



A New Structure for

Rising Above



Annual Report 2013

For the Year Ended March 31, 2013

Web Edition

We will rise above our challenges

Our Profile

Founded in 1952, the ANA Group has been able to grow to become one of the leading airline groups in Asia today, even while overcoming challenges, thanks to its stakeholders. In April 2013, a holding company structure was adopted for a renaissance as a corporate group that aims to grow through mutual cooperation among its companies.

The ANA Group continues to take on challenges to remain a world-class airline group that customers choose.

The text of this annual report follows the form of one of our aircraft to introduce the ANA Group's initiatives for further growth under its new management structure.

Have a nice flight!



with a new structure.

ANA Group Corporate Philosophy

Mission Statement

Built on a foundation of security and trust,
“the wings within ourselves”
help to fulfill the hopes
and dreams of an interconnected 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.

Management Vision

It is our goal to be
the world's leading airline group
in customer satisfaction and value creation.

Editorial Policy

The ANA Group (ANA HOLDINGS INC. and its consolidated subsidiaries) aims to establish security and reliability through communication with its stakeholders. With Annual Report 2013, we aim to deepen overall understanding of the ANA Group's corporate value by covering management strategies, a business overview, our management structure, and our measures for corporate social responsibility (CSR), among other topics.

We have published information on CSR activities that we have selected as being of particular importance to the ANA Group and society in general. Please see our website for more details.

(Any use of “ANA” alone in the text refers to All Nippon Airways Co., Ltd.)

CSR Website: <http://www.anahd.co.jp/en/csr>

Forward-Looking Statements

This annual report contains statements based on the ANA Group'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 Group's management based on currently available information. Air transportation, the Group'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 ANA Group are subject to significant fluctuations. Factors that could affect actual results include but are not limited to economic trends, sharp changes in exchange rates, fluctuations in the price of crude oil and disasters.

Due to these risks and uncertainties, the Group's future performance may differ significantly from the contents of this annual report. Accordingly, there is no assurance that the forward-looking statements in this annual report will prove to be accurate.

To Our Shareholders



We will generate further growth under our new management structure.

On April 1, 2013, the ANA Group shifted to a holding company structure led by ANA Holdings Inc., with the objective of generating growth through mutual cooperation among Group companies.

“It is our goal is to be the world’s leading airline group in customer satisfaction and value creation.”

This is our new Group Management Vision. Based in Japan, the ANA Group has developed into one of the leading airlines in Asia. Our next objective is to be the first-choice airline group among customers worldwide and to establish an ongoing position of global leadership. We will continue to develop as a strong, independent company by creating value and raising customer satisfaction to delight as many of our customers as possible.

Over the past several years, the ANA Group has dealt with adverse events that impacted demand, including a global recession, the H1N1 influenza pandemic and the Great East Japan Earthquake. Our motto has been renaissance as a competitive ANA Group as we overcame these crises and pushed forward with reforms to increase productivity and quality and build a resilient earnings foundation. During the fiscal year ended March 31, 2013, the disputes over the Senkaku Islands and Takeshima Islands and the grounding of Boeing 787 aircraft were among the issues that challenged us, but our growth strategy centered on international routes, coupled with successful cost structure reform, resulted in our second consecutive fiscal year of record operating income.

Looking ahead, however, we anticipate significant changes in our operating environment in a period of intense transformation for the airline industry. Competition will become even more bruising due to factors including the expansion of arrival and departure slots at airports in the metropolitan area, further deregulation in the airline industry, and the emergence of low-cost carriers (LCCs) in Japan and abroad. We therefore formulated the ANA Group FY2013-2015 Corporate Strategy to prevail amid this competition and enter a phase of further growth. This strategy complements the three pivot points of our previous corporate strategy – Multi-Brand Strategy, Group Reorganization and Cost Restructuring – with Expansion and Diversification of Business Segments. While we continue to implement our existing management themes, we will diversify revenue sources and drive earnings growth through strategic investments in Asia and other approaches.

We will constantly transform ourselves and take on new challenges to increase the ANA Group’s corporate value.

Our operating structure may be new, but we continue to rely on the support of our stakeholders as we target significant progress and growth.



Shinichiro Ito
President and Chief Executive Officer

July 2013

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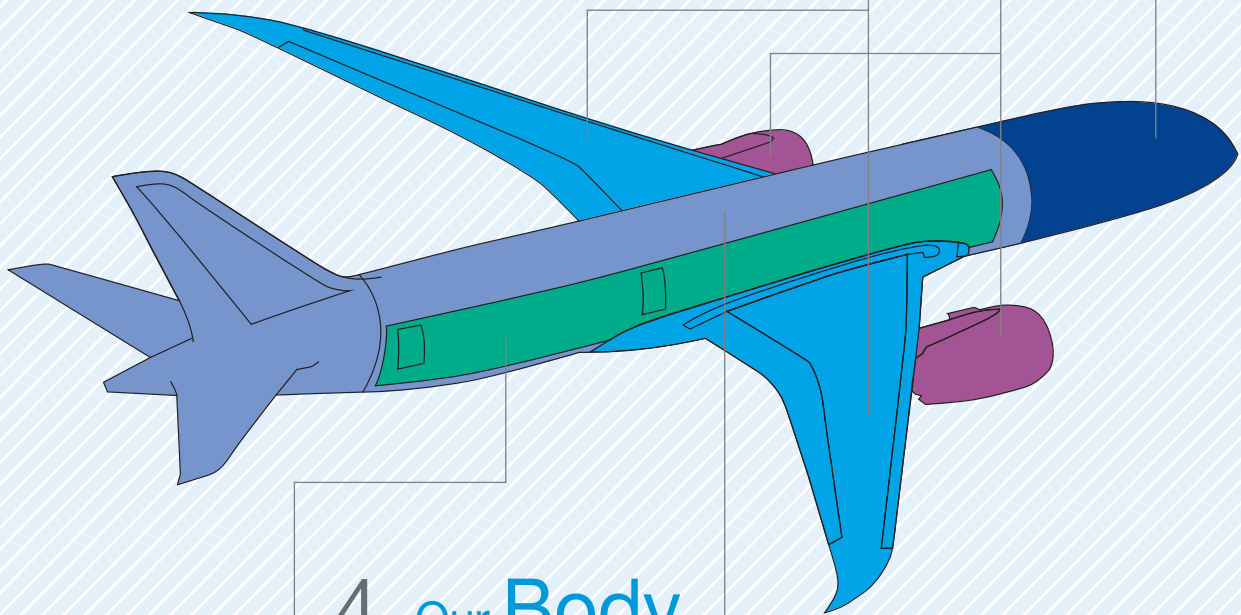
An explanation of our strategies by President Ito, the navigator of our corporate management

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3 Our Wings

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A collection of various data in an easy-to-follow format for our readers

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Our Value

We introduce the value of the ANA Group in creating and ensuring security and reliability.

Achievements

The ANA Group has received prestigious airline industry awards in recognition of its steadily increasing value.

Received a
5-star rating,
the world's highest



SKYTRAX

Named
Airline of the Year



ATW'S 39TH ANNUAL
AIRLINE INDUSTRY
ACHIEVEMENT AWARDS

Air Transport World

Won On-Time Performance
Service Awards in
Two Categories



FlightStats

On-Time Performance

In consideration of our customers' plans after they arrive, we conduct our operations with an insistence on the value of time down to the second.

Network-Global Airlines Category

No. 1

Lowest Global Cancellations Category

No. 1

FlightStats On-Time Performance Service Awards





Safety

We are further strengthening our initiatives for safety as the unequivocal mission of every business of the ANA Group.

Medium-Term Target for Safety

**“Ensure the
World’s Highest
Safety Standard”**

Customer Satisfaction

We aim for high-quality service as a full-service carrier to provide value that is unique to the ANA brand.

World’s Best Airport Services

**Winner for
the 2nd Time**

(2011 and 2013)

Best Aircraft Cabin Cleanliness

Winner

(2013)

SKYTRAX World Airline Awards





Passenger Service Network

We continue to offer convenience and a diverse network of numerous flights and routes to provide a variety of opportunities for air travel.

Passenger Service Network
**Domestic Routes:
132 Routes
1,068 Flights/Day**
**International Routes:
49 Routes
828 Flights/Week**

Note: As of July 1, 2013

Cargo Freighter Network

We provide high-quality cargo freighter services and vitalize the movement of freight within Asia.

Cargo Freighter Network
**Domestic Routes:
7 Routes
11 Flights/Day**
**International Routes:
18 Routes
162 Flights/Week**

Note: As of July 1, 2013





Products and Services

From the beginning to the end of each trip, we interact with our customers in a time and space filled with our whole-hearted sincerity and the splendor of Japan.

Development of Products and Services That Convey the

Inspiration of JAPAN

Social Responsibility

By providing security to and earning the trust of society, we will grow sustainably and help to create the society of the future.

Listed on the FTSE4Good Index

Continuously listed since 2006

Listed on the Dow Jones Sustainability Index

Continuously listed since 2008

Note: As of March 31, 2013



FTSE4Good
Index Series



Dow Jones
Sustainability Indexes
Member 2012/13

Highlights of the Fiscal Year Ended March 2013

ANA HOLDINGS INC. and its consolidated subsidiaries (Note 1)
Years ended March 31

Operating Revenues

By enhancing its network and working to stimulate demand, the ANA Group made sure it captured steadily growing demand. Operating revenues **increased 5.1%** year on year to ¥1,483.5 billion.

+5.1%

Operating Income

As a result of successful cost-cutting measures throughout the ANA Group in addition to revenue growth, operating income **increased 7.0%** year on year to a record high of ¥103.8 billion.

+7.0%

	Yen (Millions)				
	2013	2012	2011	2010	2009
For the Year					
Operating revenues	¥1,483,581	¥1,411,504	¥1,357,653	¥1,228,353	¥1,392,581
Operating expenses	1,379,754	1,314,482	1,289,845	1,282,600	1,384,992
Operating income (loss)	103,827	97,022	67,808	(54,247)	7,589
EBITDA (Note 2)	227,743	216,290	186,248	59,559	120,470
Net income (loss)	43,140	28,178	23,305	(57,387)	(4,260)
Cash flows from operating activities	173,196	214,406	203,889	82,991	(39,783)
Cash flows from investing activities	(333,744)	(166,323)	(139,619)	(251,893)	(111,139)
Cash flows from investing activities (excluding payment for purchase and proceeds from redemption of market- able securities) (Note 3)	(118,940)	(162,363)	(176,019)	(206,893)	(111,139)
Cash flows from financing activities	84,549	16,171	(10,596)	173,791	114,504
Free cash flow	(160,548)	48,083	64,270	(168,902)	(150,922)
Free cash flow (excluding payment for purchase and proceeds from redemp- tion of marketable securities) (Note 3)	54,256	52,043	27,870	(123,902)	(150,922)
Depreciation and amortization	123,916	119,268	118,440	113,806	112,881
Capital expenditure	162,752	196,881	211,698	209,937	145,709
At Year-End					
Total assets	2,137,242	2,002,570	1,928,021	1,859,085	1,761,065
Interest-bearing debt	897,134	963,657	938,819	941,691	897,236
Total shareholders' equity (Note 4)	766,737	549,014	520,254	473,552	321,883
Per Share Data					
Net income (loss)	¥ 13.51	¥ 11.22	¥ 9.29	¥ (24.67)	¥ (2.19)
Net assets	218.41	218.24	207.35	188.93	166.50
Cash dividends	4.00	4.00	2.00	—	1.00
Management Indexes					
Operating income margin (%)	7.0	6.9	5.0	(4.4)	0.5
ROA (%) (Note 5)	5.1	5.1	3.7	(2.8)	0.6
ROE (%) (Note 6)	6.6	5.3	4.7	(14.4)	(1.1)
Equity ratio (%)	35.9	27.4	27.0	25.5	18.3
Debt/equity ratio (times) (Note 7)	1.2	1.8	1.8	2.0	2.8

Notes: 1. As of March 31, 2013, there were 57 consolidated subsidiaries and 19 equity-method subsidiaries and affiliates.

2. EBITDA = operating income + depreciation and amortization

3. Cash flows from investing activities and free cash flow excluding payment for purchase and proceeds from redemption of marketable securities not held for investment (primarily negotiable certificates of deposit)

4. Total shareholders' equity = shareholders' equity + accumulated other comprehensive income

5. ROA = (operating income + interest and dividend income) / simple average of total assets

6. ROE = net income / simple average of total shareholders' equity

7. Debt/equity ratio = interest-bearing debt / total shareholders' equity (not including off-balance sheet lease obligations)

* Yen amounts are rounded down to the nearest million. Percentages are rounded to the nearest number.

Equity Ratio

Adding to shareholders' equity increased the equity ratio **8.5 points** compared with the previous fiscal year to 35.9%, and the debt/equity ratio improved significantly to 1.2 times.

+8.5 points

ROE

Net income increased 53.1% year on year to ¥43.1 billion, resulting in a **1.3 point** year-on-year increase in ROE to 6.6%.

+1.3 points

The Fiscal Year Ended March 2013 in Review

In the fiscal year ended March 2013, revenues and income increased with the solid performance of the core air transportation business. Operating revenues increased 5.1% year on year to ¥1,483.5 billion, operating income increased 7.0% year on year to ¥103.8 billion and net income increased 53.1% year on year to ¥43.1 billion. Operating income set a new record high for the second consecutive fiscal year.

In the air transportation business, operating revenues increased 4.8% year on year to ¥1,323.5 billion. Despite the territorial disputes over the Senkaku Islands and Takeshima Islands that arose in September 2012 and the grounding of Boeing 787 aircraft from January 2013, both of which were factors that reduced revenues, the ANA Group made sure to capture steadily growing demand. Operating revenues from domestic passenger operations increased ¥14.4 billion, or 2.2%, year on year as a result of network enhancements and efforts to match capacity with demand. Operating revenues from international passenger operations increased ¥28.2 billion, or 8.8%, year on year due to network enhancements such as opening new routes and strengthening connections between Asia and North America, in addition to the success of various measures to stimulate demand. Operating revenues from cargo and mail operations decreased ¥1.8 billion, or 1.4%, year on year due to a decline in unit price, although the Group used the Okinawa Cargo Hub & Network to proactively take

on third-country cargo.

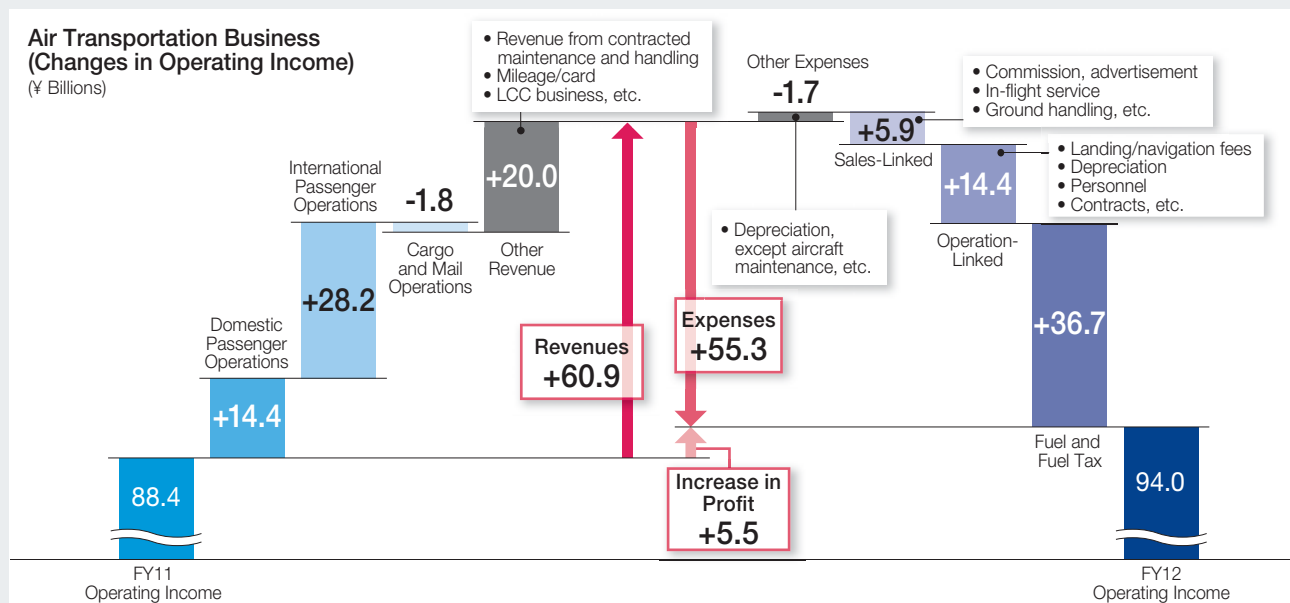
On the other hand, successful measures to reduce costs by a cumulative total of approximately ¥100 billion (¥21.0 billion in cost reductions in the fiscal year ended March 2013), which is the equivalent of ¥1.0 in unit cost, limited the year-on-year increase in air transportation operating expenses to ¥55.3 billion, resulting in a 6.3% year-on-year increase in segment profit to ¥94.0 billion.

As for the ANA Group's financial position, a capital increase through a public offering in July 2012 increased net assets and current assets on hand, and total assets increased ¥134.6 billion from the end of the previous fiscal year to ¥2,137.2 billion. Due to the substantial growth in net income and the capital increase from the public offering, the equity ratio increased 8.5 points year on year to 35.9%, and the debt/equity ratio improved significantly from 1.8 times to 1.2 times.

Progress of Cost Restructuring

(¥ Billions)

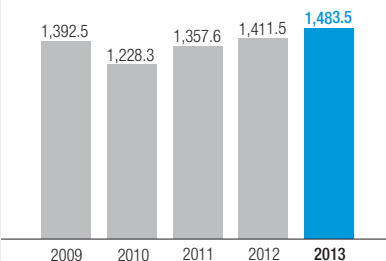
	Full-Year Target	Full-Year Results
Productivity improvement	8.0	9.0
Enhanced efficiency in investments	1.0	1.0
New sales approach, Appropriate service cost	3.0	3.0
Reform indirect operations	7.0	8.0
Total	19.0	21.0



Main Indicators

Financial Indicators

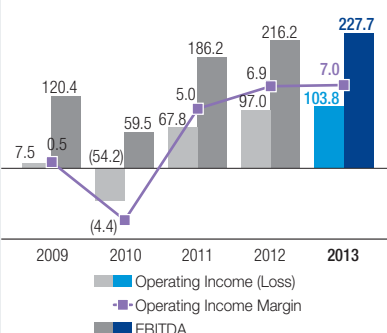
• **Operating Revenues** (¥ Billions) **↑5.1%**



• **Operating Income (Loss)** (¥ Billions) **↑7.0%**

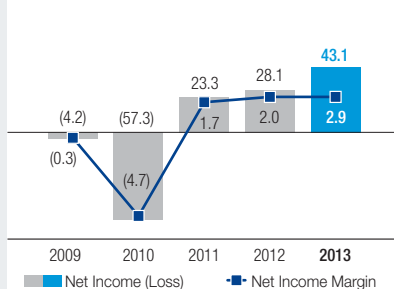
• **Operating Income Margin** (%) **↑0.1 point**

• **EBITDA²** (¥ Billions) **↑5.3%**



• **Net Income (Loss)** (¥ Billions) **↑53.1%**

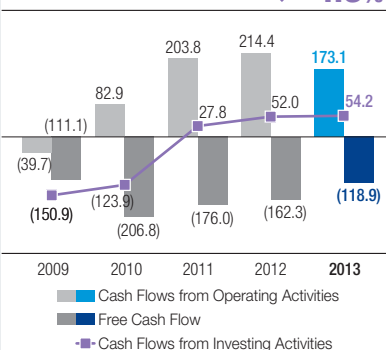
• **Net Income Margin** (%) **↑0.9 point**



• **Cash Flows from Operating Activities** (¥ Billions) **↓19.2%**

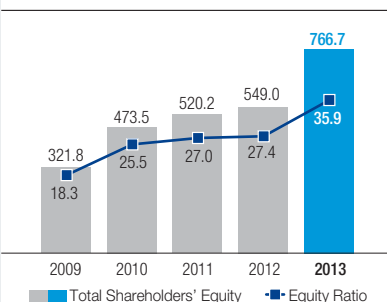
• **Cash Flows from Investing Activities¹** (¥ Billions) **↓26.7%**

• **Free Cash Flow¹** (¥ Billions) **↑4.3%**



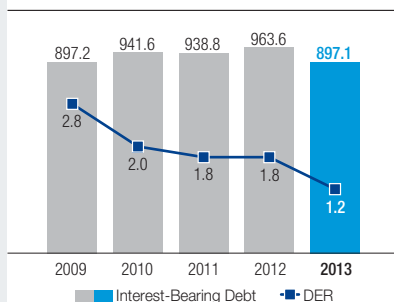
• **Total Shareholders' Equity** (¥ Billions) **↑39.7%**

• **Equity Ratio** (%) **↑8.5 points**



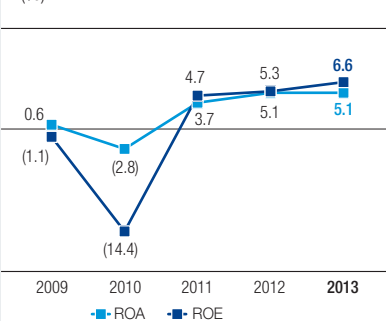
• **Interest-Bearing Debt²** (¥ Billions) **↓6.9%**

