March 2012

Fiscal 2012-2013 Corporate Plan Q&A Summary

Q-1

◆ You have set a goal of 150 billion yen in operating income over the medium term; what is the path you expect to take to reach this goal?

A-1

■ Phase I of our fiscal 2012-2013 Corporate Plan is a period set aside to make our financial position stronger. Our goal is to reach 150 billion yen in operating income as quickly as possible after fiscal year 2014 and beyond.

■ The number of slots available at Haneda and Narita is the foundation for revenue growth for our company. Looking at the planned slot expansion in the Tokyo metropolitan area, we believe that it will be the end of fiscal 2013 at the earliest before we see more international routes at Haneda, not to mention the completion of construction on the Haneda terminal building. We do not expect Narita to expand its slots to 300,000 until after fiscal 2014. As well, our route expansion plans are dependent on bilateral air services agreement.

■ At the stage where slot expansion schedules and route permissions have been determined with greater clarity, we will be able to define our path to 150 billion yen in operating income with a higher degree of certainty.

Q-2

◆ Your plan to reduce costs by 100 billion yen calls for a cut of 45 billion yen in fiscal 2014, which is the final year of the plan. Why does your plan call for the largest cut to happen in the final year?

A-2

■ It will take time and a few adjustments to see the effects of reducing personnel expense through improved productivity. We are also looking into creating a Shared Service Center in conjunction with our transition to a holding company system, as announced earlier. We expect to see a more pronounced impact of indirect cost reductions, including the impact on personnel expense, beginning fiscal year 2014, in the wake of our April 2013 transition to a holding company structure.

■ Savings on office and other real estate leases are affected by contracts, so we will not see the impact there immediately. We are also working to reduce sales commissions, which will take time to negotiate.

■ We are working within a time frame requiring adjustments within and across a variety of disciplines. Some will take more time than others. However, we believe we have fully investigated all of the probabilities in connection with this plan.

Q-3

◆ The ANA Group has been able to save a considerable amount of costs over the past three years. How is this next plan to cut 100 billion yen qualitatively different from past cost reductions?

A-3

■ One of the keys of these new cost reductions is productivity improvement. We plan to bring out the full capabilities of each individual employee, increasing the work accomplished per hour, as well adding more duties, to improve productivity. This is a different approach than in the past, where cost reductions have focused mainly on holding down various expenses.

■ We will be cutting costs in areas that we cannot accomplish on our own. For one example, we will actively look to use external resources, such as direct contracts with overseas firms for IT services. Holding down IT development costs will also reduce the amortization expenses in the future.

■ In advance of moving to a holding company system, we are changing our cost structure. During fiscal 2012, we will be establishing a Procurement Center to help reduce cost associated with procurement tasks.

■ We expect to reduce fuel expenses through revised operating standards. Based on our comparison of Japanese national regulations and global standards, we judge that we can make changes to our fuel load standards while remaining within safety regulations.

Q-4

◆ In your recent presentation, you provided air transportation business unit costs that are lower than your main competitor in Japan. Does this mean you have a current competitive advantage in terms of costs?

A-4

■ We think it is difficult to accurately compare unit costs due to differences in calculations between the two companies. For example, there are differences in calculation formulas, a different approach to route distance when calculating ASK, and Group company differences in air transportation business segments.

■ We understand that we will not be able to compete over the next two years directly on costs with a competitor coming out of reorganization procedures. Our plan to cut 100 billion yen in costs is designed to close the difference, and eventually give us a cost advantage.

Q-5

◆ Low-cost carriers (LCC) are making inroads into the Japanese market, and it is expected that AirAsia Japan will be in tougher competition with existing airlines and other LCCs. What is your outlook for future demand segregation and market share trends?

A-5

■ We cannot comment on the outlook of the future competitive environment at present. But, the fact is that LCCs have taken a 30% share of the European market. We believe that there is a significant demand in and around Metropolitan Tokyo, and there is sufficient room to uncover new demand. LCCs compete in terms of attractiveness and ideas, which means we need take a close look at the market intelligence and the lessons already learned.

■ LCCs that have seen success to date have grown based on their ability to create new demand and capture demand from other modes of transportation. As far as we are concerned, we do not believe that there will be zero cannibalization from our existing air traffic demand. Of our present leisure travel demand using promotional fares and package tour fares, we believe there will be a certain amount of shift to LLCs.

■ Since AirAsia Japan is a consolidated subsidiary, we think any demand shift or cannibalization is acceptable as long as the Group revenue grows in total. As a network carrier, ANA will expand operations at Haneda and Itami, while our LCCs expand operations at Narita and Kansai, each aiming for continued growth in its own sphere of operations.

■ In general, we believe that airlines can increase the number of aircraft by about five per year. Based on this assumption, our calculations show that the three LCCs in Japan, including our two, will expand by 15 aircraft a year. Over the next four years through fiscal 2015, there will be an expansion of about 60 narrow-body aircraft. This forecast is one good rule of thumb in comparing existing capacity, including that of the ANA Group.

