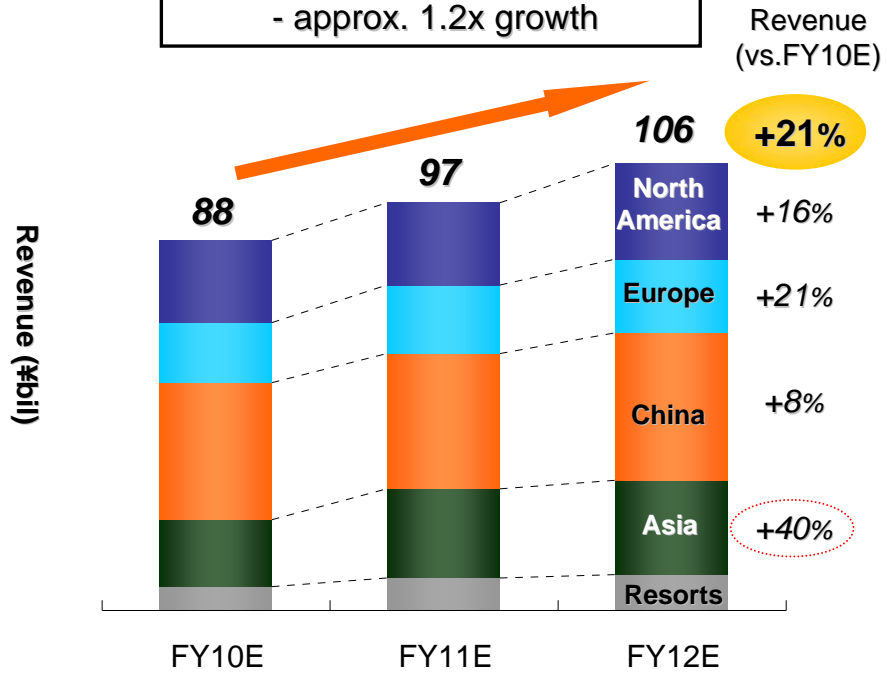
Major Initiatives

- ✈ Improve profitability and strengthen express business by stabilizing the 9-freighter operation
- ✈ Enhance yield management through full implementation of CARGO PROS
- ✈ Introduce new fares that conform with supply and demand and efficiently utilize the web

International Cargo Operations Plan

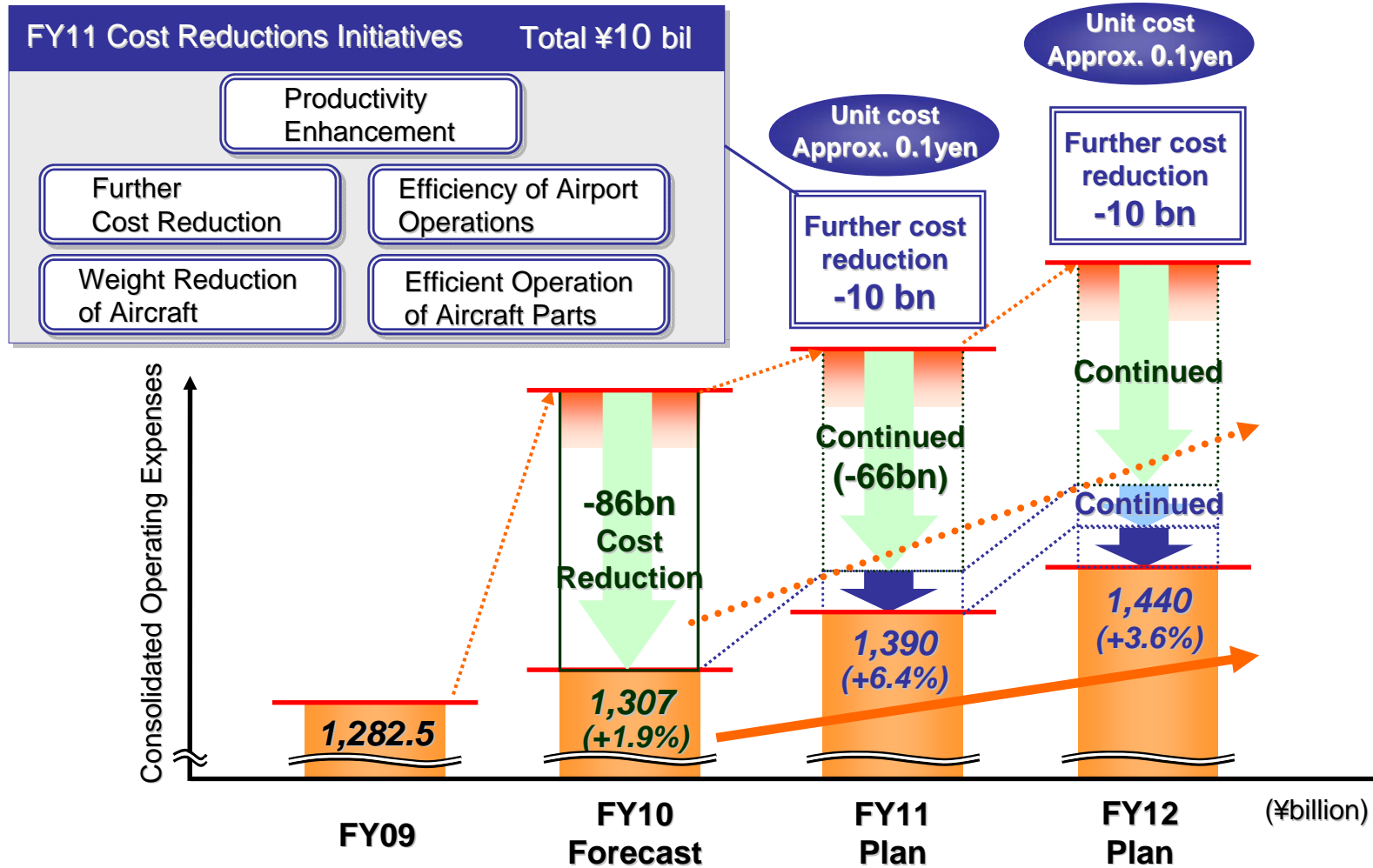


International cargo revenues - approx. 1.2x growth



Cost Reductions / Productivity Enhancement

Reduce unit costs, enhance managerial efficiency and build a structure resistant to volatility