• **DER (Debt/Equity Ratio)²** (Times) **↓0.6 point**



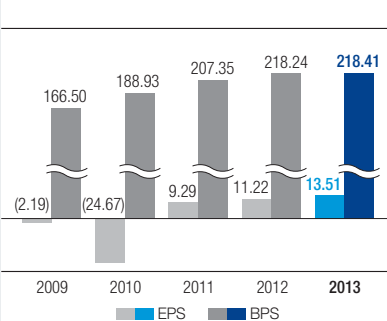
• **ROA (Operating Return on Assets)** (%) **↑0.1 point**

• **ROE (Return on Equity)** (%) **↑1.3 points**



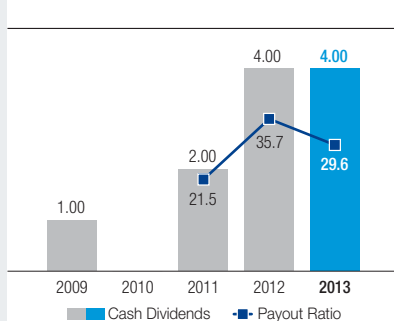
• **EPS (Earnings per Share)** (¥) **↑20.4%**

• **BPS (Book-Value per Share)** (¥) **↑0.1%**



• **Cash Dividends** (¥) **→0.0%**

• **Payout Ratio** (%) **↓6.0 points**

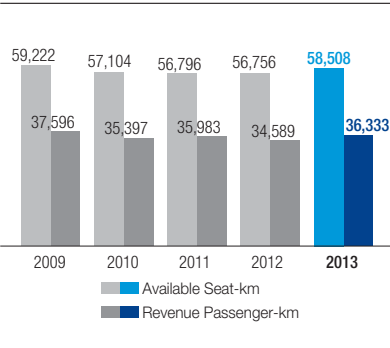


Notes: 1. Excluding payment for purchase and proceeds from redemption of marketable securities
 2. Excluding off-balance sheet obligations
 3. Excluding AirAsia Japan

Operational Indicators

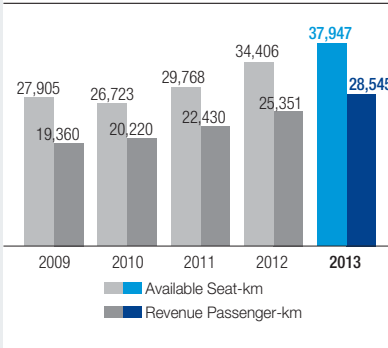
Domestic Passenger Operations

- Available Seat-km³ (Millions km) **↑3.1%**
- Revenue Passenger-km³ (Millions km) **↑5.0%**



International Passenger Operations

- Available Seat-km³ (Millions km) **↑10.3%**
- Revenue Passenger-km³ (Millions km) **↑12.6%**

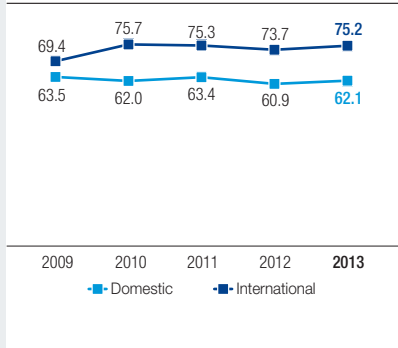


Domestic Passenger Operations Load Factor³ (%)

↑1.2 points

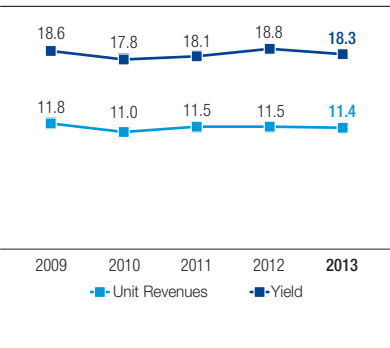
International Passenger Operations Load Factor³ (%)

↑1.5 points



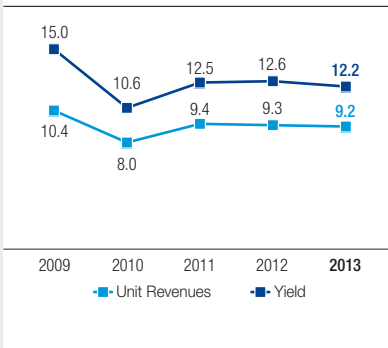
Domestic Passenger Operations

- Unit Revenues³ (¥) **↓0.8%**
- Yield³ (¥) **↓2.7%**



International Passenger Operations

- Unit Revenues³ (¥) **↓1.3%**
- Yield³ (¥) **↓3.3%**

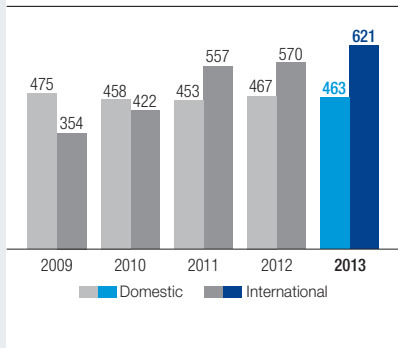


Domestic Routes

Cargo Volume (Thousand tons) **↓0.8%**

International Routes

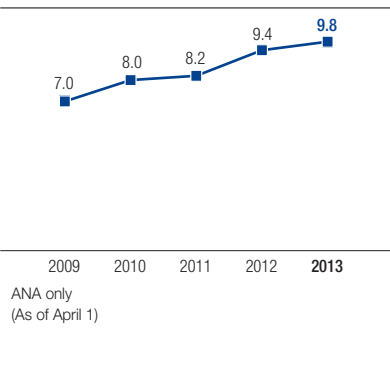
Cargo Volume (Thousand tons) **↑8.9%**



Social and Environmental Indicators

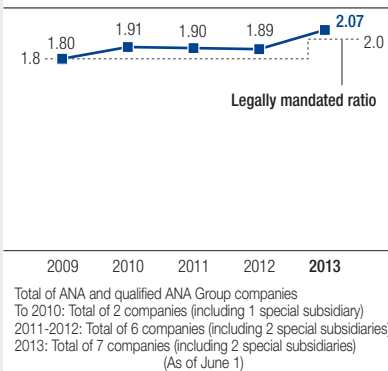
Ratio of Female Managers (%)

↑0.4 point



Ratio of Employees with Disabilities (%)

↑0.18 point

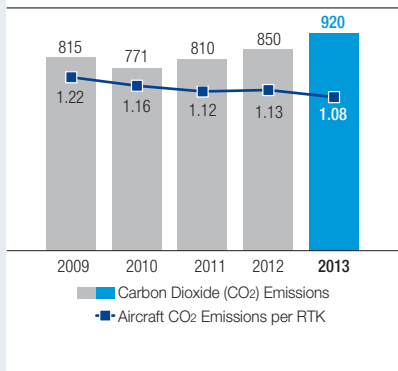


Carbon Dioxide (CO₂) Emissions³ (10 thousand tons)

↑8.2%

Aircraft CO₂ Emissions per RTK³ (kg-CO₂/RTK)

↓4.0%



Management Members

(As of July 1, 2013)



(Front row, from left) ①Yoji Ohashi, ②Shinichiro Ito, ⑦Osamu Shinobe

(Back row, from left) ⑤Yoshinori Maruyama, ③Shinya Katanozaka, ④Shigeyuki Takemura, ⑥Kiyoshi Tonomoto

Board of Directors

① Yoji Ohashi

Chairman of the Board of Directors

1993: Member of the Board of Directors
1997: Executive Vice President
1999: Senior Executive Vice President;
Representative Director
2001: President & Chief Executive Officer;
Representative Director
2005: Chairman of the Board of Directors,
Representative Director
2007: Chairman of the Board of Directors
2013: to present

② Shinichiro Ito

President & Chief Executive Officer;
Representative Director; Chairman of
Management Committee; Head of CSR
Promotion Committee; Chairman, All
Nippon Airways, Co., Ltd.

2003: Corporate Executive Officer
2003: Member of the Board of Directors
2004: Executive Vice President
2007: Senior Executive Vice President;
Representative Director
2009: President & Chief Executive Officer;
Representative Director
2013: to present

③ Shinya Katanozaka

Senior Executive Vice President; Corporate
Executive Officer; In charge of Human
Resources Strategy, Corporate Planning,
Group Business Development

2007: Corporate Executive Officer
2009: Member of the Board of Directors
2011: Executive Vice President
2013: to present

④ Shigeyuki Takemura

Executive Vice President, Corporate
Executive Officer; In charge of Government
& Industrial Affairs, Strategic Planning-Asia
Pacific, Airport & Facilities Planning

2005: Corporate Executive Officer
2008: Member of the Board of Directors
2010: Executive Vice President
2013: to present

⑤ Yoshinori Maruyama

Executive Vice President, Corporate
Executive Officer; Chairman of CSR
Promotion Committee; In charge of Public
Relations, Executive Secretariat, Legal &
Insurance, General Administration & CSR
Promotion

2006: Corporate Executive Officer
2009: Member of the Board of Directors
2011: Executive Vice President
2013: to present

⑥ Kiyoshi Tonomoto

Executive Vice President, Corporate
Executive Officer; In charge of Finance,
Accounting & Investor Relations

2006: Corporate Executive Officer
2009: Member of the Board of Directors
2011: Executive Vice President
2013: to present

⑦ Osamu Shinobe

Member of the Board of Directors,
President & Chief Executive Officer of All
Nippon Airways Co., Ltd.

2004: Corporate Executive Officer
2007: Member of the Board of Directors
2009: Executive Vice President
2012: Senior Executive Vice President;
Representative Director
2013: to present

Shosuke Mori

External Director

Chairman and Representative Director,
The Kansai Electric Power Co., Inc.
2006: to present

Ado Yamamoto

External Director

President and Representative Director,
Nagoya Railroad Co., Ltd.
2013: to present

Izumi Kobayashi

External Director

Former Executive Vice President,
Multilateral Investment Guarantee Agency,
The World Bank Group
2013: to present

Corporate Auditors

Shinichi Inoue

Corporate Auditor

Eiji Kanazawa

Corporate Auditor

Sumihito Okawa

External Corporate Auditor

Shingo Matsuo

External Corporate Auditor

Adviser of Kyushu Electric Power Co., Inc.

Tatsuo Kondo

External Corporate Auditor

Adviser of Hokkaido Electric Power Co., Inc.

1 Our Cockpit



*An explanation of our strategies by President Ito,
the navigator of our corporate management*

18 ANA Group FY2013-2015 Corporate Strategy

20 Analysis of the ANA Group Corporate Strategy by President and Chief Executive Officer Shinichiro Ito

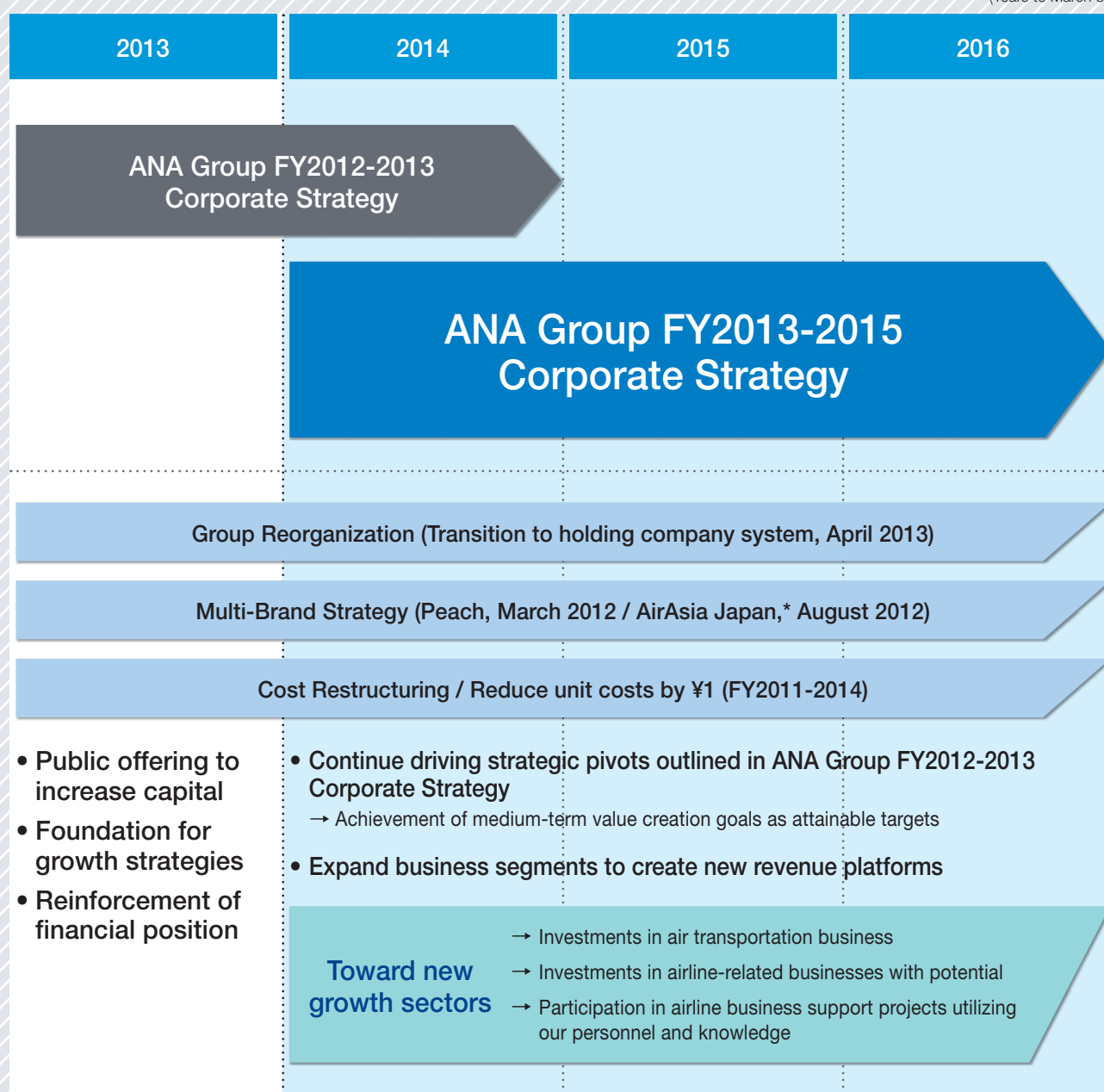


ANA Group FY2013-2015 Corporate

Outline of the ANA Group FY2013-2015 Corporate Strategy

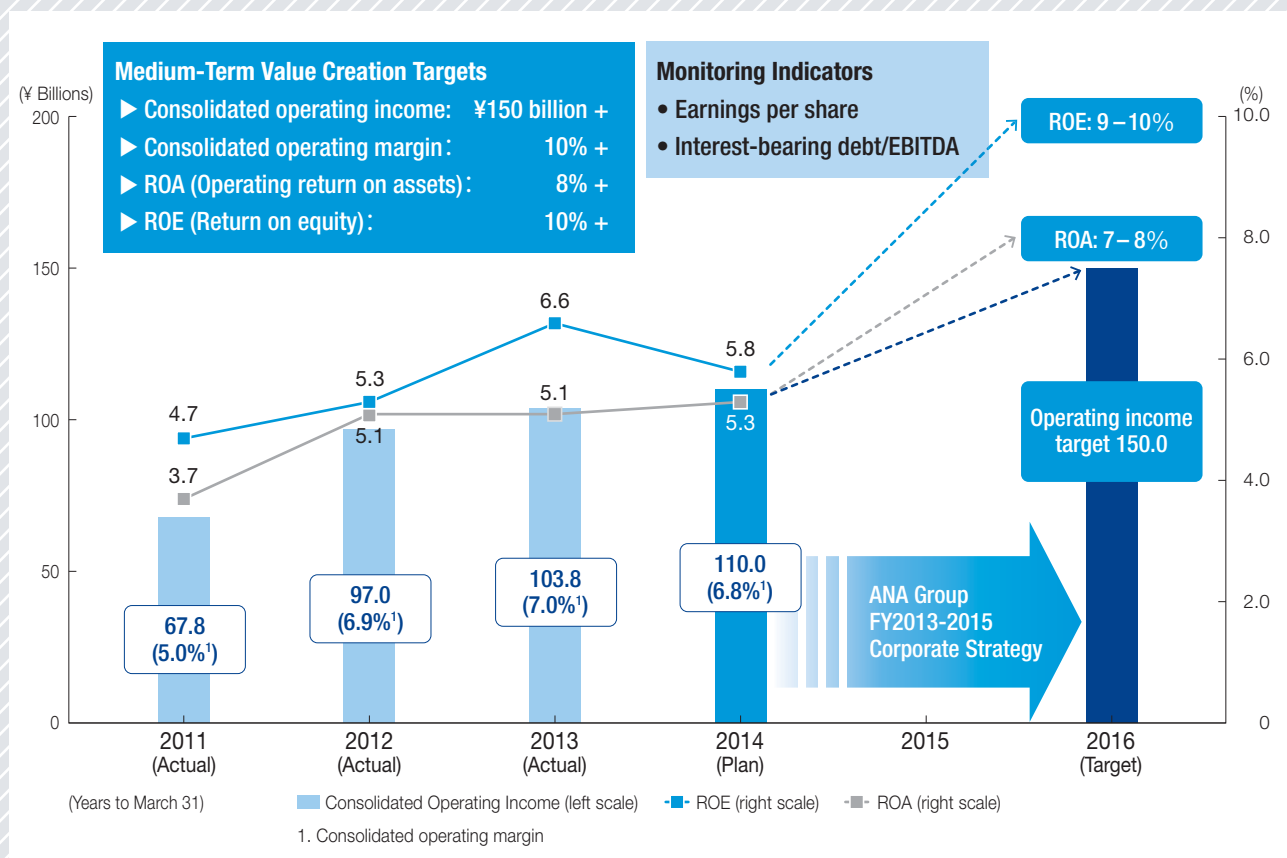
ANA Group FY2013-2015 Corporate Strategy (years ending March 2014 to March 2016) retains the three pivot points of Group Reorganization, Multi-Brand Strategy and Cost Restructuring, and adds a new pivot point, Expansion and Diversification of Business Segments. The ANA Group intends to increase corporate value by accelerating operations and implementing strategies that support sustained growth over the medium and long term.

(Years to March 31)



* Dissolution of joint venture with AirAsia Berhad (AirAsia Japan has become a wholly owned subsidiary of ANA and will continue to operate under the AirAsia brand until October 31, 2013).

ANA Group FY2013-2015 Corporate Strategy and Medium-Term Value Creation Targets



(Years to March 31)	2011 (Actual)	2012 (Actual)	2013 ² (Actual)	2014 ² (Plan)	2014/2013
Operating revenues	1,357.6	1,411.5	1,483.5	1,610.0	+8.5%
Air transportation	1,218.2	1,262.5	1,323.5	1,440.0	+8.8%
Domestic passenger operations	652.6	651.5	665.9	688.5	+3.4%
International passenger operations	280.6	320.0	348.3	397.5	+14.1%
Cargo and mail operations	125.0	128.0	126.2	149.5	+18.4%
Other transportation	159.9	162.8	182.9	204.5	+11.8%
Operating income	67.8	97.0	103.8	110.0	+5.9%
Air transportation	60.5	88.4	94.0	99.0	+5.2%
Operating margin	5.0%	6.9%	7.0%	6.8%	-0.2 point
Net income	23.3	28.1	43.1	45.0	+4.3%
Earnings per share (¥)	¥9.29	¥11.22	¥13.51	¥12.82	-¥0.69

2. AirAsia Japan Co., Ltd. is included in other transportation services.



Our goal is to be the world's leading airline group. We will therefore further strengthen our operating fundamentals and make strategic investments to participate in economic growth in Asia to generate earnings growth and increase corporate value.

Background for the Policies of ANA Group FY2013-2015 Corporate Strategy

Steadily Moving Ahead with Initiatives to Achieve Our Next Phase of Growth

I would like to begin with an explanation of the strategic progress we have made so that readers understand the current status of the ANA Group.

We formulated ANA Group FY2012-2013 Corporate Strategy in February 2012 (years ending March 2013 and March 2014) to prevail in a global environment of intensifying competition. Our theme was renaissance as a competitive ANA Group, and our three pivot points were Group Reorganization, Multi-Brand Strategy and Cost Restructuring. We also obtained capital through a public offering in July 2012 to reinforce our financial position and fund our growth strategy.

During the fiscal year ended March 2013, issues such as the grounding of Boeing 787 aircraft and the disputes over the Senkaku Islands and Takeshima Islands challenged the ANA Group. However, our steady strategic execution supported higher operating revenues and income, and we surpassed ¥100 billion in operating income for the first time.

We achieved a record in operating income for the second consecutive fiscal year, which indicates that we have sufficiently enhanced our ability to generate earnings. However, we have not yet achieved our medium-term target for value creation, which is operating income of ¥150 billion or above and an operating margin of 10% or above. Ensuring that we have structured our operations to generate sufficient earnings even if event risks materialize in the future is an ongoing matter.

Our financial position has benefited from the capital we obtained through the public offering. We now have a balance sheet that enables us to simultaneously make aircraft and strategic investments while our earnings during the fiscal year increase shareholders' equity. From the fiscal year ending March 2014 onward, we will appropriately deploy the capital we obtained through the public offering to make strategic investments in growth that will begin generating returns. We will further strengthen

our existing businesses with a focus on air transportation operations while expanding business segments as we aim to create an optimal business portfolio with new revenue platforms.