Q-6

◆ What can you tell us about your projections for AirAsia Japan unit costs and yield?

A-6

■ We are targeting unit costs for AirAsia Japan on the order of six yen. To reduce unit costs will take a certain scale of ASK. We believe that, based on a 10-plane fleet, a six-yen unit cost will be within the realm of possibility during fiscal 2013 at the earliest, or fiscal 2014 at the latest.

■ We do not believe that LCC pricing can be determined in the same way as a network carrier, in other words by simply adding up yield based on initial plan assumptions. We must be flexible according to competitor pricing and the competitive environment, controlling yield levels within a scope allowing for revenues.

Q-7

◆ What are the assumptions driving your outlook for passenger demand trends and revenue growth?

A-7

■ We forecast a 34 billion yen increase on domestic routes for fiscal 2012 compared to the prior year. Demand fell significantly last year due to the March 11 earthquake and tsunami. This is one factor in the rebound in passenger numbers. ASK-related factors will influence revenue growth of 12.5 billion yen for fiscal 2013.

■ Over the next two years, we expect an increased number of flights, which will improve operational efficiencies on domestic routes. We have also reflected seat blocks on code-share flights with our partner carriers. As we replace the B767 with the higher-capacity B787 designed for domestic routes, we expect to see greater ASK numbers.

■ We have forecast a 54 billion yen and 43 billion yen increase on international routes for fiscal years 2012 and 2013. The primary factor is increased demand nearly in line with increase in ASK on international routes. We base demand forecasts on projections of GDP growth for each country and region; however, now we are also looking closely at economic growth trends.

■ Unit prices on international routes have higher fuel surcharges (FSC) due to the impact of newly expanded long-haul routes. This is another reason we expect year-on-year growth for fiscal 2012. At the same time, our fiscal 2013 plan includes considerations of the impact of LCCs in Asian and Chinese routes. We have made conservative estimates for unit prices on new routes in Europe and the U.S., which is why unit prices are lower compared to the preceding year.

Q-8

◆ Your international passenger plan assumes a larger increase in RPK than ASK growth, as well as improvement in load factors. How realistic is this plan given the increasingly competitive environment?

A-8

■ The growth in fiscal 2012 revenue passenger kilometers includes the rebound from delayed recovery in inbound demand from China and Europe.

■ Considering the network we want to construct, we still need to expand international routes. Asia has areas unserved by our network. We want to add other routes in Europe and the U.S., in addition to the soon-to-commence Seattle and San Jose routes.

■ While domestic demand is maturing, we believe international demand will continue to grow, pushed particularly by economic growth in Asia. One major issue is how to capture passenger growth not only in Japan, but across the entirety of Asia. We will be coming out with a strong marketing strategy based on a plan in which we are very confident.

Q-9

◆ You forecast better profitability on international passenger operations. Which is the bigger factor, improved revenues or reduced costs?

A-9

■ We believe we will see better load factors on international routes for fiscal 2012 compared to 2011. We still, however, do not expect to return to fiscal 2010 levels. We expect to return to those levels during fiscal 2013. While greater revenues will have a major impact on improving profits, our revenue projections are relatively conservative.

■ Naturally, our 100 billion yen in cost reductions will contribute to improved profitability. We plan for international route passengers to grow from the 5 million level to about 8 million when we include passengers for AirAsia Japan. Accordingly, we will increase the utilization ratios for our international route aircraft, and improve asset efficiency during this next stage.

Q-10

◆ In addition to fuel cost savings, have you reflected reduced maintenance costs for the B787 in your plan?

A-10

■ At present, we have put five B787s into service, four of which are on domestic routes and one being used on the Haneda-Frankfurt long-haul international route. This fiscal year, we plan to put one more B787 into service on an international route. However, it will still take some more aircraft in service for us to be able to accumulate enough data related to costs.

■ Fuel cost efficiency is essentially in line with what we were told by Boeing. As we put more B787s into service on long-haul routes, we will see a clearer picture of the fuel expense benefits.

■ Since we are in the early stages of adoption, we have not had to make any heavy maintenance. We do believe that we will see the effect of cost savings indicated in discussions with Boeing and Rolls Royce, and we are monitoring performance in this area.

Q-11

◆ It appears that ANA will be using the B787 in opening new routes in the future; are there still areas not serviced by your network?

A-11

■ As a mid-sized aircraft, the B787 will still be able to cover long-haul routes that could only have been serviced by wide-body aircraft in the past. This aircraft offers the benefit of serving long-haul routes where demand would not warrant anything other than a mid-sized plane—the Seattle and San Jose routes being two examples of how we plan to use this aircraft in fiscal 2012. We have expanded the number of candidates for service areas, and we have identified several new routes in which we can use the B787. We also believe that we can put this aircraft into service on high-demand Asian routes.

■ We currently operate two flights to Frankfurt, one using the B777-300ER out of Narita and the other using a B787 out of Haneda. We believe we have created an effective supply balance by compartmentalizing operating times and the size of aircraft used.

End