Reduce unit costs by raising productivity over the mid-long term

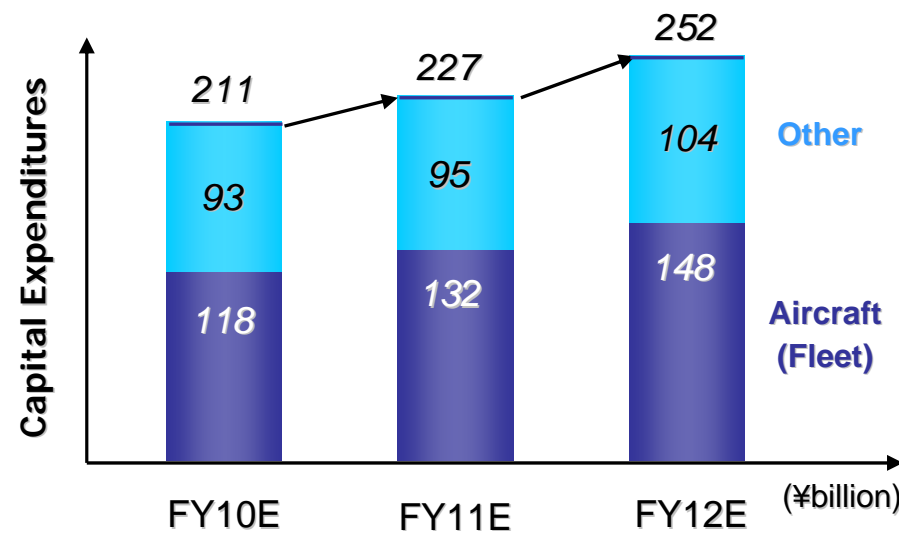
Fleet / Capital Expenditures

Secure steady free cash flows while investing in aircraft and enhancing competitiveness

Plan Points

- Secure free cash flow of approx. ¥60 bn in FY11 and FY12 (over two years)
- Expect to receive the first B787 in 2Q FY11, and 24 over the two years

Capital Expenditures Plan



Fleet Plan

	FY11E	FY12E
Boeing 777-200ER	0	2
Boeing 787-8	14	10
Boeing 767-300ER	4	0
Boeing 737-800	2	4
Bombardier DHC8-Q400	3	2
Retired aircraft (Estimate)	-12	-22

(Aircraft: upon delivery)

Cash Flows Plan

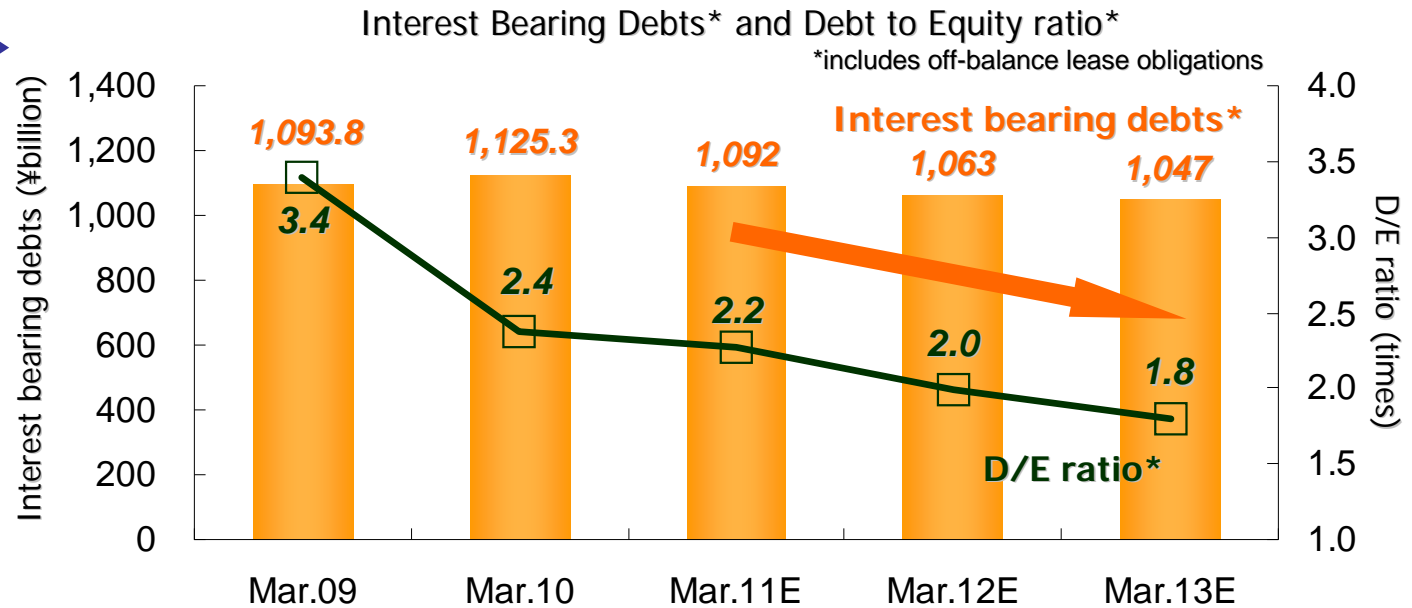
	FY10E	FY11E	FY12E
Operating Activities	191	223	252
Investing Activities	-169	-193	-221
Free Cash Flows	22	30	31
Financing Activities	-33	-32	-25