Ensuring the Ability to Withstand Adverse Events and Prevail in an Era of Global Mega Competition

Looking at our operating environment, demand in Japan has recovered to a certain extent in the wake of the Great East Japan Earthquake. Global airline demand is also solid, particularly in emerging countries in Asia and elsewhere. At the same time, demand trends give us little reason for optimism because the global economy is fraught with uncertainties centered on Europe, while demand on China routes has stagnated because of issues such as the disputes over the Senkaku Islands. In Japan, we expect LCCs to stimulate new demand, but at the same time, the competitive environment is getting tough. Meanwhile, deregulation in the airline industry continues apace, with international arrival and departure slots slated to increase at Haneda Airport in the year ending March 2015 and at Narita Airport in the year ending March 2016.

Our experience has shown us that we need to establish strong operating fundamentals that can withstand the various and inevitable event risks to which we are exposed in the course of our business.

At the same time, economic growth in Asia and the further expansion of arrival and departure slots at metropolitan-area airports give the ANA Group outstanding opportunities for growth, so we must prevail in the coming era of mega competition.



Overview of ANA Group FY2013-2015 Corporate Strategy

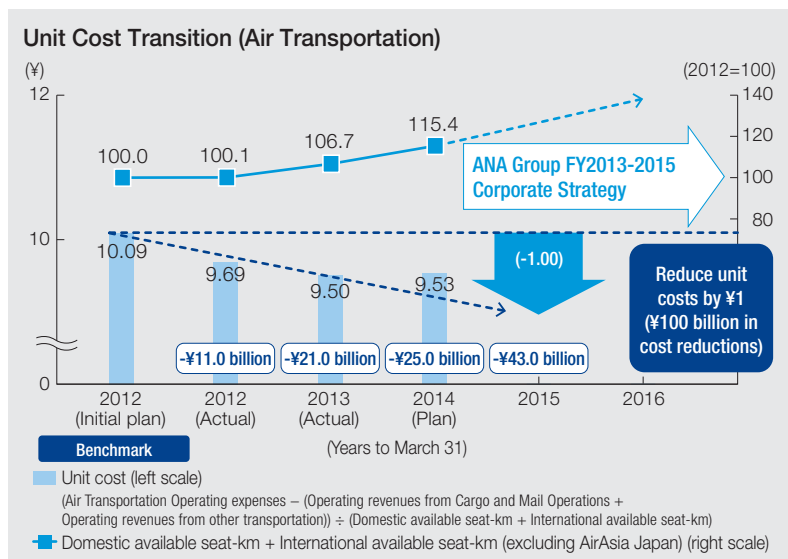
Executing a Consistent Management Strategy While Making Further Growth a Reality

Against the background of our strategic progress from the start of the year ended March 2013 and the outlook for our operating environment, we announced ANA Group FY2013-2015 Corporate Strategy (years ending March 2014 to March 2016) as a phase in which we will accelerate our operations and make sustained medium-to-long-term growth a reality.

Under this strategy, we will continue the sustained and consistent implementation of the three pivot points of ANA Group FY2012-2013 Corporate Strategy. We will also implement a new pivot point, Expansion and Diversification of Business Segments, to secure additional growth opportunities.

First, I will explain our initiatives for the existing pivot points.

Group Reorganization involved the April 2013 shift to the holding company structure approved at the General Meeting of Shareholders in June 2012 with the objectives of promoting flexible, efficient operations and the optimum allocation of business resources. Given the rapid pace of change in our operating environment, each Group



company will develop its business independently, which will include business with companies outside the Group. This will keep us closer to our markets and ensure rapid decision making, thus providing full support for enhancing the Group's operating capabilities.

The Multi-Brand Strategy covers the strategic positioning of the ANA brand and our LCC brands. We are working to increase Group value through networks tailored to the features of each business and the evolution of products and services. The ANA brand will expand its international route network as a full-service carrier and ensure its operating advantage on domestic routes. We have restructured our LCC brands and revised our business plan for them based on the termination of our joint venture with AirAsia Bhd. We will take a new approach to a low-cost business model adapted to the Japanese market to establish a business that can quickly contribute to earnings.

Cost Restructuring entails raising the productivity of operating units completely and streamlining non-operating units to reduce costs by a cumulative ¥100.0 billion through the fiscal year ending March 2015, which is equivalent to a decrease of ¥1.0 in unit cost. Competition is intensifying in the domestic route market, and there are strong competitors in the international route market. Therefore, our goals are to be competitive at a global level and to ensure powerful resistance to adverse events such as the recent global recession and the Great East Japan Earthquake. To date, we have reduced costs at a faster pace than originally planned, with reductions of ¥11.0 billion in the year ended March 2012 and ¥21.0 billion in the year ended March 2013. Using the original plan in the year ended March 2012 as a standard of comparison, we reduced unit cost by ¥0.59 as of the year ended March 2013. Capacity expansion, primarily on international routes, has caused unit revenue to trend downward. We are making steady progress in reducing unit cost by more than the decrease in unit revenue, but we do not intend to lessen our focus on continuously strengthening our earnings structure. As an example of structural reform, ANA Group management has decided to reform the retirement benefits system and has been discussing proposals with the labor unions for some time. We believe this will help reduce balance sheet risk and stabilize results, and intend to conduct serious discussions to implement reforms.

Column: The Shift to a Holding Company Structure

The ANA Group has implemented management reforms that have reorganized seven Group airline companies as of April 2010 into three companies as of April 2012, and then four as of April 2013, including AirAsia Japan. Taking full advantage of the benefits of reorganization and integration, we shifted to a holding company system in April 2013 to further strengthen the Group's management structure and ensure flexible and efficient management. Given the rapid pace of change in our operating environment, our objective in making this transition is to create an even stronger ANA Group by separating management policy decision making from business execution and optimizing the allocation of management resources.

ANA Holdings Inc. focuses on Group management within a compact organization. At the same time, the air transportation and other businesses of the All Nippon Airways of the past were spun off into All Nippon Airways Co., Ltd. (ANA), which specializes in the full-service carrier business. The company's objective is to accurately determine customer needs and achieve optimal business execution in terms of speed, quality and cost. Moreover, overlapping operations and functions have

been eliminated by assigning them to either ANA Holdings or ANA and using concurrent postings, which has helped to right-size the organization.

Corporate Structure as of April 1, 2013



* Dissolution of joint venture with AirAsia Berhad (AirAsia Japan has become a wholly owned subsidiary of ANA and will continue to operate under the AirAsia brand until October 31, 2013).

New Pivot Point Orientation

Move to the Strategic Investment Phase to Take Part in Growth in Asia

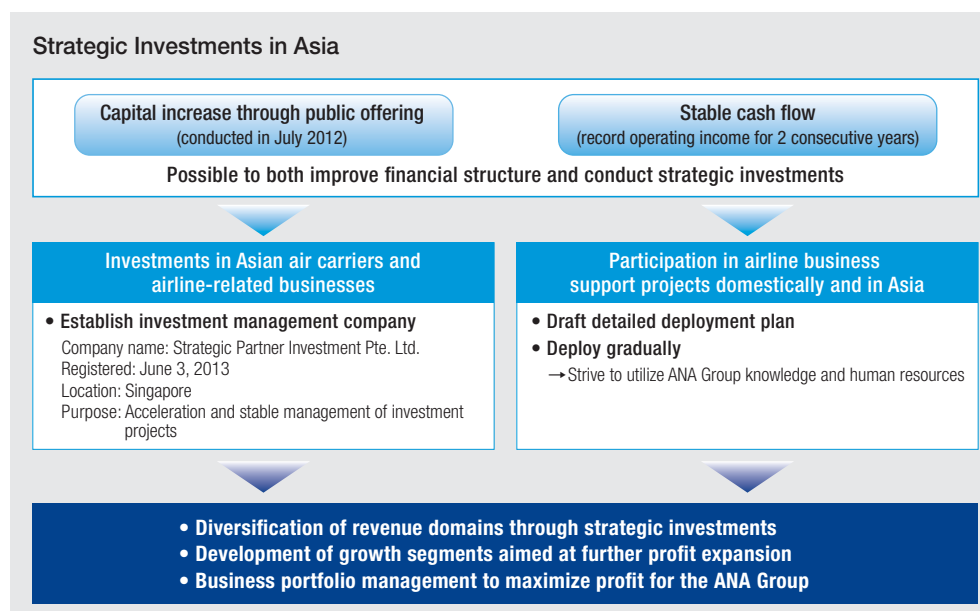
Demonstrating maturity, economic growth rates in Japan and other developed countries are stable at low levels. At the same time, economic growth remains strong in Asia and is forecast to continue. The ANA Group therefore needs to pursue opportunities to expand business segments in Asia to grow further.

Moreover, stable cash flow from record operating income for two consecutive fiscal years and the capital obtained through the public offering enable the ANA Group to maintain and enhance its financial soundness while making strategic investments in Asia. Therefore, our management strategy involves the continued execution of existing policies in parallel with a shift to making strategic investments to diversify revenue domains and expand earnings.

The airline business will be the first focus of strategic investments. We want to link economic growth in Asia directly to the ANA Group's development, so we will consider investments in full-service carriers and LCCs that can generate synergies with our existing air transportation business while contributing to the progress of our Multi-Brand Strategy. Many countries currently have restrictions on foreign investment, so we may begin with minority investments. However, we also intend to acquire majority stakes if enabled by deregulation and airline liberalization over the near term.

Another investment theme will be airline-related businesses, which draw support from the strong expansion in airline demand in Asia and are expected to grow in the future. We are aiming to effectively leverage our knowledge and human resources related to our airline business in order to expand earnings by providing services and transacting business outside the Group. The flight crew training business we already operate in Japan and the aircraft maintenance business we are planning at Naha Airport exemplify this investment theme.

Expansion and Diversification of Business Segments includes studying the feasibility of participating in airline support businesses in which we can deploy the ANA Group's expertise, even if these businesses do not have a pronounced connection with the airline business. We will



look at diversifying into businesses that have synergy with the airline business to create value for the ANA Group, while also considering businesses we can expect to either limit the impact of event risk and volatility on or complement the airline business and airline-related operations.

Business Portfolio Orientation

Multi-Brand and Diversification Strategies to Contribute to Income Growth and Increased Corporate Value



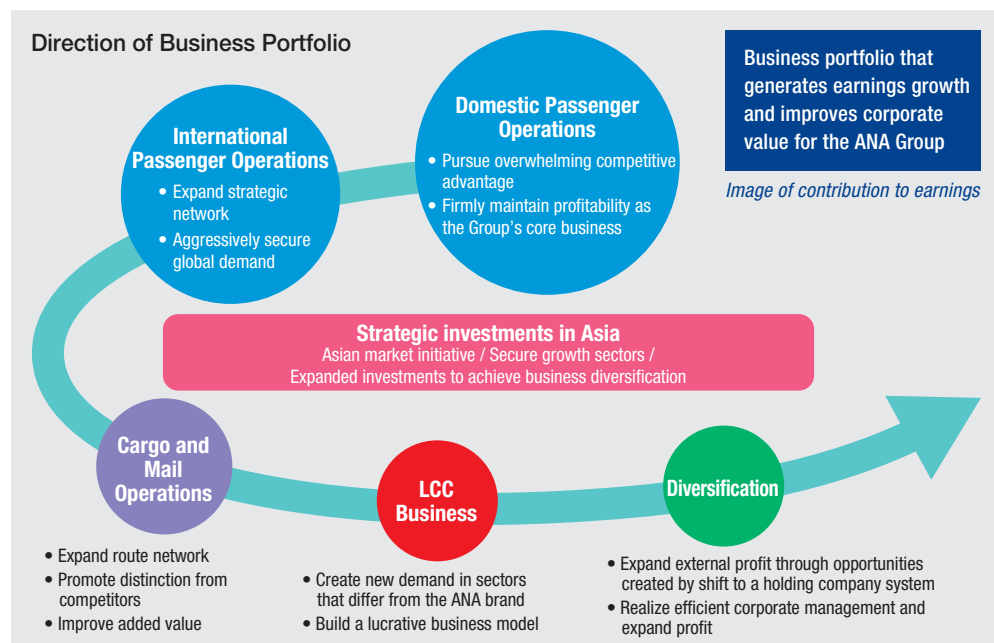
Optimum business portfolio management within the holding company structure is essential to generating further income growth and increasing corporate value with these strategies. Our business portfolio will be as follows.

Domestic passenger operations are positioned as the core business for the Group as a whole, and we will maintain its profitability. A key to doing so will be building on the powerful competitive position of our 47.8%* share of passengers. We will optimize route and aircraft plans and meticulously set fares to enhance efficiency and profitability.

International passenger operations will drive growth. We will take maximum advantage of the expansion of arrival and departure slots at metropolitan-area airports and strategically expand our network to energetically capture global demand. We will structure our network with an emphasis on long-haul international routes and connecting demand to capture non-Japanese passenger demand to Japan, third-country demand and high-end Japanese passenger demand. We will continue to leverage the Transpacific Joint Venture with United Airlines on Pacific routes and the LH/NH Joint Venture with the Lufthansa Group on Europe–Japan routes to globally expand our catchment area.

Cargo operations will steadily capture strong cargo distribution demand in Asia, which will enhance the cash flow of this business. We will fully leverage the Okinawa Cargo Hub & Network

* Includes code-share flights with our alliance partner airlines as of March 2013



to differentiate our products and increase added value. We will also expand our route network in ways such as adding freighters, using passenger flights and chartering the aircraft of Nippon Cargo Airlines Co., Ltd.

Our mission in the LCC business is to structure a new revenue model by creating new demand in segments that the ANA brand does not serve. The keys to fulfilling this mission are an intense focus on low-cost service and the ability to capture demand from other forms of transportation such as railroads and highway express buses. We dissolved our joint venture with AirAsia Bhd., but we have not changed our view that the LCC business has significant growth potential in Japan. We ourselves will establish a new LCC brand that is appropriate for the Japanese market and make sure it is firmly rooted as a growth business. We will also generate further growth through the strategic investments in Asia, expansion and diversification of business segments I mentioned earlier.

The key point of our strategy is that it will raise the probability that the ANA Group will achieve its medium-term value creation targets by increasing the Group's revenue domains.

Numerical Targets for the Year Ending March 2014 and Medium-Term Value Creation Targets

Aiming for Growth of the Top Line and Profit through Steady Strategy Execution

We decided to formulate our business plan in stages because delays in resuming Boeing 787 service and delivery were longer than we originally assumed. ANA Group FY2013-2015 Corporate Strategy therefore only has an earnings plan for the year ending March 2014.

Boeing 787 aircraft resumed scheduled service from June 2013. However, our earnings plan for the year ending March 2014 assumed service would resume in July 2013. Incorporating factors such as depressed demand on China routes and the trend toward a weaker yen, we forecast that operating revenues will increase 8.5% compared with the year ended March 2013 to ¥1,610.0 billion, operating income will increase 5.9% to ¥110.0 billion, and net income will increase 4.3% to ¥45.0 billion. We have expanded capacity on both domestic and international routes, so we expect available seat-kilometers on domestic routes to increase 4.5%* year on year, on international routes to increase 13.8%*, and available ton-kilometers on international routes to increase 14.6%.

We plan to update the details of our business and earnings plan for the year ending March 2015 onward once the Boeing 787 delivery schedule is settled and the allocation of international arrival and departure slots at Haneda Airport scheduled for 2014 is decided.

The constant management reforms we implemented in the challenging operating environment of the past several years strengthened our finances. We therefore believe we should place additional emphasis on the distribution of profits to shareholders. We will generate growth in earnings over the medium-to-long term and increase shareholder returns while making capital expenditures to ensure growth potential and future earnings and enhancing the internal capital resources that support stable operations. We paid cash dividends of ¥4.00 per share in the fiscal year ended March 2013, for a consolidated payout ratio of 29.6%, and plan to pay cash dividends of ¥4.00 per share in the fiscal year ending March 2014.

Our medium-term value creation targets have not changed since we announced ANA Group FY2012-2013 Corporate Strategy: operating income of ¥150.0 billion or above, operating margin of 10.0% or above, ROA of 8% or above and ROE of 10% or above.

As I discussed earlier, we are holding off on announcing performance targets for the year ending March 2015 onward. However, we are already in range to achieve the above medium-term value creation targets during ANA Group FY2013-2015 Corporate Strategy.

While we need to stay abreast of trends in the external environment and risks associated with fluctuating conditions in the fuel and foreign exchange markets, by resolving the issues we are dealing with now and steadily executing the strategy I have outlined, we will achieve our targets by the year ending March 2016.

* Including AirAsia Japan

Cash Flow Management and Capital Expenditure Plan

Generating Reliable Free Cash Flow While Continuing Investment in Aircraft

We have not changed our commitment to ensuring that we produce free cash flow by steadily generating cash from operations to fund ongoing capital expenditures that will support earnings growth over the medium and long term.

The ANA Group had to revise some components of its former capital expenditure plan to accommodate changes in the Boeing 787 aircraft delivery schedule. We will concentrate on obtaining competitive aircraft by continuing with planned introductions and upgrades of highly economical aircraft.

We plan to introduce a total of 17 aircraft during the year ending March 2014: 10 Boeing 787s, three Boeing 777-200ERs, three Boeing 737-800s and one Bombardier DHC-8-400. At the same time, we plan to retire a total of 16 aircraft, including all five of the Boeing 747-400s we own.

Creating the Foundation to Ensure Success in Achieving Targets

Promoting Enhanced Global CSR to Fulfill Our Mission Statement and Management Vision

The ANA Group formulated a new Group Mission Statement and Group Management Vision in April 2013 given changes in our operating environment and our shift to a holding company structure.

The ANA Group sees CSR as the achievement of its Mission Statement and Management Vision. We believe that we must put them into practice in the course of our daily corporate activities to help to create the society of the future by growing sustainably while earning the confidence and trust of society. Above all, we are expanding our business globally, so we believe that we must promote global-level CSR that contributes to the creation of corporate value while guarding us against various risks in Japan and around the world. We have therefore formulated eight key CSR policies over the medium term for the priority issues we have identified. We then drew on the ISO26000 international guidance for social responsibility to collate a new set of the target vectors for each ANA Group company by clarifying what stakeholders expect from the ANA Group. We aim to strengthen our management fundamentals and increase the value of our brands with CSR policies at the core by deepening CSR management across the entire ANA Group.

The grounding of Boeing 787 aircraft may have troubled our stakeholders, but we finally resumed service in June 2013 without incident. Naturally, we continue to maintain safe service within a highly competent organization centered on the Maintenance Division. Further, the ANA Group is fulfilling

its responsibilities as the launch customer for the Boeing 787. We want to earn the confidence of our customers, so our activities include safety publications and appropriately themed and timed presentations for interested parties.

Moreover, we have specifically targeted positive evaluations of customer satisfaction and on-time performance by external institutions. This ongoing focus generated excellent results in the year ended March 2013. Among other honors, the ANA Group became the first Japanese airline to receive SKYTRAX's highest 5-Star Airline Rating. Moreover, Flight-Stats Inc. recognized the ANA Group as world number one for on-time arrival performance and lowest in global cancellations among network global airlines, and *Air Transport World* magazine gave the ANA Group the Airline of the Year Award. We are grateful for the support of our stakeholders, and proud of the ceaseless efforts of each and every employee. We are committed to devoting ourselves to succeeding at new challenges while valuing our people, who are the source of further international growth.



Epilogue

A Corporate Culture That Takes on Challenges and the Power to Execute Steadily Will Increase Corporate Value

The ANA Group began making further significant progress in April 2013 under a new management structure.

Our efforts to date have established the foundation to move to the next stage in achieving further growth. We built this foundation by quickly accommodating changes in demand, working vigorously to transform ourselves, and completing all of our various reforms as planned while dealing with numerous event risks.

Passenger and cargo flows that are now global in scale, the globalization of the economy, astonishing growth in Asia, capacity expansion at metropolitan-area airports, and airline deregulation are bringing an era of mega competition to the airline industry. We must now take on the challenge of proving we can become one of the world's leading airline groups and that we have the fundamental confidence and trust of people to connect the world and contribute to its future.

The ANA Group has a history of taking on challenges. We went into business 60 years ago with two helicopters, then began serving international routes as restrictions fell away and became the first Japanese airline to join an alliance. We were first in the world to introduce the Boeing 787, and the first airline in Japan to enter the LCC business.

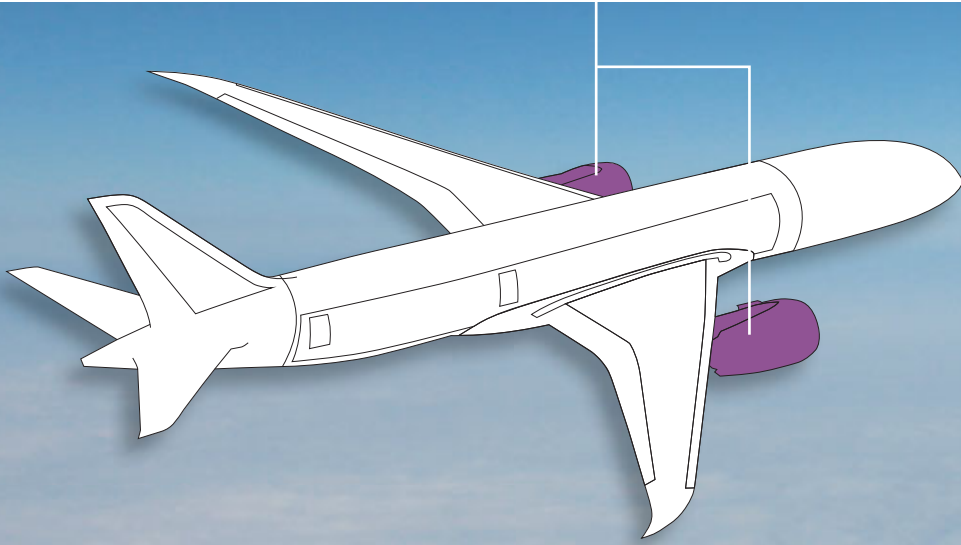
The ANA Group will be able to achieve sustained growth and increase corporate value if we devote ourselves to executing ANA Group FY2013-2015 Corporate Strategy and unite in continuing to take on challenges.

As we do so, we are counting on the continued goodwill of our stakeholders.

July 2013
Shinichiro Ito
President and Chief Executive Officer

FEATURE

2 Our Engines



*An introduction of the ANA Group's alliance strategy
for international business as its growth engine*

Feature: Alliances That Create Value

The ANA Group's Alliance Strategy for Its International Business



Alliances That Create

The ANA Group's Alliance Strategy for Its International Business

The ANA Group has strong operating fundamentals in its domestic network, but as a latecomer has remained relatively weak in its international network. ANA's first international flight was in 1986.

We have been expanding our own operations, but at the same time, we have relied heavily on our partner airlines to cover a wider network and increase our revenue.

Joining Star Alliance, the largest alliance in the world, was a big step forward for ANA. Since we became a member of Star Alliance, our strategy for international business has continued to evolve. This feature explores the background of the alliance in the airline industry and the progress and future of the ANA Group's alliance strategy for its international business through an interview with Mio Yamamuro of the ANA Alliances & International Affairs Department, whose experience includes a secondment at Star Alliance headquarters.

The History of Airline Industry Alliances

Q Alliances with partner carriers are the centerpiece of the ANA Group's international network. Please explain how the alliance strategy was established and current trends in the airline industry.

The enforcement of the Airline Deregulation Act in the United States in 1978 initiated the liberalization of the airline industry, while the Open Skies¹ concept that became broadly accepted in 1995 provided the opportunity to construct today's global networks. This agreement liberalized regulations governing traffic volume, fares and location entry and permitted code-sharing and other new forms of operation.

Code-sharing allows alliance partners to use their own flight codes and numbers on their partners' flights as the marketing carrier.

It therefore strengthens marketing capabilities by expanding the respective networks of alliance partners and by adding value to frequent flyer programs through mileage accrual.

Code-sharing and other commercial relationships among airlines have currently developed into three global alliances. ANA is a member of Star Alliance, which five airlines inaugurated in 1997 around a core alliance between United Airlines and Lufthansa. British Airways and American Airlines are the nucleus of oneworld, which was formed in 1998. SkyTeam was launched in 2000 with members KLM Royal Dutch Airlines, Air France, Delta Air Lines and others; in 2002, it merged with the Wings Alliance that was formed in 1993.

Over the past several years, advanced partnerships called "Joint Ventures" have formed within these global alliances.

Several of these global Joint Ventures are operating today.

1. The United States and the Netherlands signed the first Open Skies agreement between the two countries in 1992.

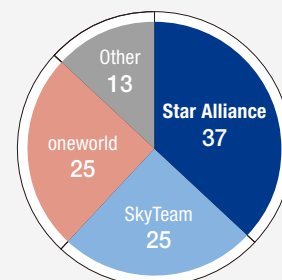
Changes in the Airline Industry and Background for Global Alliances

1978	Airline Deregulation Act in the United States ⇒ liberalization
1980s	Hub and spoke strategy and Computer Reservation System (CRS) strategy initiated First frequent flier programs launched
1992	Open Skies Agreement between the United States and the Netherlands ⇒ trigger for SkyTeam
1996	Open Skies Agreement between the United States and Germany ⇒ trigger for Star Alliance
1997	Star Alliance inaugurated
1998	oneworld inaugurated
2000	SkyTeam inaugurated

From competition among airlines to competition among alliances

Based on each alliance member's web page

Share of Available Seat-Kilometers on Japan Inbound and Outbound International Routes by Alliance (%)



Based on OAG data as of May 2013

Value



Resume of Mio Yamamuro ANA Alliances & International Affairs Department

June 1987	Cabin Crew, International Routes, Narita Inflight Services Department
December 2000	Quality Planning Department, Inflight Services
July 2004	ANA Loyalty Marketing (Airline partnerships, Star Alliance project)
September 2008	Loyalty Manager at Star Alliance GmbH headquarters in Frankfurt
July 2012	ANA Alliances & International Affairs (currently ANA Alliances & International Affairs Department)

Global Alliance Trends

Q | Where are the global alliances heading? What are their strategies?

In addition to expanded networks, including the use of code-share flights, the fundamental merits of global alliances are 1) seamless travel through the use of shared airport terminals; 2) improved competitiveness through frequent flyer programs; 3) shared facilities such as airport lounges; and 4) minimization of costs from joint purchasing of goods such as in-flight service items and jet fuel. Moreover, alliances conduct periodic reciprocal safety audits and assist members in dealing with unexpected incidents. Alliances regularly conduct drills and prepare themselves so that they can initiate immediate action to handle emergencies. Such action includes setting up customer support, information gathering and linguistic support. Each global alliance has concentrated on

improving competitiveness through these types of initiatives, but the emergence of LCCs and other factors are reshaping the airline industry's landscape. In addition to competition among alliances, airlines must now compete with LCCs that do not belong to any alliance as well as Middle Eastern carriers. Continental Airlines changed its alliance from SkyTeam to Star Alliance in October 2009, which exemplifies the complexity of the landscape. We are also witnessing an increase in the number of airlines that are partnering with airlines from other alliances. These types of partnerships are the result of aggressive competition and complicated route networks. We may even see more dynamic changes in the future.

Joint Venture Trends

Q | How can you best describe the sophisticated partnership, the Joint Venture?

A Joint Venture is a strategic partnership that can be commenced with antitrust immunity (ATI) approval. ATI is granted on the condition that the approved Joint Venture would bring various benefits to travelers such as improved flight schedules and discounted airfares. (Please refer to page 34 for a detailed explanation of the term.)

Before Joint Ventures existed, network coordination, marketing and pricing discussions among carriers were prohibited by antitrust laws in each country. However, after Joint Ventures began, airlines were able to coordinate

networks, flight frequencies and schedules as well as provide discounted and harmonized fares to the market.

These initiatives have been designed to maximize the revenues of the Joint Venture as a whole, and the revenues are pooled and shared among the Joint Venture partner carriers in accordance with a certain methodology. A Joint Venture is in fact a joint business that extends beyond existing partnerships encompassing simply code-sharing or being a member of a global alliance.

The first Joint Venture started in 1992 between KLM Royal Dutch Airlines and Northwest Airlines (its name at the time) with ATI approval. The first Joint Venture among Star Alliance carriers was formed by United Airlines, Air Canada and Lufthansa in their trans-Atlantic routes. After 20 years,

the Joint Ventures themselves are now more sophisticated and able to bring more benefits to travelers, and at the same time they create value and increase competitiveness for participating carriers.

The ANA Group's Alliance Strategy

Q Now for the ANA Group's strategy. Please explain how the ANA Group has changed its alliance strategy to cope with the business environment.

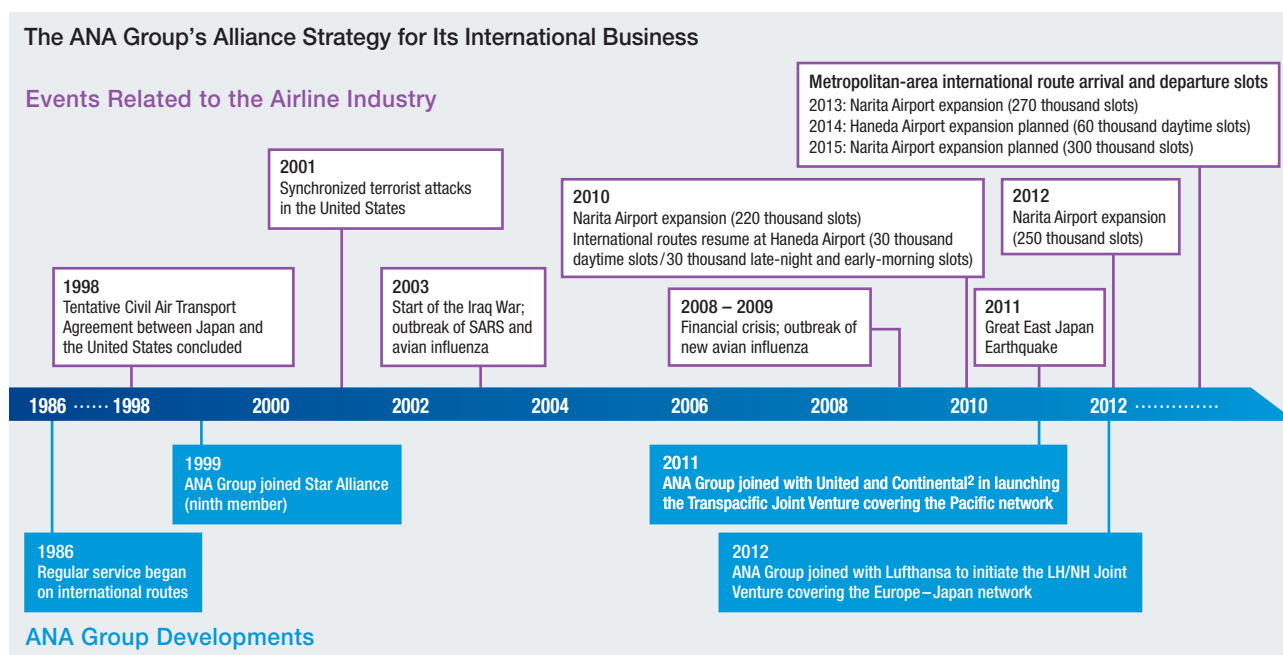
Becoming a member of Star Alliance in 1998 was a major milestone for the ANA Group in forming its current global network. The amendment of the Civil Air Transport Agreement between Japan and the United States in 1998 allowed ANA to join Star Alliance as its ninth member. Membership at a relatively early stage was very meaningful for ANA. At the time, ANA's international operations were much smaller in scale than they are today. It was difficult to expand our own network due to limited arrival and departure slots. Even though membership in Star Alliance was an effective means of enhancing our network, resistance to joining the alliance existed within ANA, as no one realized the benefits that ANA could gain from being a member of the alliance would be as enormous as they are today.

Nonetheless, from 1999 onward, the ANA Group expanded its network globally through successful code-

sharing arrangements with Star Alliance members. Coupled with the increase in arrival and departure slots at Narita Airport in 2002, revenues from our international network rose dramatically.

The airline industry is always exposed to various risks resulting from global, political and economic conditions and social phenomena, especially in international operations. During the 2000s, the terrorist attacks in the United States in 2001, the start of the Iraq War and the outbreak of SARS and avian influenza in 2003, the financial crisis of 2008 and 2009 and the H1N1 influenza pandemic were among the events that significantly depressed demand in the international market. However, the ANA Group managed to overcome the challenges in its operating environment.

A key reason we were able to do so was that we made effective use of the networks of Star Alliance member



carriers during the process of expanding the scale of our international business, and did not depend solely on our own flight operations. We did not simply target passenger demand for round-trip travel on our own direct flights between city pairs, but also paid attention to passengers who transit to and from the original departure point where we do not have the network to connect our flights. Thus we effectively built a global network through our alliance partner carriers, which added more destinations, and we were able to pick up more traffic. This helped us to rapidly increase our international network while minimizing volatility risk.

In 2011, the ANA Group's alliance strategy took a new step forward. Upon receiving ATI approval, in April 2011 we joined with United and Continental² in launching the

Transpacific Joint Venture covering the Pacific network. In April 2012, we joined with Lufthansa³ to initiate the LH/NH Joint Venture covering the Europe–Japan network.

Thus the ANA Group has established an alliance strategy framework that consists of Star Alliance, Joint Ventures and bilateral relationships with airlines outside the alliance. Our basic approach is to move forward within a soundly structured portfolio encompassing these three types of alliances to enhance our network and strengthen profitability.

2. United Airlines and Continental Airlines merged in October 2011 and unified their flight codes to UA in March 2012.

3. Swiss International Airlines and Austria Airlines merged into the Lufthansa Group in April 2013.

Star Alliance Initiatives

Q Let's look at how the ANA Group utilizes its membership in Star Alliance. Other than the expansion of its global network, in what other areas does the ANA Group cooperate with Star Alliance and its members?

Through our global alliance, we have always maintained a favorable relationship with Star Alliance members while leveraging the strength of the Star Alliance brand to expand our operating revenues. The ANA Group believes that it is important to contribute to enhancing the competitiveness of Star Alliance by influencing its strategic direction.

I was seconded to Star Alliance GmbH, the de facto headquarters of Star Alliance, for four years. I felt that the ANA Group has an important role and responsibilities to fulfill within the alliance. For example, ANA Group Senior Executive Vice President Keisuke Okada chairs the Alliance Management Board, and the ANA Group continuously provides personnel to Star Alliance GmbH. I would say that the ANA Group has a high-profile presence in Star Alliance.

On becoming a Star Alliance member, each airline must meet almost 70 standards that comprise regulations, service standards and system requirements. However, quality and consistency in service have become a concern because the number of members has increased to 28 and in some cases service has not been up to par. One focus of the alliance for the past few years has been correcting these issues in order to better serve our customers. There is a high expectation for the ANA Group to lead the alliance to superior quality with its meticulous customer-oriented service.

The alliance is also working toward shared terminal use to improve convenience for connecting passengers on Star Alliance member flights and deliver seamless air travel. We call it the "Move Under One Roof" project, and I would say it is one of

the alliance's most important projects. Star Alliance members consolidated their operations at the South Wing of Terminal 1 at Narita Airport in June 2006, which was the first experience of sharing the use of a terminal in the world within a global alliance. Currently, the alliance is focusing on the shared use of the terminal at Heathrow Airport in London. Our application for collocation of alliance members under one roof was accepted in December 2012, and we are preparing for joint operation of this terminal.

Improving the quality of Star Alliance certainly supports the competitiveness of the ANA Group. We are fully committed to contributing to Star Alliance initiatives to increase the brand value of Star Alliance.



The Benefits Earned from the Joint Ventures

Q The ANA Group's Joint Ventures are generating significant results. How are they more significant than the outcomes of conventional code-sharing partnerships?



The outcomes from the Joint Ventures have exceeded our expectations. By efficiently utilizing our partner carriers' route networks and sales channels for the trans-Pacific and European long-haul businesses, the Joint Ventures have enabled us to provide a more

competitive and complete solution to the market.

With the launch of the Joint Ventures, we renewed our fare structures to align with those of our partner carriers. By considering our partner carriers' networks as part of the ANA network, our customers have the benefit of being able to combine ANA flights with flights on the extensive network of our partner carriers within the Americas and Europe as well as long-haul flights to and from Japan. As a result, as of June 2013 we currently offer discount economy class fares from Japan to 250 cities in North America, which is substantially more than the 120 cities we offered prior to the Joint Venture in March 2011. In Europe, we offer fares to 190 cities as of June 2013, up from 120 cities before the Joint Venture in March 2012. Also, prior to the Joint Venture, our fares to cities beyond ANA-served gateway cities required additional charges for other carrier segments. Through the Joint Venture, we simplified the fare structure by setting up "zones" within the Americas and Europe and offering identical fares to cities within the same zone regardless of the need for a transfer, considering our Joint Venture partner flights beyond ANA gateways as if they were our own. Such changes have strengthened the competitiveness of the Joint Venture and have contributed to stimulating demand as well as increasing our market share.

As an example, tickets for ANA-operated flights sold by United Airlines (North America-Asia routes), showed a significant increase during the past two years after the Joint Venture, which has contributed to boosting seat load factors

at a very low cost. The success of our routes such as Narita-Manila and Narita-Ho Chi Minh City is a result of being able to take in demand from the ongoing growth of connecting passenger volume between North America and Asia. With the Joint Venture, we are able to coordinate the routes, frequencies and schedules of our flights with our partner carriers to offer the best solutions as well as to provide an appealing fare structure, which has enabled us to expand our global network and accomplish our strategic goals.

The Joint Ventures also have significant marketing advantages that complement the benefits of network, capacity and fare policy coordination. While non-Joint Venture code-share partner carriers cooperate in selling each other's flights in a code-share agreement, revenues are attributed to the operating carrier, and the marketing (selling) carrier only receives a sales commission, so carriers tend to concentrate on selling their own operated flights. In a Joint Venture, however, partner carriers pool all revenues for subsequent redistribution among themselves. Under the Joint Venture agreement, unlike the regular code-share partnership, carriers therefore no longer have any reason to prioritize sales of their own flights over partner carriers' flights. The ANA Group now collaborates with its partners in marketing under the shared goal of maximizing joint venture revenues. (Please refer to the inset on the following page for additional details.)

The ANA Group has had difficulty in the past communicating with customers outside of Japan, but the Joint Venture provides an outstanding opportunity to capture new demand through the sales networks and distribution channels of its partner carriers based in the Americas, Europe and Asia. While there is still room to strengthen joint marketing to general customers, corporate contracts are already shared within the Joint Ventures. We therefore have a much better ability to earn the business of non-Japanese corporate customers. During the fiscal year ended March 2013, non-Japanese nationals accounted for approximately 34% of passengers on our international routes, an increase of approximately 3 percentage points from the previous fiscal year.

Joint Venture

A joint business in the international airline industry between two or more airlines, based upon ATI approval from their respective governments/authorities. There are varieties such as revenue-sharing Joint Ventures and profit-sharing Joint Ventures. By forming a Joint Venture, airlines in the same global alliance are able to offer travelers a broader, more flexible network along with less expensive fares, thus

strengthening their competitiveness against other alliances (or Joint Ventures).

Restrictions such as bilateral air agreements between countries and caps on foreign capital investments still exist in the international airline industry. Therefore, airlines form an ATI-based Joint Venture, instead of the commonly known methods used in other industries such as capital tie-ups and M&As, etc.

Overall Strategic Alliance Policy for the Future

Q In closing, please tell us about overall alliance strategies for further growth over the medium-to-long term. What will the ANA Group’s initiatives involve, and what are its aspirations?

Our Joint Ventures do not have a long history, and we are just at the stage where the framework has been established. There are still issues that need to be improved, such as joint sales. Partner carriers share large volumes of detailed data, so we need to configure and operate systems for sharing data while performing more detailed data analysis. This analysis will enable the ANA Group to provide better convenience and service than it could on its own and to deliver the added value unique to the Joint Venture that was not possible under the code-sharing agreements in the past. The ANA Group and its Joint Venture partners therefore aim to use joint sales to prevail in competition with other alliances and deliver even greater value to customers.

The international business is the key to the ANA Group’s growth. With limited operating resources, aircraft and slots, our alliance strategy is crucial to our international business expansion.

Our basic alliance strategy for prevailing in global competition is to provide customers with high-quality service and seamless travel and to maximize our earnings and revenues, which we believe are the fundamentals of the airline business. We will achieve this by effectively expanding our capacity by

drawing on the strengths of our alliance and Joint Venture partners.

The global economy is changing rapidly, passenger flows are becoming more diverse, and the airline industry is constantly changing. Keeping these in mind, the ANA Group must select the best framework among its various partnerships for each scenario. Paying close attention to future changes in the operating environment and quickly implementing an innovative alliance strategy will be essential for the future growth of the ANA Group.

At the same time, we need to foster ANA Group employees who can construct an effective alliance strategy for achieving future growth. We need human resources who can effectively negotiate business with our partners on a global scale. This skill set will require expertise in the business and diversity. I see this as one of my key missions because of the experience I have gained through my time at Star Alliance headquarters and my work with our alliances.

The ANA Group is one of the leading airlines in Asia. Through our alliance strategy, we will continue to take on the challenge of leading the airline industry and consistently creating outstanding value.

Column: Revenue Management at the Joint Venture

The key to increasing our competitiveness is to provide travelers with attractive fares and products that are aligned with our Joint Venture partner carriers, since competition itself is taking a new shape these days, pitting Joint Venture against Joint Venture instead of carrier versus carrier.

For this purpose, ANA has sent our pricing analysts to both United Airlines Revenue Management in Chicago and

Lufthansa in Frankfurt, and both of our partner carriers have sent their pricing analysts to ANA Revenue Management in Tokyo, in order to form a “Joint Venture Joint Pricing Team” in three different locations and to maximize Joint Venture total revenue.

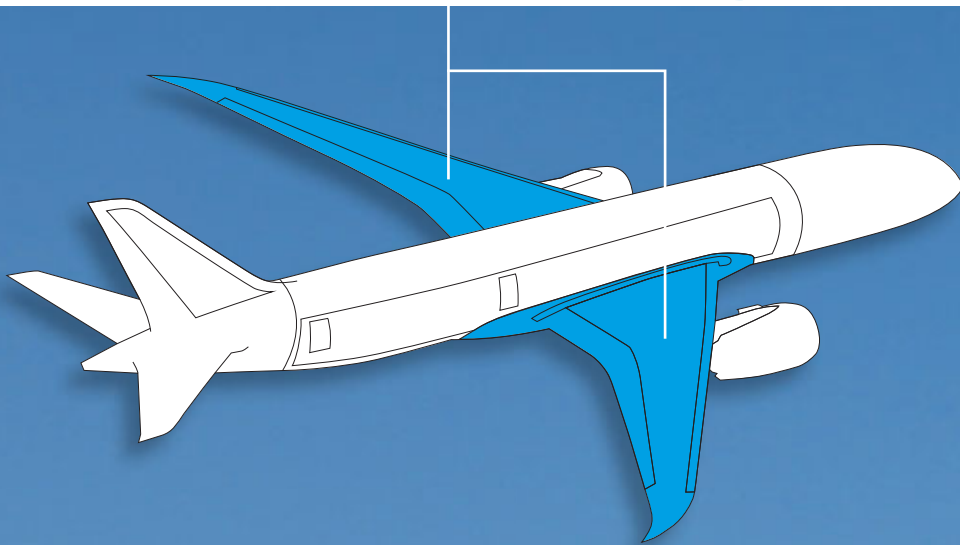
The Joint Pricing Team has enabled both the Transpacific Joint Venture with United Airlines and the LH/NH Joint Venture with the Lufthansa Group to offer travelers a variety of harmonized joint fare lineups that each carrier could not have offered without the assistance of each respective Joint Venture partner carrier. The joint fares allow travelers to fly freely among partner carriers without any limitation on combinations, which in effect is the same as expanding our own ANA network worldwide. We are also ensuring these harmonized fares are available in the right marketplace at the right time by frequently exchanging revenue forecasts and marketing data within the Joint Ventures to accomplish the “Metal Neutral (equal revenues regardless of which carrier’s flight)” concept and to maximize our revenues from the Joint Venture.