(¥billion)

Further Enhance Shareholders' Value

Steadily build up shareholders' equity through profits generated during the period and improve financial position

Financial Targets



ROA	0.6%	-	3.8%	6.1%	7.0%
ROE	-	-	1.2%	8.7%	9.4%
Interest Bearing Debt/EBITDA*	9.1x	18.9x	5.8x	4.4x	3.8x
D/E ratio*	3.4x	2.4x	2.2x	2.0x	1.8x

*includes off-balance lease obligations

Shareholder Return Policy

✓ Even though investment will be required in the mid-long term to build our management foundations and ensure further profitability, profits will be divided as shareholder return is an important managerial issue

II. ANA 2011-12 Corporate Plan Targets



Consolidated Profit Plan

Consolidated Profit Plan

	FY10(E)	FY11(E)	Difference	FY12(E)	Difference
Operating Revenues	1,377.0	1,500.0	+ 123.0	1,570.0	+ 70.0
Operating Expenses	1,307.0	1,390.0	+ 83.0	1,440.0	+ 50.0
Operating Income	70.0	110.0	+ 40.0	130.0	+ 20.0
Op. Margin (%)	5.1%	7.3%	+ 2.2 pts	8.3%	+ 0.9 pts
Non-Op. Gains/Losses	- 33.0	- 40.0	- 7.0	- 48.0	- 8.0
Recurring Income	37.0	70.0	+ 33.0	82.0	+ 12.0
Extraordinary Gains/Losses	2.0	- 1.0	- 3.0	0.0	+ 1.0
Net Income	6.0	45.0	+ 39.0	53.0	+ 8.0

(¥billion)



Profit Targets by Segment

Profit Targets by Segment

	FY10(E)	FY11(E)	Difference	FY12(E)	Difference	
Revenues	Air Transportation	1,236.0	1,360.0	+ 124.0	1,430.0	+ 70.0
	Travel Services	174.0	174.0	-	174.0	-
	Other	136.0	134.0	- 2.0	134.0	-
	Adjustment	- 169.0	- 168.0	+ 1.0	- 168.0	-
	Total (consolidated)	1,377.0	1,500.0	+ 123.0	1,570.0	+ 70.0
Operating Income	Air Transportation	64.5	104.5	+ 40.0	124.0	+ 19.5
	Travel Services	2.5	2.5	-	3.0	+ 0.5
	Other	3.0	3.0	-	3.0	-
	Adjustment	0.0	0.0	-	0.0	-
	Total (consolidated)	70.0	110.0	+ 40.0	130.0	+ 20.0

(¥billion)



Air Transportation Business

Operating Income Plan (Air Transportation)

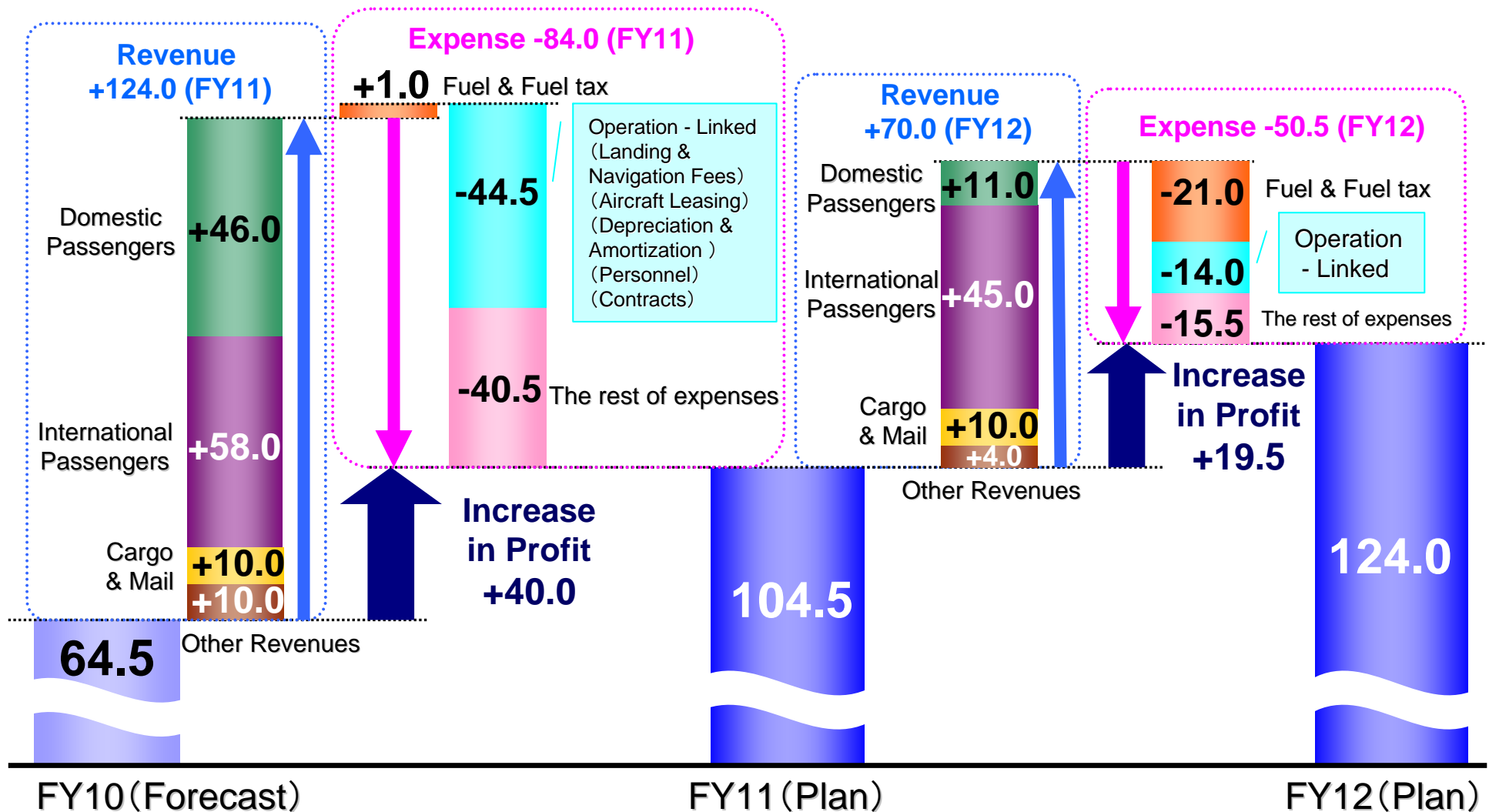
	FY10(E)	FY11(E)	Difference	FY12(E)	Difference	
Operating Revenues	Domestic Passengers	666.0	712.0	+ 46.0	723.0	+ 11.0
	International Passengers	284.0	342.0	+ 58.0	387.0	+ 45.0
	Cargo and Mail	126.0	136.0	+ 10.0	146.0	+ 10.0
	Others	160.0	170.0	+ 10.0	174.0	+ 4.0
	Total	1,236.0	1,360.0	+ 124.0	1,430.0	+ 70.0
Operating Expenses	Fuel and Fuel Tax	261.5	260.5	- 1.0	281.5	+ 21.0
	Non – Fuel Cost	910.0	995.0	+ 85.0	1,024.5	+ 29.5
	Total	1,171.5	1,255.5	+ 84.0	1,306.0	+ 50.5
Op. Income	Operating Income	64.5	104.5	+ 40.0	124.0	+ 19.5