A Revenue Management Board meeting with LH/NH Joint Venture revenue management representatives. Hiroyuki Miyagawa is second from the left.

Hiroyuki Miyagawa
Joint Venture Team, ANA Marketing Department

3 Our Wings





*An overview of the initiatives of our business,
the wings we use to fly*

38 Business Overview and Market Position

40 Business Overview (Air Transportation)

51 Business Overview (Travel Services)

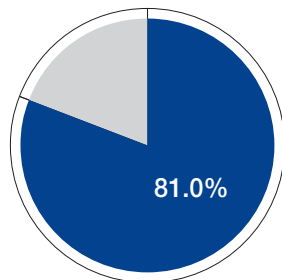
Business Overview and Market Position

Years ended March 31

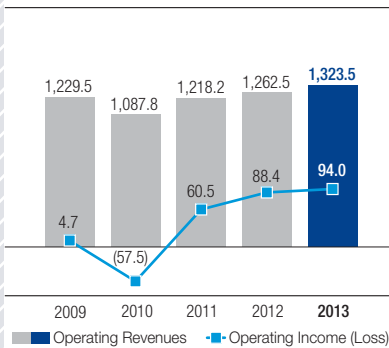
Operating revenues include intra-group sales and transfers.

Air Transportation

Segment Operating Revenues as a Percentage of Total Operating Revenues

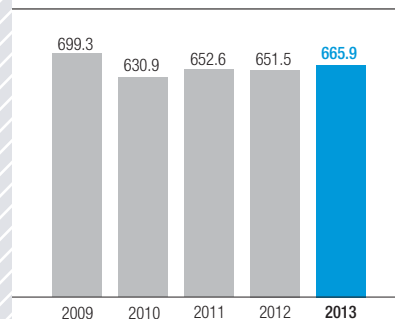


Segment Operating Revenues and Income (Loss) (¥ Billions)



Domestic Passenger Operations

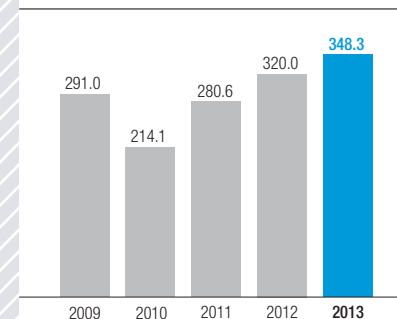
Operating Revenues (¥ Billions)



With an extensive domestic route network centered on Haneda Airport and 1,068 flights on 132 routes daily (as of July 1, 2013), the ANA Group serves approximately 41.08 million passengers annually and is a leader on domestic routes with a 47.8% share of Japan's domestic passenger operations market.

International Passenger Operations

Operating Revenues (¥ Billions)



With 828 flights weekly on 49 routes from Japan (as of July 1, 2013), the ANA Group serves approximately 6.27 million international passengers annually. As a core member of the Star Alliance, the world's largest airline alliance, the ANA Group is building a global network. The Group is also operating joint ventures with United Airlines on its trans-Pacific routes and the Lufthansa Group on routes between Japan and Europe.

Market Position

Top 20 Airlines by Number of Revenue Passengers

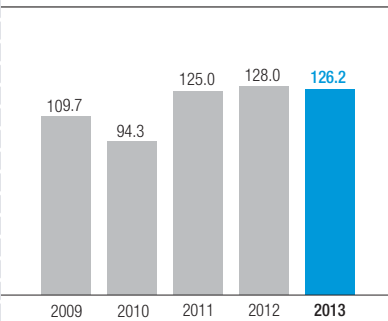
		(Thousands)			
Ranking	Airline	Number of Passengers	Ranking	Airline	Number of Passengers
1	Delta Air Lines	116,726	11	easyJet	50,522
2	Southwest Airlines	112,234	12	Air China	49,278
3	United Airlines	92,619	13	Qantas Airways	47,533
4	American Airlines	86,335	14	All Nippon Airways	44,668
5	China Southern Airlines	86,277	15	Turkish Airlines	38,154
6	Ryanair	79,649	16	Emirates	37,733
7	China Eastern Airlines	79,611	17	TAM Airlines	36,895
8	Lufthansa	64,393	18	British Airways	36,710
9	US Airways	54,238	19	Gol Airlines	33,897
10	Air France	50,636	20	ExpressJet Airlines	32,376

Source: IATA World Air Transport Statistics, 2012

Travel Services

Cargo and Mail Operations

Operating Revenues
(¥ Billions)

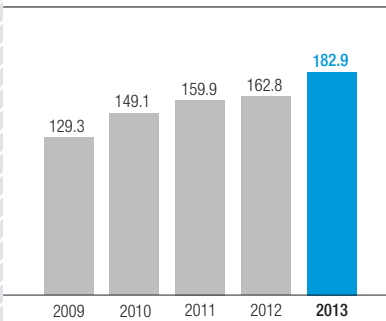


The ANA Group provides cargo services through nine medium-body cargo freighters and belly space on passenger planes. We offer 11 domestic freighter flights on 7 routes daily, and 162 international freighter flights on 18 routes weekly (as of July 1, 2013).

With the development of the Okinawa Cargo Hub & Network, we are working to capture intra-Asia express cargo demand as we continue to enhance our foundation for operations and earnings.

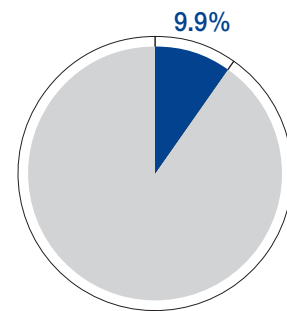
Other Transportation Services

Operating Revenues
(¥ Billions)

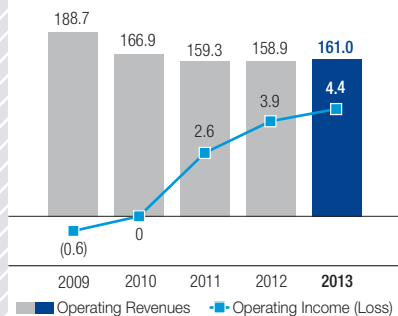


ANA Airport Handling Co., LTD., ANA Telemart Co., Ltd., ANA Aircraft Maintenance Co., Ltd. and other Group companies provide services including ground support at airports, reservation confirmation and aircraft maintenance. These services are also provided to airlines outside the ANA Group. ANA Logistic Services Co., Ltd., supports cargo-related business and Overseas Courier Service Co., Ltd. provides land-based delivery services to promote the express business.

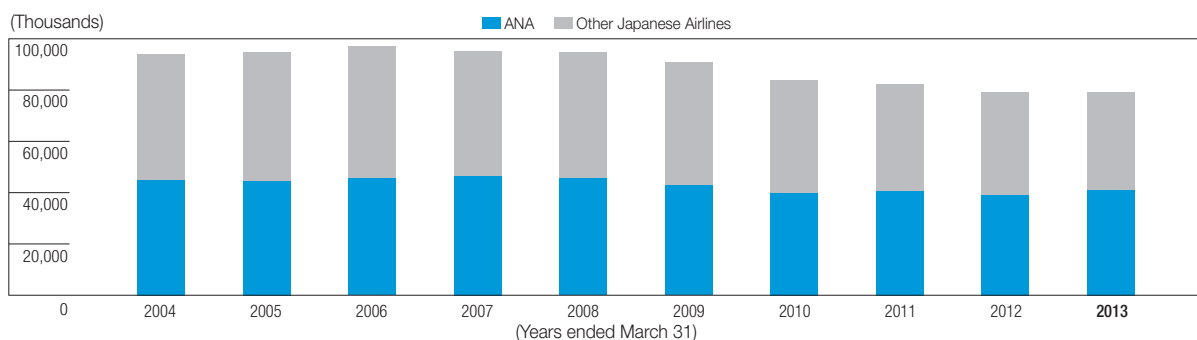
Segment Operating Revenues as a Percentage of Total Operating Revenues



Segment Operating Revenues and Income (Loss)
(¥ Billions)



[Market Data] Number of Passengers on Domestic Routes by Airline



Source: Ministry of Land, Infrastructure, Transport and Tourism, Annual Air Transport Statistics

Note: Figures for the year ended March 2013 are from a preliminary report.

Air Transportation



By making sure to seize new opportunities while implementing cost restructuring, the ANA Group expects continued growth in operating revenues and income in the fiscal year ending March 2014.

Among the world's airlines, the ANA Group ranks 9th in the number of revenue passengers on domestic routes and 14th in the number of total revenue passengers. To deal with a wide range of passengers' requirements while offering convenient air transportation, the various companies in the Group provide services related to the air transportation business, including operation of passenger and cargo flights by four Group airline companies (as of March 31, 2013), as well as aircraft maintenance, handling at airports and other services.

During the fiscal year ended March 2013, demand for air transport continued to grow, backed by post-earthquake recovery and other factors, despite uncertainties about economic conditions in Europe, China and elsewhere. The grounding of Boeing 787 aircraft reduced operating revenues by approximately ¥7.0 billion, and lost operating revenues resulting from the territorial disputes over the Senkaku Islands and Takeshima Islands was approximately ¥10.0 billion. Under these conditions, the ANA Group focused on capturing demand for business travel and conducting measures to stimulate demand for leisure travel. As a result, operating revenues of the air transportation business increased 4.8% compared with the previous fiscal year to ¥1,323.5 billion.

Fuel and operation-linked expenses increased with the expansion of the scope of operations, but by promoting cost structure reforms that went beyond the initial plan, the ANA Group was able to hold down operating expenses to ¥1,229.4 billion, an increase of 4.7% from the previous fiscal year. As a result, operating income for the fiscal year ended March 2013 increased 6.3% year on year to ¥94.0 billion.

In the fiscal year ending March 2014, while incorporating factors including the grounding of Boeing 787 aircraft* and slack demand centered on China routes, the ANA Group assumes that demand for air transport will increase in the second half in light of the recovery in business confidence. With regard to capacity, the Group will focus on expanding international passenger operations, and consequently forecasts air transportation operating revenues of ¥1,440.0 billion, an increase of 8.8% compared with the fiscal year ended March 2013, and operating income of ¥99.0 billion, an increase of 5.2%.

* Although the resumption of operations was assumed to be in July 2013 when drawing up the plan for the fiscal year ending March 2014, regularly scheduled flights actually resumed in June 2013.



Osamu Shinobe
Member of the Board of
Directors of ANA Holdings
Inc., President &
Chief Executive Officer of
All Nippon Airways Co., Ltd.

Domestic Passenger Operations

Highlights

(Years ended March 31)

	2013	2012	2011	2010	2009
Passenger revenues (¥ Billions)	665.9	651.5	652.6	630.9	699.3
Passenger numbers (Millions)	41.08	39.02	40.57	39.89	42.75
Available seat-kilometers (Billions km)	58.5	56.7	56.7	57.1	59.2
Revenue passenger-kilometers (Billions km)	36.3	34.5	35.9	35.3	37.5
Load factor (%)	62.1	60.9	63.4	62.0	63.5
Unit revenues (¥)	11.4	11.5	11.5	11.0	11.8
Yield (¥)	18.3	18.8	18.1	17.8	18.6
Unit price (¥)	16,208	16,698	16,084	15,816	16,359

Domestic Passenger Operations accounted for 40.8% of total operating revenues (before eliminations) in the fiscal year ended March 2013.

Market Conditions and Route Network

Firm demand and successful matching of capacity with demand

Demand on domestic routes recovered significantly from the decline due to the Great East Japan Earthquake. Both business and leisure travel demand were firm.

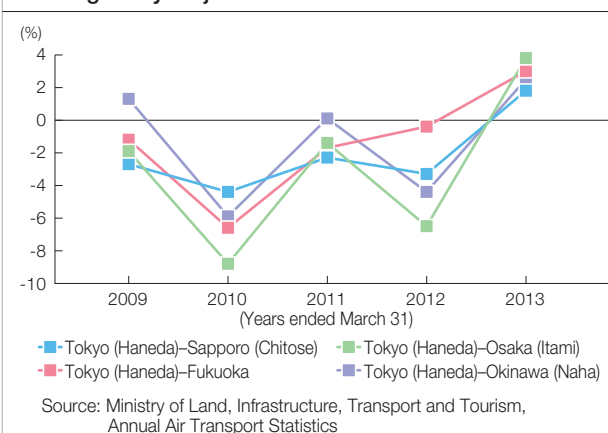
As for the route network, in addition to launching Haneda-Iwakuni service in December 2012 following the reopening of Iwakuni Kintai-kyo Airport for civilian use, the ANA Group established new Narita-Niigata and Osaka (Itami)-Fukushima routes. Other efforts to enhance the network included resuming Fukuoka-Miyazaki/Sendai, Sapporo (Chitose)/Hiroshima-Naha and Kansai/Nagoya (Chubu)/Miyako-Ishigaki routes and recommencing direct Haneda-Ishigaki flights with the March 2013 opening of the new Ishigaki Airport. The Group also worked to match capacity with demand by increasing the number of flights

and optimizing aircraft deployment to meet demand, including the establishment of non-scheduled flights during the *Obon* period in August and the year-end/New Year period.

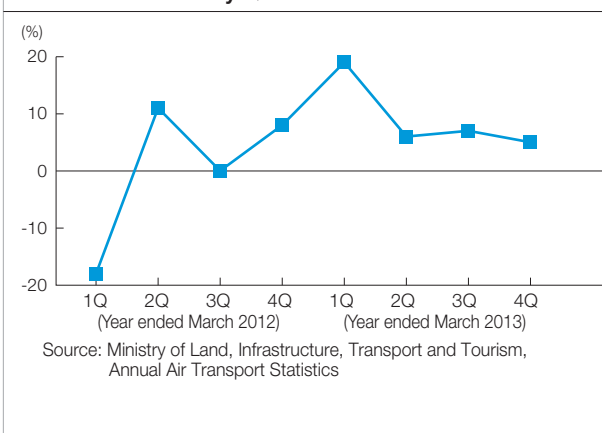
Boeing 787 aircraft were grounded following the occurrence of incidents in January 2013, resulting in a decrease in the number of flights on some routes. However, the ANA Group improved utilization of other aircraft and adjusted flight schedules, mainly for routes with multiple flights, as it worked to ensure passenger convenience and maintain the number of flights.

As a result of these measures, available seat-kilometers for the fiscal year ended March 2013 increased 3.1% and the load factor improved 1.2 points compared with the previous fiscal year.

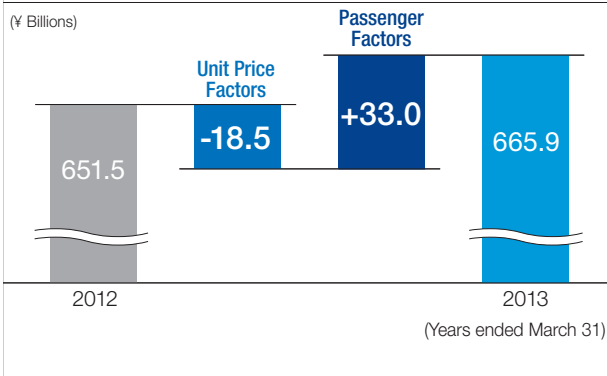
[Market Data] Year-on-Year Comparison of Number of Passengers by Major Route



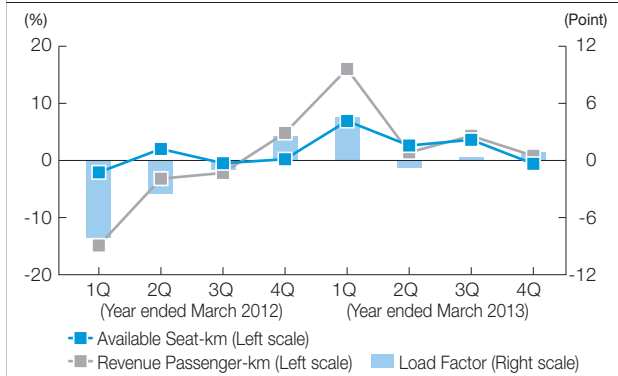
[Market Data] Year-on-Year Change in Domestic Air Travel Demand by Quarter



Domestic Passenger Operations: Factors in Year-on-Year Change in Revenues



Year-on-Year Comparison of Available Seat-Kilometers, Revenue Passenger-Kilometers and Load Factor by Quarter



Overview of Performance

Expanding discount fares and capturing post-earthquake recovery demand to increase revenues

Marketing measures to further stimulate demand included new *Tabiwari 55* and *Premium Tabiwari 28* discount fares and the establishment of the new *Experience JAPAN Fare* on domestic routes for overseas residents. In particular, the ANA Group strategically captured promotional demand, mainly in the third and fourth quarters of the fiscal year as a measure to deal with the off-season.



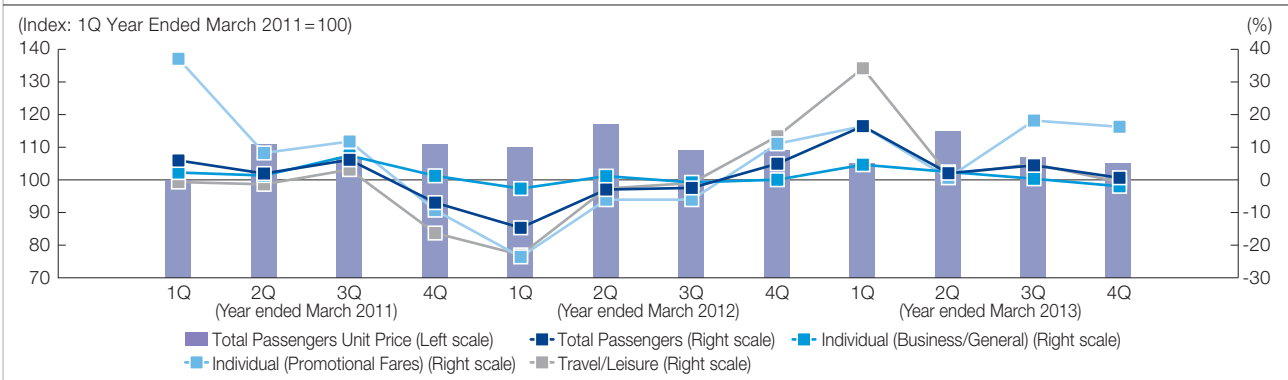
ANA LOUNGE

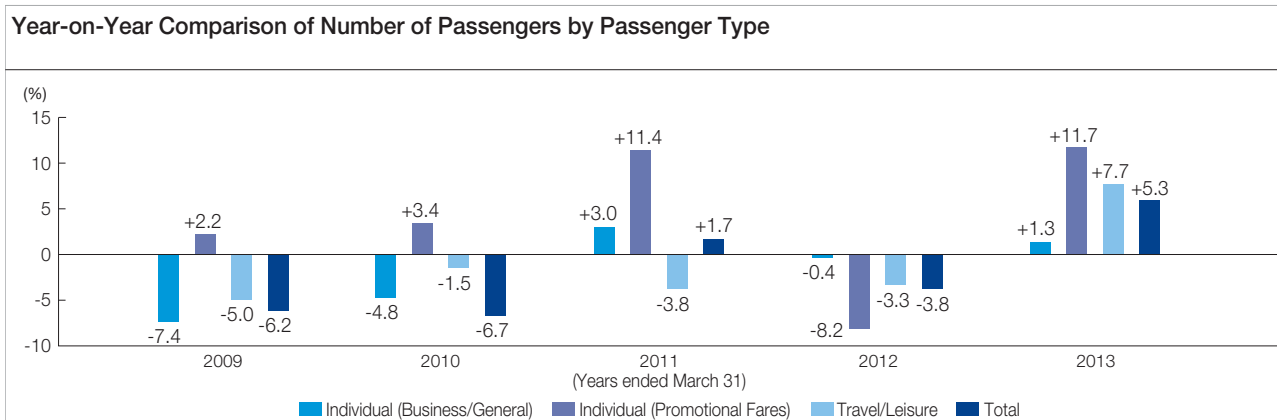
As for services, in addition to installing new premium seats and enhancing in-flight meals and drinks, the ANA Group opened a new ANA LOUNGE at Okayama Airport. To raise competitiveness, the Group began offering new services at each ANA LOUNGE including free digital content for tablets and other electronic devices.

As a result of the above, the number of revenue passengers on domestic routes was 41.08 million, an increase of 5.3% compared with the previous fiscal year.

Unit price decreased 2.9% year on year due to the expansion of discount fares, a change in passenger-class mix with the rebound in travel demand and an increase in use of shareholders' coupons. However, the ANA Group made sure to capture recovering demand with various measures to stimulate demand and improvements to products and services. As a result, operating revenues from domestic passenger operations in the fiscal year ended March 2013 were ¥665.9 billion, a year-on-year increase of 2.2%.