(¥billion)

Air Transportation Business

Operating Income Plan (Air Transportation)

(¥billion)



Revenue Plan by Segment

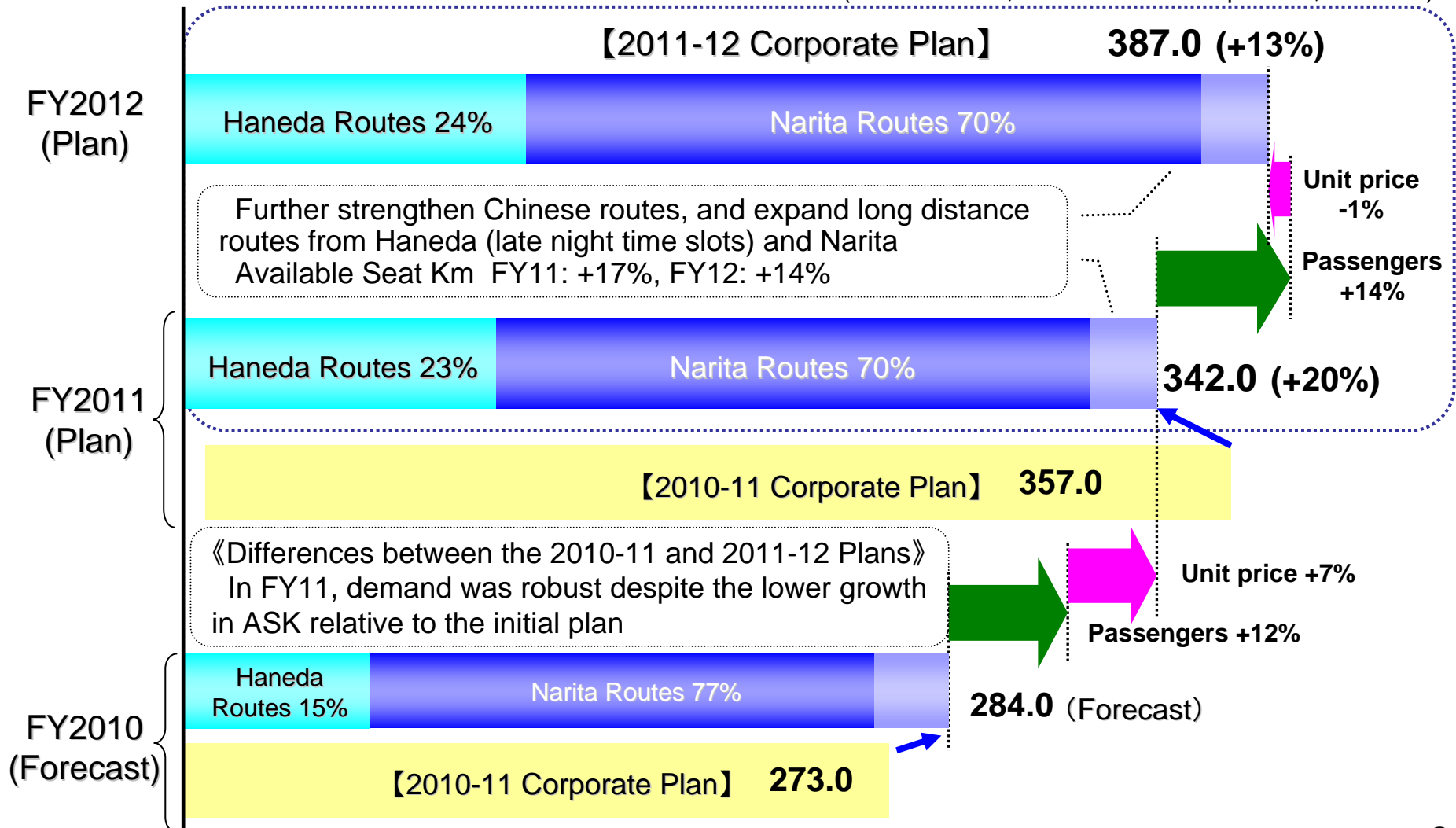
Revenue Plan 《Passenger Operations》

	Domestic Passengers			International Passengers		
	FY10(E)	FY11(E)	FY12(E)	FY10(E)	FY11(E)	FY12(E)
Available Seat Km (Y/Y %)	- 0.5%	+ 3.2 %	- 0.3%	+ 11.4%	+ 17.4%	+ 13.7%
Revenue Passenger Km (Y/Y %)	+ 4.2%	+ 3.9 %	+ 1.3%	+ 12.1%	+ 14.1%	+ 13.2%
Passengers (Y/Y %)	+ 4.2%	+ 3.6 %	+ 2.5%	+ 12.3%	+ 12.0%	+ 14.1%