Year-on-Year Comparison of Quarterly Number of Passengers and Unit Price by Passenger Type





Initiatives in the Fiscal Year Ending March 2014

Increased operating revenues expected from route network expansion and strengthened competitiveness

In the fiscal year ending March 2014, overall airline demand is expected to grow, centered on leisure demand, due in part to expansion of LCC routes and an economic recovery. Business demand is also expected to be firm overall, albeit with differences by industry, as the Japanese economy recovers.

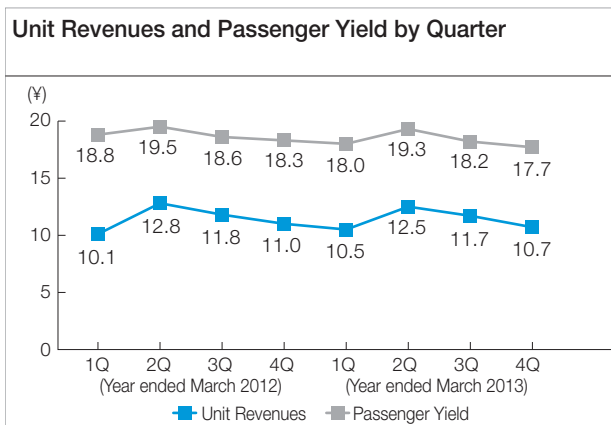
With these demand trends expected, the ANA Group intends to improve profitability by increasing the number of flights, expanding its network and differentiating itself through service enhancements as a full-service carrier. Expansion of the route network to match demand will make use of the increase in arrival/departure slots at Haneda and slots for low-noise aircraft at Osaka (Itami) Airport, among other measures. In marketing, given the increase in reservations made via its website, the Group will conduct a renewal of ANA SKY WEB and work to increase the appeal of its web-based products. To maintain and further strengthen competitiveness, the Group will apply the popular *Tabiwari*

discount fares offered in the year-end/New Year period to additional dates during the *Obon* period in August as an ongoing measure to stimulate demand and conduct a series of renovations of its lounges.

With the grounding of Boeing 787 aircraft, some scheduled flights had to be cancelled in the first quarter of the current fiscal year, but all aircraft resumed service in June 2013. The ANA Group will strive for a complete system for safe operations in its continuing efforts to restore passenger trust.

Through these measures, operating revenues from domestic passenger operations for the fiscal year ending March 2014 are forecast to increase 3.4% year on year to ¥688.5 billion. Based on this forecast, the ANA Group expects a 2.7% increase in available seat-kilometers, a 0.9 point improvement in the load factor and a 0.6% improvement in unit revenues.*

* When drawing up the plan, the resumption of operations of Boeing 787 aircraft was assumed to be in July 2013. Figures do not include AirAsia Japan.



New Premium Class seat

International Passenger Operations

Highlights

(Years ended March 31)

	2013	2012	2011	2010	2009
Passenger revenues (¥ Billions)	348.3	320.0	280.6	214.1	291.0
Passenger numbers (Millions)	6.27	5.88	5.16	4.66	4.43
Available seat-kilometers (Billions km)	37.9	34.4	29.7	26.7	27.9
Revenue passenger-kilometers (Billions km)	28.5	25.3	22.4	20.2	19.3
Load factor (%)	75.2	73.7	75.3	75.7	69.4
Unit revenues (¥)	9.2	9.3	9.4	8.0	10.4
Yield (¥)	12.2	12.6	12.5	10.6	15.0
Unit price (¥)	55,495	54,403	54,296	45,883	65,674

International Passenger Operations accounted for 21.3% of total operating revenues (before eliminations) in the fiscal year ended March 2013.

Market Conditions and Route Network

A focus on enhancing the network against a backdrop of firm demand

Overall passenger traffic on international routes was firm, with steady business demand and leisure demand centered on the *Obon* period in August and the year-end/New Year period. Demand on China routes dropped rapidly due to the impact of the Senkaku Islands territorial dispute that arose in September 2012. Although the effect of the dispute on leisure demand continued to the end of the fiscal year, business demand returned to the previous year's level by December 2012. Moreover, the grounding of Boeing 787 aircraft led to the suspension of some routes and flights.

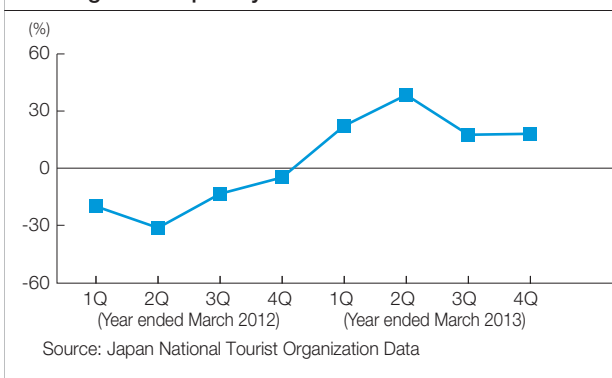
The ANA Group worked to enhance its route network and improve convenience for passengers connecting

between Asia and North America via Narita. Measures included establishing new routes for Narita–Seattle in July 2012 (suspended from March 31, 2013 to May 31, 2013 due to the grounding of Boeing 787 aircraft), Narita–Yangon/Delhi in October 2012 and Narita–San Jose in January 2013 (suspended from January 18, 2013 to May 31, 2013) and increasing the number of Narita–New York flights.

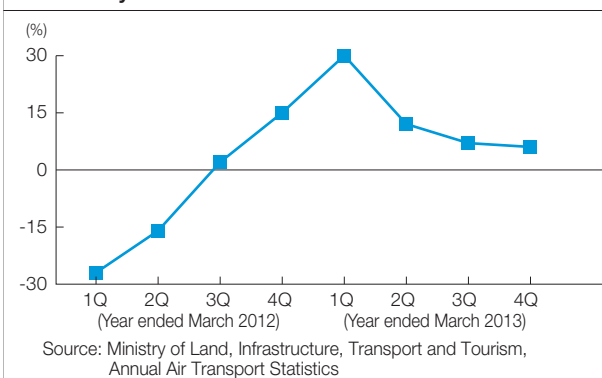
As a result of the above factors, available seat-kilometers for the fiscal year ended March 2013 increased 10.3% year on year with the substantial increase in capacity, and together with the success of measures to improve convenience, the load factor improved 1.5 points compared with the previous fiscal year.



[Market Data] Year-on-Year Change in Quarterly Inbound Passengers to Japan by Destination



[Market Data] Year-on-Year Comparison of Passenger Demand by Quarter



Overview of Performance

A substantial increase in operating revenues with the success of measures to stimulate demand in response to expanded capacity

Marketing measures to stimulate demand included establishing new *ANA 60th Anniversary Eco-wari Youth Special* and *Eco-wari Visit Home 3* fares and conducting the “IS JAPAN COOL?” campaign to encourage travelers to visit Japan. To improve convenience on its Chinese website, the ANA Group introduced China’s largest online payment service for ticket sales. The Group also focused on improving comfort and strengthening competitiveness with measures including installing new seats in Premium Economy class on U.S. and European routes from August 2012.

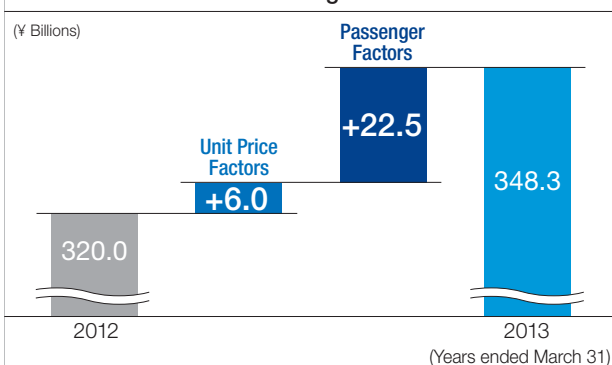
In the LH/NH Joint Venture that started in the fiscal year ended March 2013, the ANA Group and Lufthansa established joint flight schedules and fares between Japan and Europe to provide greater convenience to transit passengers. Following the addition of Lufthansa Group companies Swiss International Air Lines and Austrian Airlines in April 2013, the joint venture began sales of joint fares among the four companies on routes between Japan and Europe.

As a result of the success of these measures to stimulate demand and marketing initiatives implemented in response to capacity expansion, the number of revenue passengers on international routes was 6.27 million in the fiscal year ended March 2013, a year-on-year increase of 6.7%. By destination, the transpacific network operated by ANA and United Airlines absorbed passenger flow between Asia and North America and maintained strong performance, with an approximately 20% year-on-year increase in passengers on North American routes.

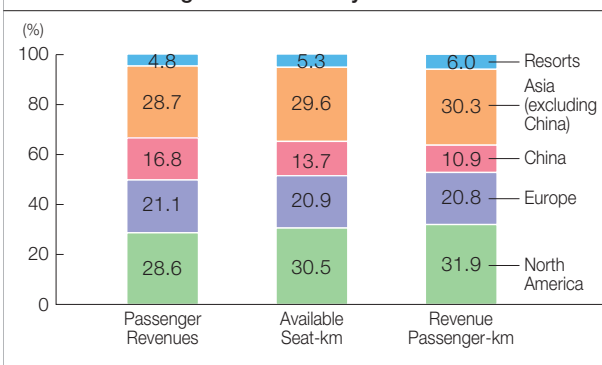
Unit price improved 2.0% from the previous fiscal year due to firm business and travel demand and an increase in fuel surcharges.

As a result of the above, operating revenues from international passenger operations in the fiscal year ended March 2013 were ¥348.3 billion, a year-on-year increase of 8.8%.

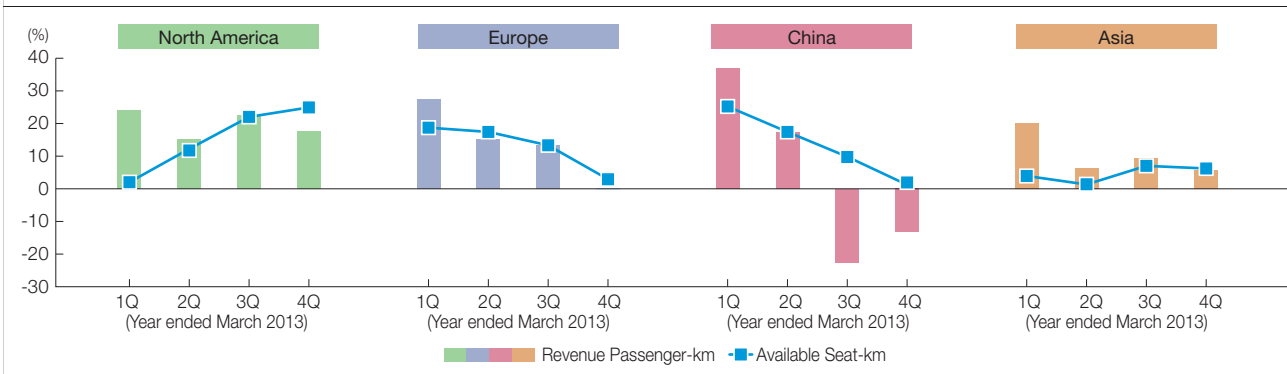
International Passenger Operations: Factors in Year-on-Year Change in Revenues



Passenger Revenues, Available Seat-Kilometers and Revenue Passenger-Kilometers by Area (Year ended March 2013)



Year-on-Year Comparison of Available Seat-Kilometers and Revenue Passenger-Kilometers by Area



Initiatives in the Fiscal Year Ending March 2014

Further growth in operating revenues expected from achieving both expansion of business scale and greater profitability

In the fiscal year ending March 2014, demand is expected to increase as a result of factors including growth in business demand in the Japanese market due to the economic recovery and anticipated growth in the Asian market, which will drive the global economy, as well as signs of a recovery in demand for tourism.

As for the route network, in addition to the resumption of B787 operations in June 2013, continuing measures to strengthen North American routes will include a planned increase in Narita–Chicago flights. Ongoing route development will target transit demand between Asia and North America, which is expected to increase, in addition to passengers traveling to and from Japan.

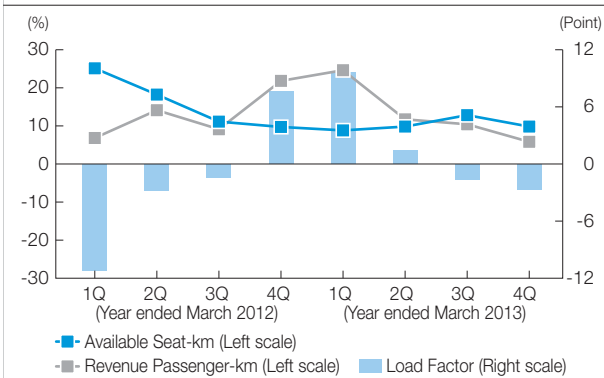
In marketing, the ANA Group will establish competitive and flexible fares that appeal to customers. Active promotions through various media in overseas markets will contribute to

further raising awareness and enhancing marketing capabilities outside Japan.

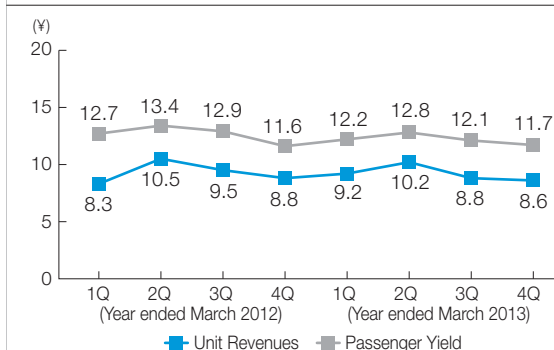
As a result of the above factors, operating revenues from international passenger operations for the fiscal year ending March 2014 are forecast to increase 14.1% year on year to ¥397.5 billion. Based on this forecast, the ANA Group expects a 10.6% increase in available seat-kilometers, a load factor on par with the previous fiscal year and a 3.2% improvement in unit revenues.*

* When drawing up the plan, the resumption of operations of Boeing 787 aircraft was assumed to be in July 2013. Figures do not include AirAsia Japan.

Year-on-Year Comparison of Available Seat-Kilometers, Revenue Passenger-Kilometers and Load Factor by Quarter



Unit Revenues and Passenger Yield by Quarter



Cargo and Mail Operations

Highlights

(Years ended March 31)

	2013	2012	2011	2010	2009
Cargo and mail operating revenues (¥ Billions)	126.2	128.0	125.0	94.3	109.7
Cargo volume (Thousand tons)	1,084	1,038	1,011	881	829
Cargo revenues (¥ Billions)	118.8	121.2	118.4	87.5	102.1
Mail volume (Thousand tons)	62	57	53	53	56
Mail revenues (¥ Billions)	7.4	6.8	6.5	6.8	7.5

Cargo and Mail Operations accounted for 7.7% of total operating revenues (before eliminations) in the fiscal year ended March 2013.

Market Conditions and Overview of Performance (Domestic Routes)

Domestic cargo demand on par with the previous fiscal year

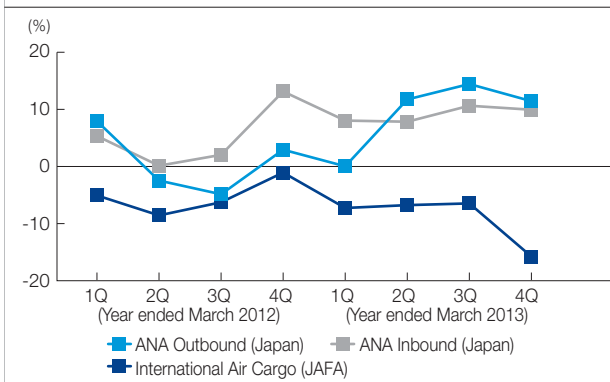
In domestic cargo services, growth in demand was weak in the first half of the fiscal year in comparison with the post-earthquake increase in demand in the previous fiscal year, in addition to factors including the effects of poor weather and major typhoons. Home-delivery parcel services from Tokyo and fresh cargo from Hokkaido performed steadily from October 2012 onward, but demand for home-delivery parcel services has declined since January 2013 due to intensifying competition from ground transport.

As a result of the above factors, domestic cargo traffic volume for the fiscal year ended March 2013 decreased 0.8% compared with the previous fiscal year to 463 thousand tons, and operating revenues decreased 3.1% year on year to ¥32.2 billion.

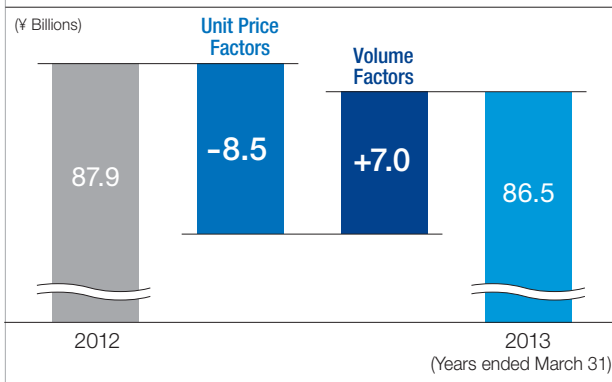
Domestic mail volume increased 0.1% year on year to 31 thousand tons and operating revenues increased 2.9% year on year to ¥3.6 billion.

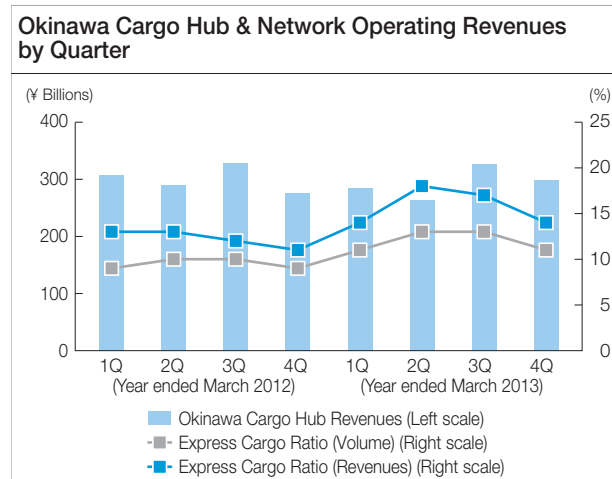
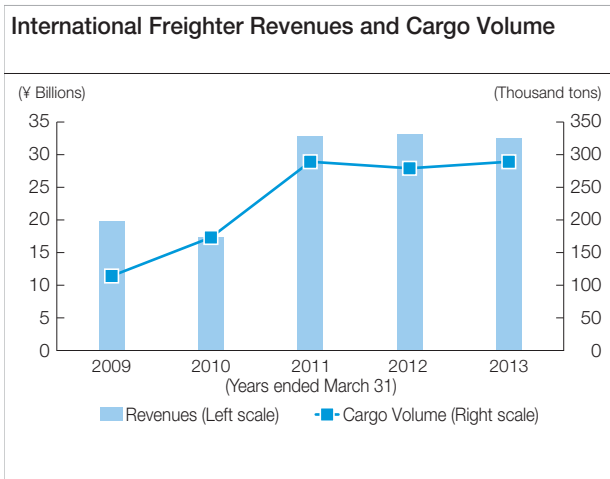


Year-on-Year Comparison of International Cargo Volume by Quarter



International Cargo Operations: Factors in Year-on-Year Change in Revenues





Market Conditions and Overview of Performance (International Routes)

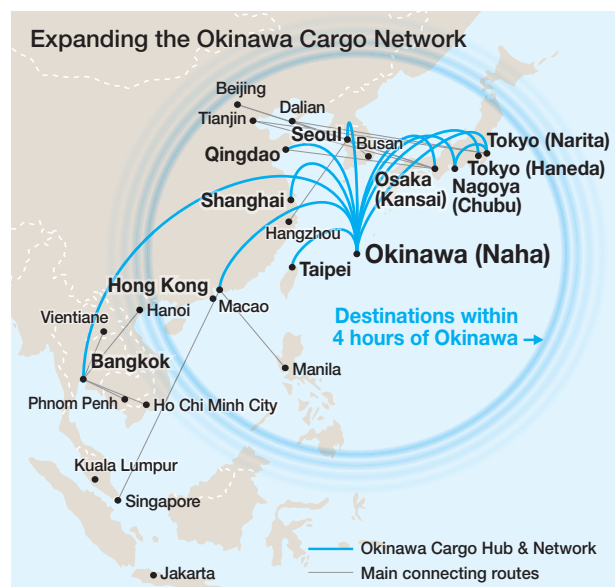
Securing cargo volume on international routes by taking on third-country cargo

In international cargo services, a significant downward trend in air cargo demand to and from Japan continued throughout the fiscal year ended March 2013 due to factors such as the prolonged economic crisis in Europe and the overseas shift of Japanese export industries as a result of the appreciation of the yen.

Under these conditions, the ANA Group proactively took on third-country cargo to coincide with the expansion of its international route network, including cargo from the United States and Europe destined for Asia and China, cargo from Asia and China destined for the United States and Europe, and cargo transported within Asia using the Okinawa Cargo Hub & Network. As a result, cargo volume on international routes for the fiscal year ended March 2013 increased 8.9% compared with the previous fiscal year to 621 thousand tons. On the other hand, unit prices dropped as the Group took on third-country cargo, despite a recovery trend during the second half of the fiscal year, and operating revenues decreased 1.6% year on year to ¥86.5 billion.

Moreover, international mail traffic volume increased 19.1% compared with the previous fiscal year to 31 thousand

tons, and operating revenues increased 15.0% year on year to ¥3.8 billion.