Load Factor (%) (Y/Y pts)	64.9% (+ 2.9 pts)	65.3% (+ 0.4 pts)	66.4% (+ 1.1 pts)	76.2% (+ 0.5 pts)	74.1% (- 2.1 pts)	73.7% (- 0.3 pts)
Unit Revenue (Y/Y %)	+ 6.0%	+ 3.6 %	+ 1.8%	+ 19.3%	+ 2.4%	- 0.3%
Yield (Y/Y %)	+ 1.2%	+ 3.0%	+ 0.2%	+ 18.5%	+ 5.4%	+ 0.1%
Unit Price (Y/Y %)	+ 1.3%	+ 3.2%	- 0.9%	+ 18.3%	+ 7.4%	- 0.7%

Revenue Plan by Segment

International Passenger Operations Revenue Plan

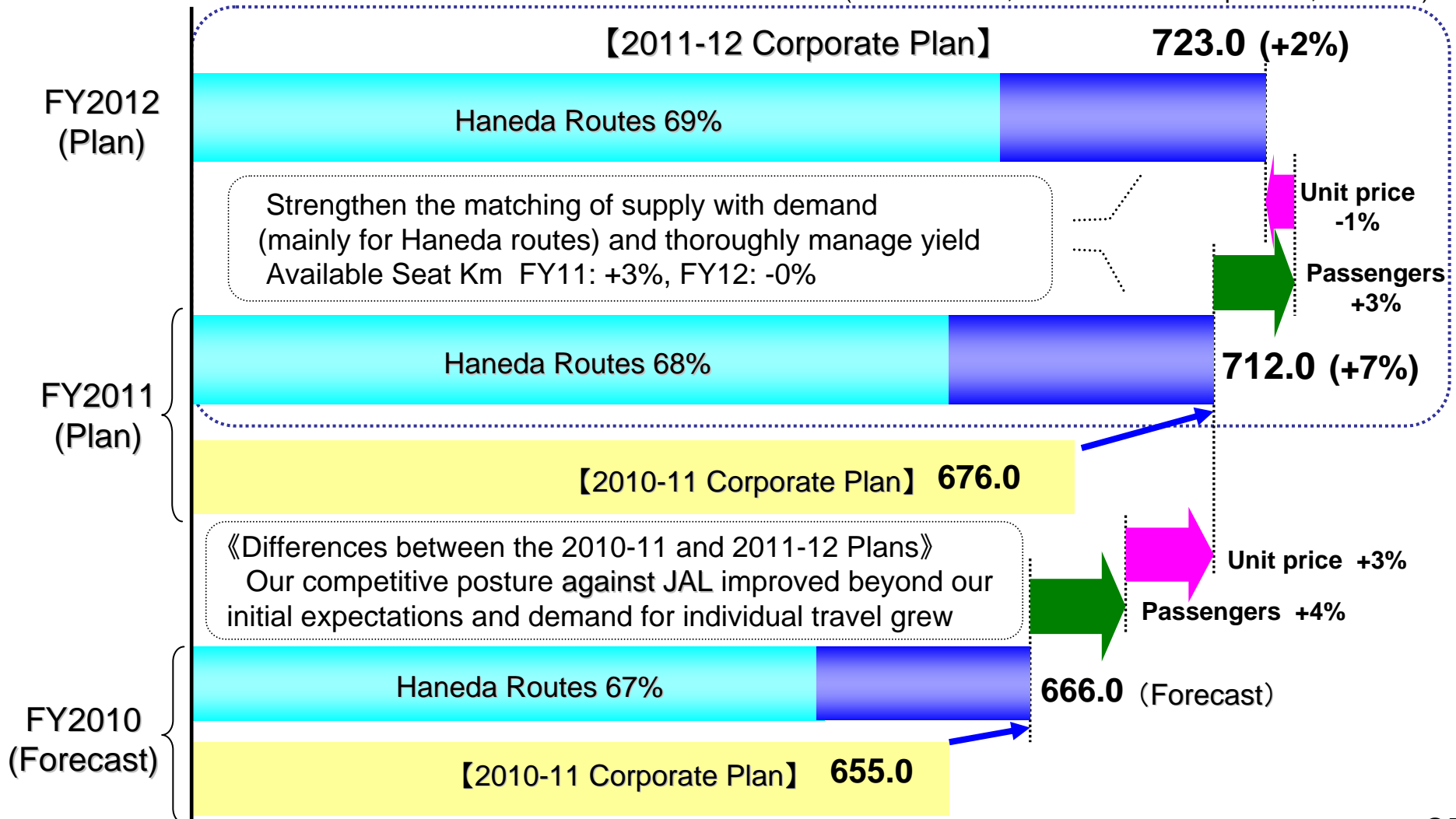
(Units: ¥ billion; unless otherwise specified, % = YoY)



Revenue Plan by Segment

Domestic Passenger Operations Revenue Plan

(Units: ¥ billion; unless otherwise specified, % = YoY)





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Revenue Plan by Segment

Revenue Plan 《Cargo Operations》

	Domestic Cargo (Total)			International Cargo (Total)		
	FY10(E)	FY11(E)	FY12(E)	FY10(E)	FY11(E)	FY12(E)
Available Ton km (Y/Y %)	- 1.3%	+ 0.6%	+ 2.4%	+ 14.4%	+ 19.2%	+ 11.9%
Revenue Ton km (Y/Y %)	- 0.8%	+ 2.9%	+ 1.6%	+ 21.5%	+ 11.5%	+ 9.0%
Revenue Ton (Y/Y %)	- 1.3%	+ 0.5%	+ 2.9%	+ 33.4%	+ 12.0%	+ 6.8%
Load Factor (Y/Y pts)	24.1% (+ 0.1 pts)	24.6% (+ 0.6 pts)	24.4% (- 0.2 pts)	67.9% (+ 4.0 pts)	63.5% (- 4.4 pts)	61.8% (- 1.6 pts)
Unit Revenue (Y/Y %)	+ 2.1%	+ 2.5%	+ 0.4%	+ 37.6%	- 7.4%	- 2.6%
Unit Price (Y/Y %)	+ 2.1%	+ 2.6%	- 0.1%	+ 17.9%	- 1.4%	+ 2.1%