Cargo and Mail Operating Revenues

(Years ended March 31)		2013		2012		2011		2010		2009	
		Result	YoY Change	Result	YoY Change	Result	YoY Change	Result	YoY Change	Result	YoY Change
Cargo	Domestic	32.2	(3.1)%	33.2	2.6%	32.4	1.8%	31.8	(3.8)%	33.0	8.3%
	International	86.5	(1.6)%	87.9	2.2%	86.0	54.4%	55.7	(19.3)%	69.0	(4.3)%
	Total	118.8	(2.0)%	121.2	2.3%	118.4	35.3%	87.5	(14.3)%	102.1	(0.6)%
Mail	Domestic	3.6	2.9%	3.5	3.6%	3.4	(3.9)%	3.5	(9.4)%	3.9	(50.9)%
	International	3.8	15.0%	3.3	5.0%	3.1	(2.5)%	3.2	(11.2)%	3.6	2.7%
	Total	7.4	8.8%	6.8	4.3%	6.5	(3.2)%	6.8	(10.3)%	7.5	(34.3)%



Initiatives in the Fiscal Year Ending March 2014

Aiming to increase operating revenues with a differentiation strategy using the Okinawa Cargo Hub & Network

In the fiscal year ending March 2014, a gradual recovery in demand for cargo originating from Japan in the second half of the fiscal year and relatively firm demand from Asia and China are expected.

Under these conditions, the ANA Group will work to promote marketing strategies and improve the quality of its service to make sure it captures increasing demand. In particular, by making full use of the Okinawa Cargo Hub & Network to shorten transport times and strengthen cargo booking capabilities for the Asian market, the Group will promote a differentiation strategy, including expansion of express and value-added cargo, in an effort to maximize operating revenues. The Group will also enhance its cargo flight network by using belly space on passenger flights and charter operations aircraft from Nippon Cargo Airlines, as well as establishing or reopening routes by improving

deployment of freighters. Meanwhile, the Group aims to improve the profitability of the freighter business by reducing operating cost per unit through better aircraft utilization.

Through these measures, operating revenues from cargo and mail operations for the fiscal year ending March 2014 are forecast to increase 18.4% year on year to ¥149.5 billion.

Cargo and Mail Volume

(Thousand tons)

Years ended March 31)	2013		2012		2011		2010		2009		
	Result	YoY Change	Result	YoY Change	Result	YoY Change	Result	YoY Change	Result	YoY Change	
Cargo	Domestic	463	(0.8)%	467	3.0%	453	(1.1)%	458	(3.4)%	475	2.7%
	International	621	8.9%	570	2.4%	557	32.0%	422	19.3%	354	6.5%
	Total	1,084	4.5%	1,038	2.7%	1,011	14.7%	881	6.3%	829	4.3%
Mail	Domestic	31	0.1%	31	1.0%	30	(5.8)%	32	(13.5)%	37	(57.1)%
	International	31	19.1%	26	18.1%	22	8.6%	20	9.6%	18	22.5%
	Total	62	8.8%	57	8.2%	53	(0.2)%	53	(5.9)%	56	(45.4)%

Other Transportation Services

Overview of Performance and Outlook for the Fiscal Year Ending March 2014

Operating revenues for other transportation services in the air transportation business increased 12.3% compared with the previous fiscal year to ¥182.9 billion as a result of factors including an increase in handling fees due to growth in the number of client airlines that receive services from the ANA Group at Haneda Airport, Narita Airport and elsewhere.

Operating revenues for the fiscal year ending March 2014 are forecast to increase 11.8% year on year to ¥204.5 billion.



Column: Performance of AirAsia Japan in the Fiscal Year Ended March 2013 and Dissolution of the Joint Venture with AirAsia Berhad

(As of June 25, 2013)

Overview of Performance in the Fiscal Year Ended March 2013

AirAsia Japan Co., Ltd., based at Narita Airport, began operating domestic routes in August 2012 and international routes in October 2012. In March 2013, the company began operating a Fukuoka route, with Chubu Centrair International Airport as its second base. As of March 31, 2013, AirAsia Japan owned four Airbus A320 aircraft and operated a total of 20 flights per day on four domestic routes between Narita–Sapporo/Fukuoka/Okinawa (Naha) and Nagoya (Chubu)–Fukuoka, and two international routes between Narita–Seoul (Incheon)/Busan.

In the fiscal year ended March 2013, in addition to an inability to create sufficient new demand for a low-cost carrier (LCC),

the number of aircraft introduced fell short of the initial plan. Moreover, the restriction on operating hours at Narita Airport was greater than originally expected, which had a considerable impact on the in-service rate.

As a result of the above, operating results on domestic routes for the fiscal year ended March 2013 (August 1, 2012 to March 31, 2013) were 340 thousand passengers, 599 million available seat-kilometers, 382 million revenue passenger-kilometers and a 63.9% passenger load factor. Results on international routes were 60 thousand passengers, 113 million available seat-kilometers, 70 million revenue passenger-kilometers and a 61.9% passenger load factor.

Initiatives in the Fiscal Year Ending March 2014 and Dissolution of the Joint Venture with AirAsia Berhad

Based on an analysis of the performance of AirAsia Japan in the fiscal year ended March 2013, the ANA Group will employ concrete improvement measures to restore its operations. In marketing, the Group will promote various measures to create demand for an LCC including efforts to stimulate demand such as continuing to set promotional fares and sales of seats for package tours. In addition, the Group will work to improve passenger convenience by further promoting improvements to the website and mobile sales tools in an aim to increase revenues by cultivating new demand for air transportation. The ANA Group, which has a detailed understanding of the Japanese market, can expect greater results by conducting these improvement measures independently. From this viewpoint, the Group conducted earnest

discussions with AirAsia Berhad about the optimum management structure for promoting an improvement in results for AirAsia Japan and the construction of a business model for the future with greater efficacy and a sense of speed. As a result, both companies decided to dissolve the joint venture so that the ANA Group could lead the rebuilding of a Japanese-style LCC business, and announced their decision on June 25, 2013. The ANA Group believes that there is sufficient underlying potential for future growth in demand for an LCC in Japan. While carrying on the low-cost structure of AirAsia, the Group will work out a plan for Japanese-style marketing and services to rebuild its LCC brand as a business that can contribute to improving the corporate value of the ANA Group.

Travel Services



Two consecutive years of increases in operating revenues and income from developing products to coincide with route network expansion and stimulating demand among new customer categories

The ANA Group plans and sells *ANA Sky Holiday* and *ANA Hello Tour* travel packages and other products that include an ANA brand airline ticket and overnight stay. Overseas, the Group provides various local services for users of its travel package products and sells airline tickets for overseas arrivals and departures as well as travel products.

Operating revenues from domestic travel services increased in the fiscal year ended March 2013. Demand increased for travel to the Kanto region, where numerous topics of interest included the opening of Tokyo Sky Tree, and the Tohoku region, which had been affected by the earthquake in the previous fiscal year. In addition, the ANA Group further expanded its sales channels for *Tabisaku* custom packaged tours to include smartphones.

Operating revenues from international travel services decreased in the fiscal year ended March 2013. Along with proactive development of travel products to coincide with the expansion of the international route network, the ANA Group worked to enter new customer categories, including the announcement of the new *ANA Wonder Earth* product. However, demand for travel to China declined significantly after September 2012 owing to the impact of the territorial disputes over the Senkaku Islands.

As a result of the above factors, operating revenues from travel services for the fiscal year ended March 2013 increased 1.3% year on year to ¥161.0 billion. Segment profit increased 14.7% year on year to a record high of ¥4.4 billion because of efforts to reduce sales commissions and to cut costs by making the sales structure more efficient.

In the fiscal year ending March 2014, the ANA Group will work to stimulate demand for domestic travel services by taking advantage of events such as the thirtieth anniversary of Tokyo Disney Resort® and the opening of the new Ishigaki Airport. For international travel services, the Group will enhance services tailored to customers' needs and expand products originating from domestic locations. As a result of the above measures, operating revenues from travel services for the fiscal year ending March 2014 are forecast to increase 5.6% compared with the previous fiscal year to ¥170.0 billion, and segment profit is forecast to increase 11.6% year on year to ¥5.0 billion.

SUSTAINABILITY

4 Our Body



A look at our CSR activities, our foundation for sustainable growth

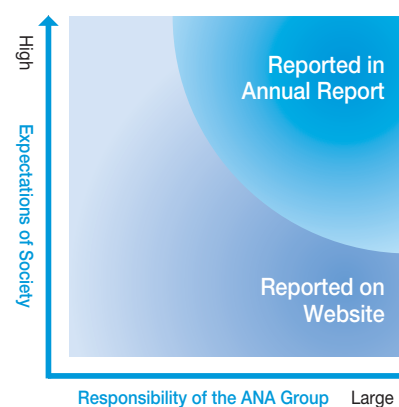
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Items Published on the Website

On the CSR-related pages of Annual Report 2013, reporting focuses on initiatives that are strongly connected to the expectations of society and the responsibilities of the ANA Group. The CSR-related pages on our website provide more detailed information, as well as items not included in the Annual Report.

We will continue to update the website and to make efforts toward timely disclosure of information.

<http://www.ana.co.jp/eng/aboutana/corporate/csr/>



The ANA Group's CSR

Our Aims for CSR

We believe that providing security to and earning the trust of society through communication with our diverse stakeholders as well as growing sustainably and helping to create the society of the future are the corporate social responsibility (CSR) goals we should aim for. We will make our Mission Statement a reality by pursuing value that only the ANA Group can provide in our daily business activities, thus meeting the expectations of our stakeholders.

Conceptual Framework of the ANA Group's New Mission Statement

We established a new Mission Statement, Management Vision and Course of Action (ANA's Way) to make clear our aims for the entire ANA Group on the occasion of the sixtieth anniversary of the founding of ANA and our shift to a holding company structure. With the new Mission Statement framework as our foundation, we strive toward our objectives with a strong will and teamwork.

Mission Statement

"Security and Trust" is the ANA Group's unwavering promise to its customers. It defines the core of our entire operation and is our solemn responsibility. "The wings within ourselves" are our desire to continually rise to new challenges, contribute to the strong rebirth of our organization and always be there for our customers. The ANA Group pledges to transcend generations in support of developing our global community and fulfilling the hopes and dreams of present and future generations.

Management Vision

Moving toward a new era, we aim to become the customer's first-choice airline and to establish a continuing position of global leadership. In a bid to raise customer satisfaction, we aim to bring out the smiles in as many of our customers as possible. We will strive to continue to develop as a strong and independent company by creating maximum value for our customers, our stakeholders and ourselves.

ANA's Way

ANA's Way represents the core values necessary for our Group to achieve the goals set forth in our Mission Statement and Management Vision. It was created through a wide network of dialogue and discussion and is the collective effort of all of our Group employees. Spearheaded by the Group Culture Promotion Office, which was established in April 2012, ANA's Way was drawn up over the course of a year using surveys and workplace discussions in order to incorporate the broad range of opinions held by the employees who carry out the ANA Group's activities. "Trustworthy, Heartwarming, Energetic!" is the motto that was born from our efforts to determine what makes the ANA Group special. We will continue to keep these words firmly placed in our hearts. We will share and disseminate ANA's Way throughout the Group through various measures, both from the top down and the bottom up. By reinforcing our strengths, our combined effort will give rise to an even higher quality of product and service than ever before.

Mission Statement

Built on a foundation of security and trust, "the wings within ourselves" help to fulfill the hopes and dreams of an interconnected world.

Management Vision

It is our goal to be the world's leading airline group in customer satisfaction and value creation.

ANA's Way

To live up to our motto of "Trustworthy, Heartwarming, Energetic!", we work with:

- 1 Safety: We always hold safety as our utmost priority, because it is the foundation of our business.
- 2 Customer Orientation: We create the highest possible value for our customers by viewing our actions from their perspective.
- 3 Social Responsibility: We are committed to contributing to a better, more sustainable society with honesty and integrity.
- 4 Team Spirit: We respect the diversity of our colleagues worldwide and come together as one team by engaging in direct, sincere and honest dialogue.
- 5 Endeavor: We endeavor to take on any challenge in the global market through bold initiative and innovative spirit.

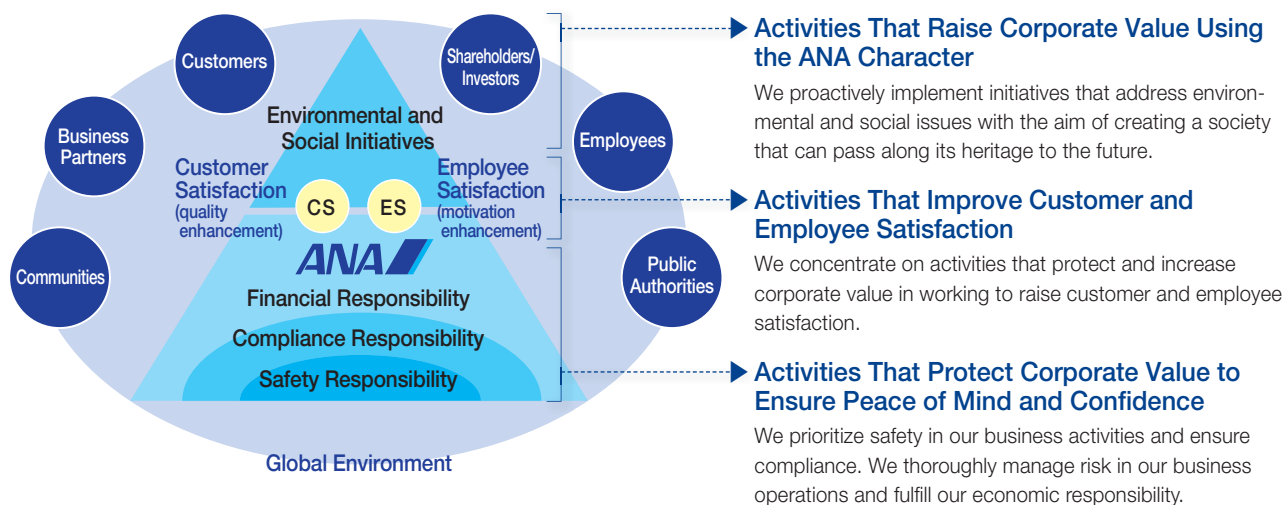
ANA Group Code of Conduct

<http://www.anahd.co.jp/en/csr/group>

The Code of Conduct sets out our promises for each category of stakeholders.

Basic Approach

While incorporating stakeholder needs and opinions into our corporate activities, we will strengthen activities to maintain and increase corporate value throughout the ANA Group.



► Relationships with Stakeholders

	The ANA Group's Responsibilities	Major Means of Dialogue
Customers	<ul style="list-style-type: none"> ◆ We raise the level of security and trust with safety as our unequivocal mission in all our businesses. ◆ We aim to be the world's leading airline group in customer satisfaction by creating new value while taking our customers' viewpoints at all times. 	<ul style="list-style-type: none"> • Customer Service Desk • ANA Disability Desk for passengers who require assistance • Customer Satisfaction Survey • Written in-flight comments • Group interviews
Shareholders and Investors	<ul style="list-style-type: none"> ◆ To increase shareholder value, we are constructing a strong enterprise that is able to generate stable earnings and provide a continuous return on investment. ◆ We conduct timely and appropriate disclosure of corporate information. 	<ul style="list-style-type: none"> • General Meeting of Shareholders and investor presentations • Investor relations activities • Questionnaires about socially responsible investment • Publication of the <i>ANA VISION</i> booklet for shareholders
Business Partners	<ul style="list-style-type: none"> ◆ We conduct honest and fair trading while maintaining legal and regulatory compliance based on the ANA Group Purchasing Policy, and voluntarily practice CSR-based procurement. ◆ We value our partnerships with our trading partners, cooperating and alliance companies and other organizations, and aim to grow with them while working together to realize a sustainable society. 	<ul style="list-style-type: none"> • Briefings and training, meetings for opinion exchange • Questionnaires for business partners • Worksite tours • Projects with airline alliance partners
Employees	<ul style="list-style-type: none"> ◆ By respecting human rights and supporting independent growth and diverse working styles, we aim to be a corporate group where our employees can display their capabilities through motivated work irrespective of age, gender or nationality. 	<ul style="list-style-type: none"> • Intranet, web-based internal newsletter • Employee Satisfaction Survey • Internal reporting desk (Helpline Desk) • Labor and management conferences • Education and training
Public Authorities	<ul style="list-style-type: none"> ◆ We fulfill all legal and regulatory compliance, tax and other obligations. ◆ We provide cooperation and support for the sustainable development of Japanese and global society through means such as maintaining and expanding the distribution of goods and transport of people on domestic and international routes and revitalizing regional economies. 	<ul style="list-style-type: none"> • Activities through industry organizations and the IATA • Providing opinions in government councils • Joint public-private sector projects
Communities	<ul style="list-style-type: none"> ◆ We contribute to community development with initiatives to resolve social issues through both business and volunteer activities. ◆ We continue to conduct activities to encourage reconstruction in cooperation with NGOs, NPOs and communities. 	<ul style="list-style-type: none"> • Volunteer activities • CSR lectures and educational support for the next generation • Opinion exchange with NGOs and NPOs
The Environment	<ul style="list-style-type: none"> ◆ We humbly recognize the environmental impact of our business activities, and implement initiatives that reflect our constant attention to what we can do for the sake of humankind and the Earth to achieve a sustainable society. ◆ We are aiming to be a leading eco-friendly airline by steadily carrying out our medium-to-long-term ecology plan, ANA FLY ECO 2020. 	<ul style="list-style-type: none"> • Various environmental programs • Environmental communication activities • Disclosure of information through our annual report, website, etc.

Management Strategy and Medium-Term CSR Policy (Priority Issues)

Our CSR activities to date have centered on safety. With our shift to a holding company structure, we have established the Medium-Term CSR Policy as a concrete set of guidelines to align the orientation of all ANA Group executives and employees around the world, and to respond to the trust and expectations of our stakeholders.

Based on ISO26000, a set of international guidelines for CSR, and taking into consideration issues brought to light from an analysis of the current situation and exchanges of opinion inside the Group and with experts, the Medium-Term CSR Policy identifies eight priority issues that the ANA Group must give precedence to in order to make its Mission Statement a reality. With this CSR Policy at its core, our

ANA Group FY2013-2015 Medium-Term Corporate Strategy will entrench CSR management more deeply throughout the ANA Group to raise the Group's corporate value.

We drew up a Three-Year Roadmap for CSR in April 2013 to systematically carry out activities for realizing the CSR Policy. With 2013 designated as the year for fortifying our foundation, we are reviewing our Groupwide structure for CSR promotion and the content of our actions to date as we enhance our ability to steadily resolve issues at each Group company and workplace.

▶ ANA Group Medium-Term CSR Policy

	Medium-Term CSR Policy	Objectives
1	Pursue safety and security	In addition to safe flights, put safety first in all business processes and strengthen measures to raise customer safety, such as providing appropriate information.
2	Provide services and products that seriously consider customers and society	Proactively provide services and products that take into account changes in customers and society, and contribute to customer satisfaction and resolution of the issues society faces through our business.
3	Create an environment where diverse employees can work energetically	Create workplaces for motivated work with a sound mind and body that allow mutual respect for the human rights and diversity of employees and society.
4	Promote CSR in cooperation with business partners	Strengthen the structure for activities in consideration of legal compliance, human rights, the environment and other factors throughout the supply chain.
5	Establish CSR management on a global level	Strengthen the CSR promotion system from the perspective of global Group management. Enhance the risk management structure and raise the compliance awareness of all Group employees without fail.
6	Reduce environmental impact	Ascertain and disclose the effect of overall business activities on the environment and work to reduce impact in areas such as CO ₂ emissions.
7	Conduct social contributions that vitalize local communities	Make the most of the strengths of the ANA Group to contribute to the development of local communities in Japan and overseas and build a good relationship with those communities.
8	Strengthen communication with stakeholders	Increase corporate soundness with proactive, appropriate and timely disclosure. Also, conduct dialogue and cooperation with our diverse stakeholders.

Participation in the UN Global Compact

Since 2008, the ANA Group has participated in the United Nations Global Compact and incorporates its ten principles in the areas of human rights, labor, the environment and anticorruption in business activities and has disseminated the rationale for the Group's participation. In conducting CSR at a global level, each and every one of us in the Group around the world embraces and supports these principles by observing international norms and fulfilling social responsibilities with fairness and integrity based on the same values.



The CSR Promotion System and PDCA Cycle

The top management of ANA Holdings displays leadership in promoting CSR through a structure consisting of the CSR Promotion Committee as its focal point with the President and CEO at the top and headed by the Executive Vice President in charge of CSR promotion. To carry out the Medium-Term CSR Policy, a PDCA cycle based on the

policy must be put in motion at each Group company and workplace in a form suited to each respective organization. The CSR Promotion Office of ANA Holdings cooperates organically with each organization and works to raise the level of CSR management quality of the entire ANA Group.



Checklist Details: Inclusion in Socially Responsible Investment (SRI) Indexes

ANA has been continuously selected for inclusion in the FTSE4Good Index since 2006 and in other major indexes, the Morningstar SRI Index "MS-SRI" and the Dow Jones Sustainability Asia Pacific Index, since 2008. Examination of our own CSR activities based on these external evaluation items and results has led to further improvements.



Snapshot of Activities

Report on Results of CSR Activities

The following is a report on priority issues and results of activities in the fiscal year ended March 2013 and goals for the fiscal year ending March 2014 based on the Medium-Term CSR Policy.