Revenue Plan by Segment

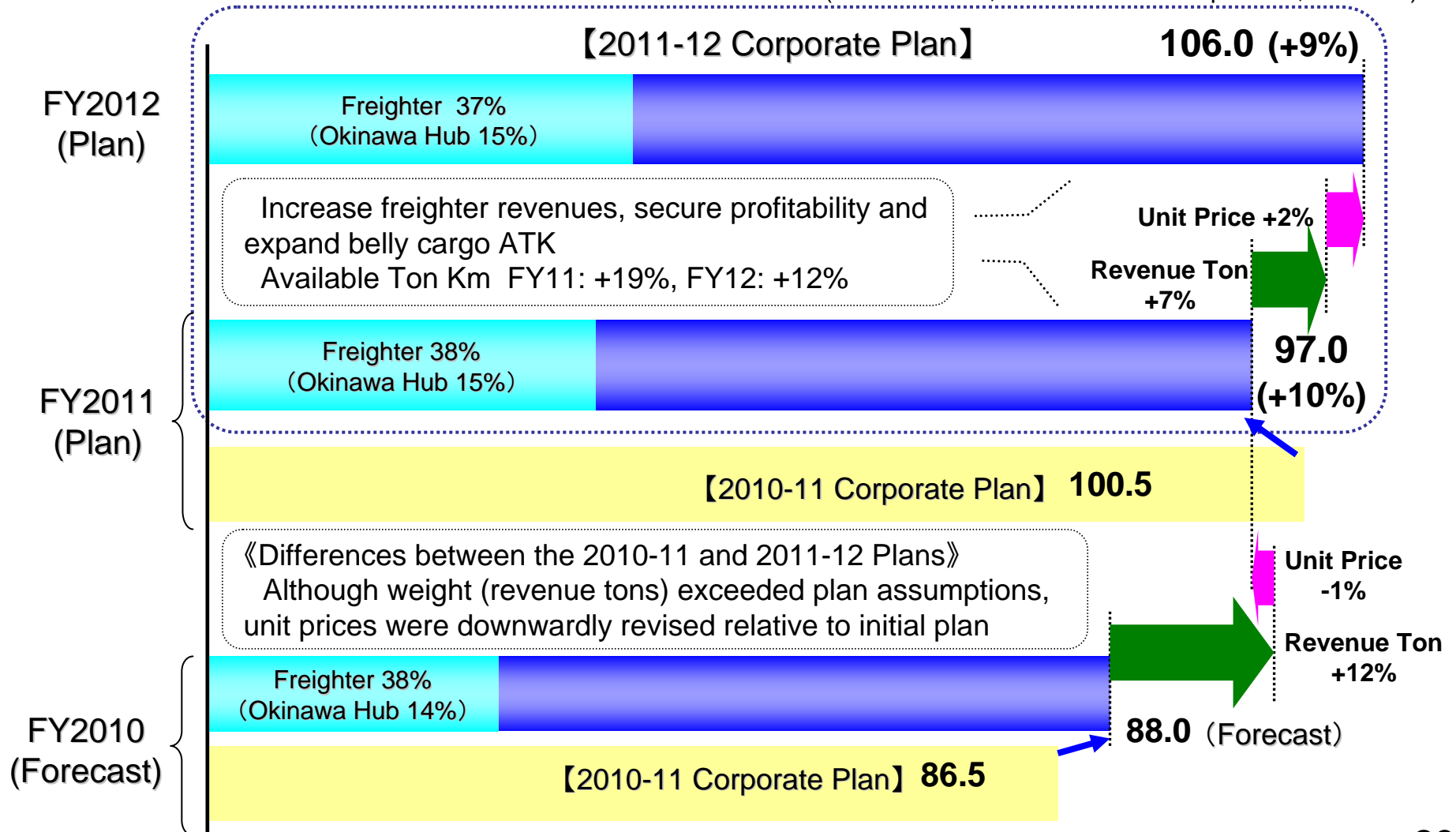
Revenue Plan 《Cargo Operations》

	Domestic Cargo (Freighter)			International Cargo (Freighter)		
	FY10(E)	FY11(E)	FY12(E)	FY10(E)	FY11(E)	FY12(E)
Available Ton km (Y/Y %)	- 11.7%	- 20.4%	0.0%	+ 33.8%	+ 4.1%	- 0.9%
Revenue Ton km (Y/Y %)	- 9.1%	- 33.0%	0.0%	+ 50.1%	+ 6.8%	+ 3.1%
Revenue Ton (Y/Y %)	- 10.5%	- 14.8%	0.0%	+ 69.6%	+ 7.2%	+ 4.0%
Load Factor (Y/Y pts)	30.7% (+ 0.9 pts)	25.8% (- 4.9 pts)	25.8% (-)	64.8% (+ 7.1 pts)	66.5% (+ 1.7 pts)	69.1% (+ 2.6 pts)
Unit Revenue (Y/Y %)	- 0.9%	+ 15.1%	0.0%	+ 41.2%	+ 7.8%	+ 6.2%
Unit Price (Y/Y %)	- 2.3%	+ 7.7%	0.0%	+ 11.4%	+ 4.6%	+ 1.3%

Revenue Plan by Segment

International Cargo Operations Revenue Plan

(Units: ¥ billion; unless otherwise specified, % = YoY)





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Balance Sheet

Consolidated Balance Sheet / Financial Targets (Plan)

	Mar 31, 2011(E)	Mar 31, 2012(E)	Difference	Mar 31, 2013(E)	Difference
Assets	1,848.0	1,876.0	+ 28.0	1,920.0	+ 44.0
Shareholders' Equity	488.0	542.0	+ 54.0	588.0	+ 46.0
Ratio of Shareholders' Equity (%)	26.4%	28.9%	+ 2.5pts	30.6%	+ 1.7pts
Interest Bearing Debts	922.0	908.0	- 14.0	910.0	+ 2.0
ROA(%) Operating Return on Assets (%)	3.8%	6.1%	+ 2.2pts	7.0%	+ 1.0pts
ROE(%) Return on Equity (%)	1.2%	8.7%	+ 7.5pts	9.4%	+ 0.7pts
Interest Bearing Debts/EBITDA (times)	4.9	3.8	- 1.1pts	3.3	- 0.5pts
*Including off-balanced lease obligation	5.8	4.4	- 1.4pts	3.8	- 0.6pts
Debt/Equity Ratio (times)	1.9	1.7	- 0.2pts	1.5	- 0.1pts
*Including off-balanced lease obligation	2.2	2.0	- 0.3pts	1.8	- 0.2pts

* Off-balanced Lease obligation Mar 31,2011:170.0, Mar 31,2012:155.0, Mar 31,2013:137.0

(¥billion)

Consolidated Cash Flow

Consolidated Cash Flows (Plan)

	FY10(E)	FY11(E)	Difference	FY12(E)	Difference
Net Income	6.0	45.0	+ 39.0	53.0	+ 8.0
Depreciation and Amortization	118.0	129.0	+ 11.0	144.0	+ 15.0
Principal Payment for Aircraft Lease *	13.0	15.0	+ 2.0	14.0	- 1.0
Cash Flow from Operating Activities *	191.0	223.0	+ 32.0	252.0	+ 29.0
Capital Investment and Financing	- 211.0	- 227.0	- 16.0	- 252.0	- 25.0
Cash Flow from Investing Activities **	- 169.0	- 193.0	- 24.0	- 221.0	- 28.0
Free Cash Flow	22.0	30.0	+ 8.0	31.0	+ 1.0
Cash Flow from Financing Activities *	- 33.0	32.0	+ 1.0	- 25.0	+ 7.0
EBITDA	188.0	239.0	+ 51.0	274.0	+ 35.0
EBITDA Margin (%)	13.7%	15.9%	+ 2.3pts	17.5%	+ 1.5pts

* Cash flow from operating activities and cash flow from financing activities in this table include off-balanced lease principle refund equivalent.

** Cash flow from investing activities in this table do not include time deposit in excess of three months and certificates of deposit.

(¥billion)

Fuel price and Exchange Rate

→Fuel Hedging Strategy:

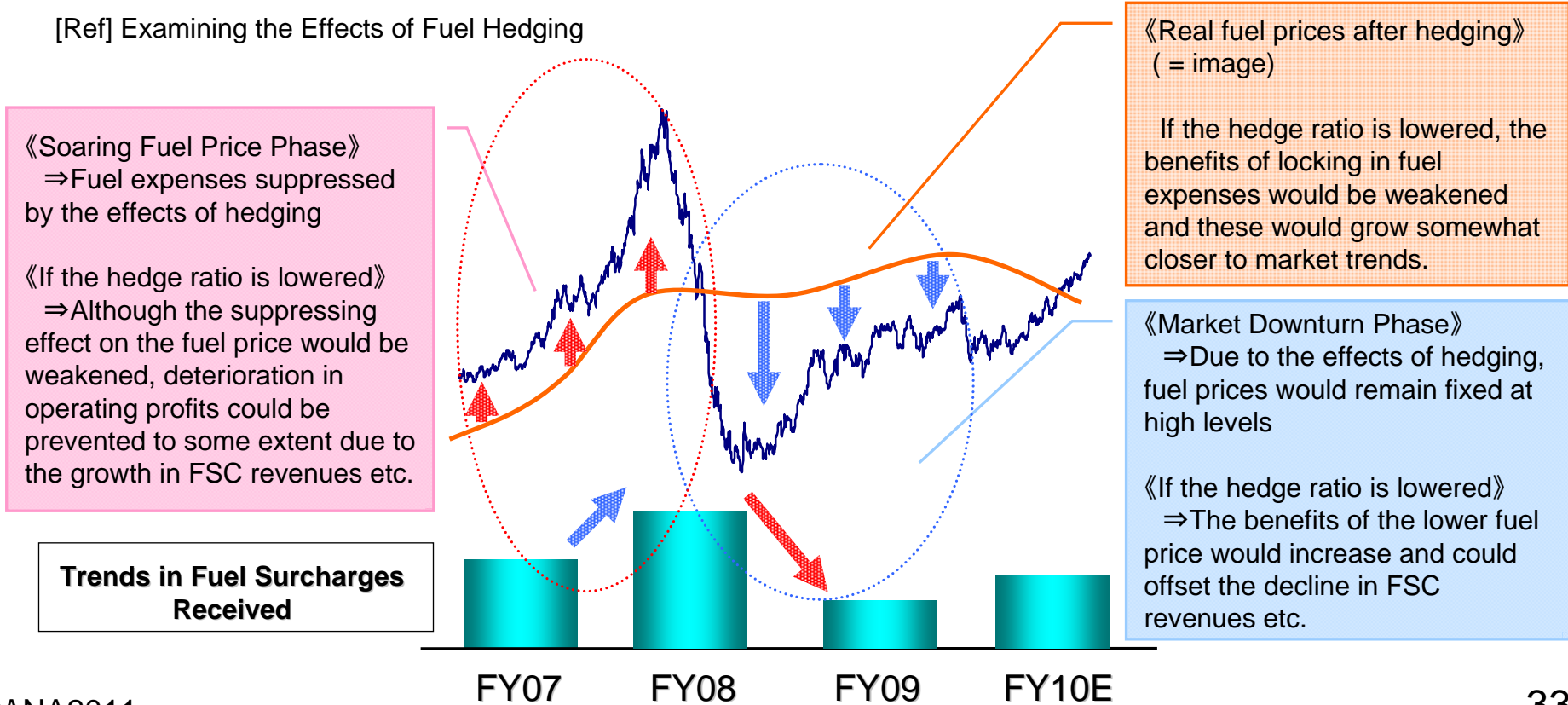
Instead of seeking to lock in fuel expenses, seeking to stabilize operating profits based on the correlation between fuel markets and revenue elements such as Fuel Surcharge (FSC)

→Currency Hedging Policy:

Managing cash effectively in view of the growing influx of foreign currency revenue that will accompany the expansion of international operations

⇒ Flexibly seek the optimum hedge ratio for achieving stable profits while avoiding fluctuation in fuel expenses

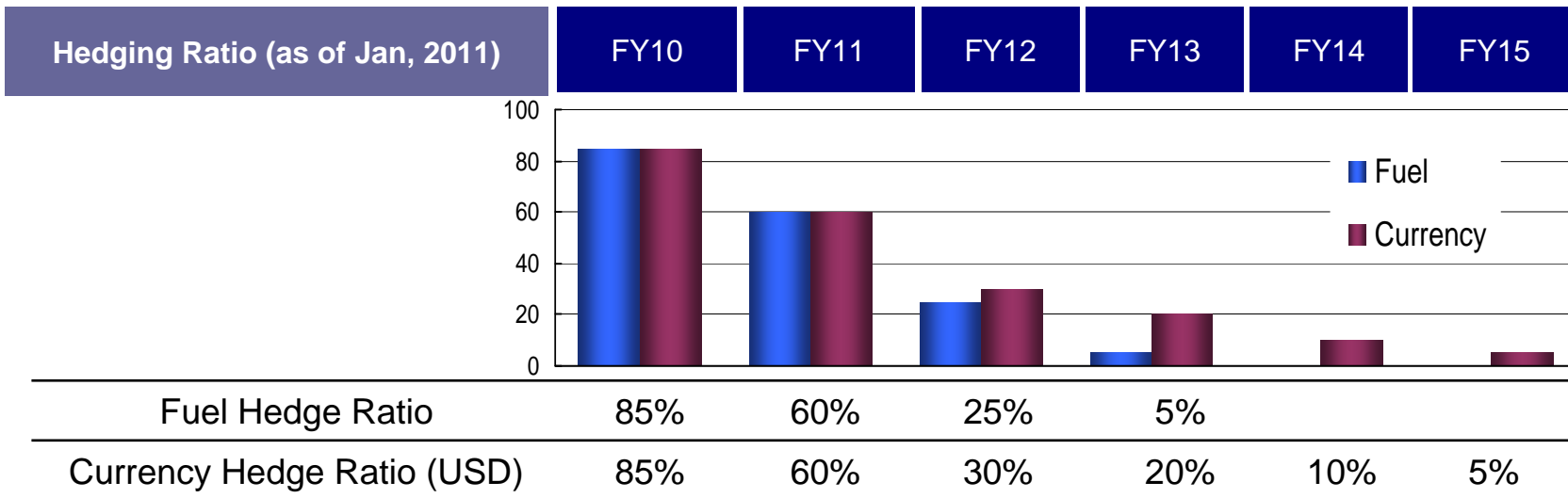
[Ref] Examining the Effects of Fuel Hedging



Fuel Price and Exchange Rate

Fuel Price and Exchange Rate

Market Index and Assumptions	FY10(E)	FY11(E)	FY12(E)	Market Sensitivity (Non hedged Impact)	FY11(E)	FY12(E)
Dubai Crude Oil (USD/BBL)	81	84	84	1 USD change per barrel	2.0	2.2
Kerosene (USD/BBL)	95	100	100	1 JPY change per USD	2.0	2.2
Exchange Rate (JPY/USD)	86	85	85		(¥billion)	



Memo

Memo

Memo

Memo

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.

Information

Thank you.

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

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