Medium-Term CSR Policy (ISO26000 Core Subject/Global Compact)	Priority Measures	Main Achievements in the Fiscal Year Ended March 2013
(1) Pursue safety and security (Consumer issues)	Maintain safe operations, prevent accidents and incidents	<ul style="list-style-type: none"> Reviewed the safety promotion system (organizational restructuring) and strengthened activities for proactive prevention and prevention of recurrence together with the front line
	Business continuity management	<ul style="list-style-type: none"> Reviewed response to the Great East Japan Earthquake and identified issues for improvement, expanded MCA wireless deployment and introduced a new safety confirmation system for employees
	Prevent large-scale system malfunctions	<ul style="list-style-type: none"> Strengthened system for checking development process and post-service operational processes and implemented drills for responding to failures
	Improve the safety and quality of in-flight meals	<ul style="list-style-type: none"> Established quality management systems in Japan and overseas and strengthened structures for responding to out-of-the-ordinary situations
	Prevent leaks of customer information	<ul style="list-style-type: none"> Periodically updated the Information Security Basic Rules online course for all Group employees and offered e-learning
(2) Provide services and products that meet the needs of customers and society (Consumer issues)	Improve total customer satisfaction	<ul style="list-style-type: none"> The ANA brand was the first Japanese airline to receive the SKYTRAX 5-Star Airline rating and won awards for World's Best Airport Services and Best Aircraft Cabin Cleanliness
	Improve on-time service	<ul style="list-style-type: none"> ANA brand received FlightStats, Inc. On-Time Performance Service Awards and was named number one in Lowest Global Cancellations category and Network-Global Airlines category
	Provide products and services linked to solving social issues	<ul style="list-style-type: none"> Expanded our internal seminars and held cross-divisional problem-solving meetings to reinforce support for customers who require assistance
(3) Create vibrant workplaces with diverse employees (Human rights / Labour practices) (Global Compact Principles 1-6)	Cultivate and deploy human assets	<ul style="list-style-type: none"> Enhanced and implemented the Global Talent Program to cultivate global human assets Formulated a new ANA Group Code of Conduct (ANA's Way) as an employee-led project
	Promote diversity	<ul style="list-style-type: none"> Introduced new systems that provide options to suit employees' lifestyles, including a system of extended leave for employees to accompany a spouse transferred overseas Established the Disabled Person Employment Promotion Office and achieved a 2.07% employment rate for disabled people through concerted efforts of the Group
	Deal with human rights	<ul style="list-style-type: none"> Conducted a comprehensive review of and implemented human rights training for new employees from a more global perspective
	Occupational safety and health	<ul style="list-style-type: none"> Regularly conducted stress checks online and carried out follow-up observation
(4) Promote CSR in cooperation with business partners (Fair operating practices / Human rights / Labour practices / The environment) (Global Compact Principles 1-10)	Share and practice the Group's approach to CSR throughout the supply chain	<ul style="list-style-type: none"> Upgraded supply chain management policy and CSR guidelines
	Conduct fair purchasing transactions	<ul style="list-style-type: none"> Strengthened purchase checking system through centralization of Group procurement Introduced and promoted article on exclusion of organized crime syndicates in contracts, and strengthened framework for security trade control
(5) Reduce environmental impact (The environment) (Global Compact Principles 7-9)	Implement climate change measures	<ul style="list-style-type: none"> Proactively promoted measures to reduce CO₂ emissions including introducing new aircraft and conducting a demonstration flight using biofuel with the aim of achieving the numerical targets of ANA FLY ECO 2020, ANA's medium-to-long-term environmental plan
	Deal with laws, regulations and organizations	<ul style="list-style-type: none"> Contributed to the formulation of an international framework for ICAO/IATA and responded appropriately to the EU Emissions Trading Scheme
	Contribute to the development of a resource recycling society	<ul style="list-style-type: none"> Began recycling flight crews' uniforms, reduced the volume of water on board domestic and international routes and began full-scale reuse of wastewater in aircraft maintenance facilities
	Promote a strategy of visualization of the environment	<ul style="list-style-type: none"> Under e-flight 2013, conducted customer-participation environment programs including donation of miles and sales of carbon offset products, and participated in various environmental events
(6) Promote social contribution that helps to vitalize local communities (Community involvement and development / Consumer issues)	Conduct ongoing activities to encourage post-earthquake reconstruction	<ul style="list-style-type: none"> Continued activities mainly in the vicinity of Sendai and Fukushima airports and in Minami Sanriku, Miyagi Prefecture through business and volunteer activities
	Encourage participation by employee volunteers	<ul style="list-style-type: none"> Introduced a new system to subsidize expenses for employees taking part in volunteer activities and disseminated information through the Intranet
	Promote environmental contribution activities for local communities	<ul style="list-style-type: none"> Began forestation activities at ANA Hearty Forest in Minami Sanriku, Miyagi Prefecture and promoted use of thinned wood Coral Regeneration Project, for which ANA is the secretariat, received Minister of Agriculture, Forestry and Fisheries Award in recognition of the successful results of many years' activities
(7) Establish CSR management on a global level (Organizational governance)	Build a CSR management system	<ul style="list-style-type: none"> Formulated new Medium-Term CSR Policy from perspective of global Group management and established regulations under holding company structure
	Risk management	<ul style="list-style-type: none"> Reviewed risk management organization and strengthened functions
	Compliance	<ul style="list-style-type: none"> Clarified contact points for inquiries within the Group regarding laws and regulations, etc. Conducted a program to improve understanding of laws pertaining to air transport, anti-monopoly law, labor law, etc.
(8) Strengthen communication with stakeholders (Organizational governance)	Expand dissemination of information, promote interactive communication	<ul style="list-style-type: none"> Launched ANA Holdings website and maintained a commitment to providing easy-to-understand information Held 340 meetings (177 in Japan, 163 overseas) with institutional investors and analysts, released quarterly publications for shareholders, held a briefing for retail investors and held 7 briefings for institutional investors during the year

Goals for the Fiscal Year Ending March 2014	Pages in Annual Report / Items on Website
<ul style="list-style-type: none"> Enhance safety education and strengthen operational risk management and internal safety audit functions to further improve the quality of safety Install new disaster-resistant facilities, revise Business Continuity Plan and educate employees Continue efforts aimed at zero failures in large-scale systems Strengthen safety and health for all food handled by Group companies, including in-flight meals Strengthen training programs, including at overseas offices, and increase the number of employees who receive education 	<p>→ Pages 62-67 Measures for Safe Flight Operations (ANA Group Safety Principles / Course of ANA Group Safety Action / Medium-Term Targets and Specific Measures) / Business Continuity Plan / Food Safety and Security</p> <p>→ Website Safety Report (Fiscal Year Ended March 2013) Customer Information Management</p>
<ul style="list-style-type: none"> (ANA brand) Maintain 5-Star Airline rating and achieve targets outlined in our own Customer Satisfaction Survey (Other) Strengthen service capabilities taking into account customers' perspectives (ANA brand) Achieve number one ranking in global on-time performance Promote the development of products and services that contribute to a sustainable society 	<p>→ Pages 68-75 Brand Strategy / Management Targets and Achievements / Activities to Improve Quality / Products and Services Strategy / Project to Improve On-Time Performance / Customer Feedback Summary Report and Examples of Improvements / For Passengers Who Require Assistance / Universal Design / Customer Information Management</p>
<ul style="list-style-type: none"> Disseminate and practice the ANA Group Code of Conduct (ANA's Way) and continue to strengthen the training of global human resources Further promote diversity, including active participation by female employees Further examine human rights training, including at overseas offices Strengthen activities based on ANA Group Occupational Safety and Health Policies 	<p>→ Pages 76-81 Human Assets Strategy / Cultivating and Deploying Human Assets / Promoting Diversity / Promoting Work-Life Balance / Human Rights Initiatives / Promoting Employment of People with Disabilities / Employee Safety and Health / Labor-Management Relations</p>
<ul style="list-style-type: none"> Promote understanding of the supply chain management policy and CSR guidelines within and outside the Group and increase the corporate coverage of monitoring questionnaires Promote further centralization of Group procurement and continue to implement compliance education 	<p>→ Pages 82-83 Basic Approach / Promoting CSR in Purchasing and Transactions / Cooperation with Business Partners / Star Alliance Initiatives</p> <p>→ Website ANA Group Purchasing Policy</p>
<ul style="list-style-type: none"> Restructure the organization and strengthen initiatives for promoting fuel savings with the aim of achieving the medium-term targets for the fiscal year ending March 2016 Respond appropriately to laws and regulations in Japan and participate in and contribute to the design of global rules and systems Strengthen measures for more complete use of 3R activities and improve the recycling rate for industrial waste Continue to operate e-flight programs and promote the carbon offset program 	<p>→ Pages 86-101 Basic Approach / Targets and Results of ANA FLY ECO 2020 / Environmental Contribution Activities (Biodiversity) / Initiatives to Reduce Our Environmental Impact / Environmental Communication / Environmental Compliance / Measures for Air Pollution, Chemical Substances and Noise / Reducing Use of Resources / Carbon Offset Program / Environmental Data</p>
<ul style="list-style-type: none"> Continue to conduct recovery assistance programs that draw on the strengths of the ANA Group Expand opportunities for participation by Group employees and strengthen dissemination of information Expand opportunities for activities and participation by more customers and other stakeholders 	<p>→ Pages 84-85, 90-91 Basic Approach / Measures to Vitalize Local Communities through Our Business / Support for Areas Affected by the Great East Japan Earthquake / Environmental Contribution Activities for Local Communities</p> <p>→ Website Report on Details of Other Social Contribution Activities</p>
<ul style="list-style-type: none"> Strengthen PDCA system in partnership with CSR Promotion Leaders in each organization Review issues for risk management activities and undertake activities throughout the Group Achieve concrete improvements in compliance awareness by all Group employees 	<p>→ Pages 54-57 CSR Management / Stakeholder Communication</p> <p>→ Pages 102-107 Corporate Governance (Internal Control System / Risk Management / Compliance) / Thoroughgoing Fair Competition and Transactions / Protection of Intellectual Property</p>
<ul style="list-style-type: none"> Be thorough in providing appropriate and timely disclosure and unbiased information that is easy to understand Actively develop dialogue with stakeholders 	

Third-Party Comment

The ANA Group aims to be the wings of the world. On the occasion of its sixtieth anniversary, the Group has proclaimed its new mission statement — “Built on a foundation of security and trust, ‘the wings within ourselves’ help to fulfill the hopes and dreams of an interconnected world” — and has established its Medium-Term CSR Policy to make this statement a reality. The policy is based on ISO26000 and also conforms to the proposals of the International Integrated Reporting Committee that were announced in April 2013. More specifically, its outlook covers not just the present but the society of the future, with an awareness of the Group’s customers, shareholders and many other stakeholders as it attempts to deal with priority issues, with the aim of simultaneously achieving sustainable growth as a

Group and contributing to society. This year, for the creation of this foundation, I expect to see the permeation of the Medium-Term CSR Policy among all employees at every Group company, the collection of numerous proposals for improvement from locations around the world and the rollout of CSR activities with a unified orientation within the Group.



Hajime Yasui
Leader, Aarata Institute
PricewaterhouseCoopers
Aarata

Response to Third-Party Comment

Thank you for your assessment and invaluable feedback concerning the ANA Group’s corporate social responsibility initiatives. We formulated the ANA Group FY2013-2015 Corporate Strategy as a phase to achieve further growth with the theme of renaissance as a stronger ANA Group. The plan includes a new Medium-Term CSR Policy, which strongly reaffirms the importance of sustainable corporate growth in even greater cooperation with society.

As Mr. Yasui pointed out, in inculcating and implementing this policy we will emphasize 1) both the quality and breadth of global CSR activities; 2) stronger collaboration among Group companies and with business partners; and 3) fair, honest behavior among each and every executive and employee. This process will involve

proactively listening to our stakeholders to learn and understand so that we consistently review our activities and make steady progress.

We will continue our devoted efforts to fulfilling our responsibilities as a leading global airline in name and reality to establish trust and reliability with our stakeholders.



Yoshinori Maruyama
Executive Vice President,
Chairman of CSR Promotion
Committee
ANA Holdings Inc.

Comparison Tables for ISO26000

ANA Group's CSR activities can be classified based on the core subjects of ISO26000 as follows.

ISO26000 Core Subject	Themes	Relevant Sections of This Publication	
Organizational governance	1 Organizational governance	The ANA Group's CSR <ul style="list-style-type: none"> · Our Aims for CSR · Conceptual Framework of the ANA Group's New Mission Statement · Basic Approach · Management Strategy and Medium-Term CSR Policy (Priority Issues) · Report on Results of CSR Activities 	<ul style="list-style-type: none"> · The CSR Promotion System and PDCA Cycle · Relationship with Stakeholders Corporate Governance <ul style="list-style-type: none"> · Corporate Governance · Risk Management and Compliance
Human rights	1 Due diligence 2 Human rights risk situations 3 Avoidance of complicity 4 Resolving grievances 5 Discrimination and vulnerable groups 6 Civil and political rights 7 Economic, social and cultural rights 8 Fundamental principles and rights at work	Relationship with Employees <ul style="list-style-type: none"> · ANA Group Human Assets Strategy · Promote Employee Understanding and Practice of the New ANA Group Course of Action (ANA's Way) · Develop Global Human Assets · Promote Diversity and Inclusion and Promote Work-Life Balance · Cultivate Human Assets to Strengthen the Group · Human Rights Initiatives · Promoting Employment of People with Disabilities · Employee Safety and Health · Labor-Management Relations 	Relationship with Customers <ul style="list-style-type: none"> · For Passengers Who Require Assistance · Universal Design Relationship with Business Partners <ul style="list-style-type: none"> · Promoting CSR in Purchasing and Transactions
Labour practices	1 Employment and employment relationships 2 Conditions of work and social protection 3 Social dialogue 4 Health and safety at work 5 Human development and training in the workplace	(Continued from previous row)	(Continued from previous row)
The environment	1 Prevention of pollution 2 Sustainable resource use 3 Climate change mitigation and adaptation 4 Protection and restoration of the natural environment	Environmental Initiatives <ul style="list-style-type: none"> · Basic Approach · Medium-Term Targets and Results · Initiatives to Reduce Our Environmental Impact · Biofuel Initiatives* · Environmental Compliance · Measures for Air Pollution, Chemical Substances and Noise · Promoting Reduced Use of Resources · Promoting Biodiversity* · Environmental Communication · Carbon Offset Program · Initiatives at Worksites* · ANA Group Environmental Data 	Relationship with Business Partners <ul style="list-style-type: none"> · Basic Approach · Promoting CSR in Purchasing and Transactions Relationship with Society <ul style="list-style-type: none"> · Social Contribution Activities for the Environment
Fair operating practices	1 Anti-corruption 2 Responsible political involvement 3 Fair competition 4 Promoting social responsibility in the value chain 5 Respect for property rights	Relationship with Business Partners <ul style="list-style-type: none"> · Basic Approach · Promoting CSR in Purchasing and Transactions · Examples of Measures Promoted in Cooperation with Business Partners · Collective Efforts of the Star Alliance 	Corporate Governance (Compliance) <ul style="list-style-type: none"> · Thoroughgoing Fair Competition and Transactions · Protection of Intellectual Property
Consumer issues	1 Fair marketing, factual and unbiased information and fair contractual practices 2 Protecting consumers' health and safety 3 Sustainable consumption 4 Consumer service, support and complaint and dispute resolution 5 Consumer data protection and privacy 6 Access to essential services 7 Education and awareness	Safety Initiatives <ul style="list-style-type: none"> · ANA Group Safety Principles · Medium-Term Target and Status of Specific Activities · Business Continuity Plan · Food Safety and Security Initiatives Relationship with Customers <ul style="list-style-type: none"> · ANA Group Brand Strategy · Management Targets and Achievements · Enhanced Activities to Meet Targets · Improvement Activities Based on Customer Feedback · For Passengers Who Require Assistance · Universal Design · Customer Information Management 	Relationship with Business Partners <ul style="list-style-type: none"> · Examples of Measures Promoted in Cooperation with Business Partners · Collective Efforts of the Star Alliance
Community involvement and development	1 Community involvement 2 Education and culture 3 Employment creation and skills development 4 Technology development and access 5 Wealth and income creation 6 Health 7 Social investment	Relationship with Society <ul style="list-style-type: none"> · Basic Approach · Encouraging Travel to Japan · Contributing to Local Industries through the Cargo Business · Support for Areas Affected by the Great East Japan Earthquake 	<ul style="list-style-type: none"> · Social Contribution Activities for the Environment · Other Social Contribution Activities

* Item on website only or introduced in greater detail on the website. The organization of the website is subject to change without prior notice.

Safety Initiatives

ANA Group Safety Principles

Maintaining safety is the unequivocal mission of every business of the ANA Group, regardless of industry or brand. Employees in all categories work together for flight safety, for which mutual understanding and reliance are essential. Toward that end, we display the ANA Group Safety Principles, which are a pledge shared by all ANA Group employees, at every ANA Group workplace connected to flight operations to build a strong awareness of safety in daily duties that forms the cornerstone of our activities.

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.

Course of ANA Group Safety Action

The ANA Group's culture of safety involves sharing the values and beliefs of the ANA Group Safety Principles. This culture of safety represents the accumulated result of each employee's activities and attitude of independently and proactively contributing to improving the level of safety. The Course of ANA Group Safety Action sets forth in plain language the stance that employees must take to support safety in the Group. As these principles spread and take root, we will foster a stronger corporate culture of "safety first" and enhance our efforts throughout the Group.

Course of ANA Group Safety Action

- 1 Strictly observe rules & regulations, and all actions will be grounded on safety.
- 2 As a professional, place safety as the #1 priority while keeping in mind your health.
- 3 Address any questions and sincerely accept opinions of others.
- 4 Information will accurately be reported and shared in a timely manner.
- 5 Continuous self-improvement for prevention and avoiding re-occurrence.
- 6 Lessons learned from experiences, and increase skills for risk awareness.

Medium-Term Target for Safety

The ANA Group's various safety promotion activities have included being the first Japanese airline audited and registered by the IATA Operational Safety Audit (IOSA), introducing a safety management system, establishing the ANA Safety Education Center and completing a training program for all employees.

To further raise the level of these measures, we will continue toward our medium-term target for safety to "Ensure the World's Highest Safety Standard." In particular, we aim to achieve this target by continuing to raise the safety awareness of every employee through "Personnel Training in Support of Safety" and Organization-Building in Support of Safety" and actively incorporate examples from the world's airlines and elsewhere of measures to achieve the world's highest safety standard.



Medium-Term Target for Safety: Ensure the World's Highest Safety Standard

Four Points

- 1 Development and dissemination of a Course of Action supporting safety
- 2 Personnel development in support of safety
- 3 Organization-building in support of safety
- 4 Enhancing the ANA Group's safety promotion system



ANA Group Medium-Term Safety Promotion Plan for the Fiscal Year Ended March 2013 and Its Major Achievements

To achieve our medium-term target for safety, “Ensure the World’s Highest Safety Standard,” we have formulated a Medium-Term Safety Promotion Plan. Under the plan, the entire ANA Group promotes activities in two areas: personnel development, so that every employee has a renewed awareness of the importance of safety and his or her responsibility as a professional to preserve it; and organization-building, which goes beyond individual responses to unsafe events to pursue fundamental causes and create countermeasures based on an understanding of risks, thus leading to prevention, including recurrence prevention.

Personnel Development Initiatives

In the fiscal year ended March 2013, we strengthened our activities to revisit the ANA Group Safety Principles and Course of ANA Group Safety Action. In particular, to foster a culture of reporting, we focused on awareness-raising activities such as making appeals during Aviation Safety Promotion Month and presenting a Safety Caravan at airports to spread the word about the importance of proactive reporting of potential unsafe elements for prevention, including recurrence prevention. In December 2012, we began emergency evacuation training for all personnel using a mock-up of an aircraft. This program arose from the recognition of the need for employees of an airline group to

raise their awareness of safety and to understand how to respond in an emergency during a flight, even if they are not directly involved in flight operations on a daily basis. The ANA Safety Education Center will also begin a new training program.

Organization-Building Initiatives

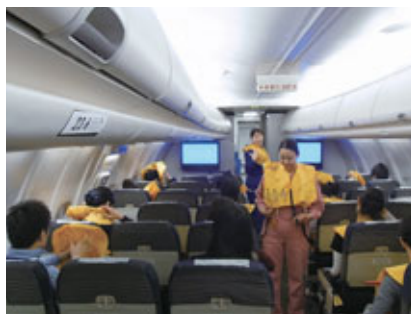
To strengthen our operational risk management functions, we collect a wide range of safety information and deepen our analysis from various perspectives by taking into account results of the Safety Culture Evaluation given to employees, flight data and other information. In the fiscal year ended March 2013, we focused on being able to take more prompt and accurate countermeasures by developing a correlation diagram of unsafe events that are assumed to occur and their causes to build a framework for systematically understanding their relationship.

We have been working to raise the level of the auditing system throughout the ANA Group with ongoing training to improve the skills of internal auditors and the proactive Groupwide sharing of positive examples from within the Group gathered from the audits.

We will continue to examine and study leading-edge initiatives at companies in Japan and overseas and use them for new organization-building in the ANA Group.



Group discussion at a Safety Caravan



Emergency evacuation training



Employee education at the ANA Safety Education Center

Restructuring the ANA Group's Safety Promotion System

In November 2012, the ANA Group switched from separate structures in each of its Inflight Services, Flight Operations and Engineering and Maintenance departments to a single Operations Department that consolidates the shared functions of safety, quality assurance, training and auditing for all departments. With this move, we will strengthen the overall competitiveness of the ANA brand and aim to build a functional structure for a unified frontline and speedy response to both expected and irregular events.

To raise the overall quality of operations, we established the Safety Promotion Center as an overall umbrella organization that will formulate, execute, evaluate and improve the department's policies and plans for overall safety promotion activities. The center will also keep track of frontline safety issues related to operational risk on a cross-divisional basis and efficiently run the PDCA cycle in cooperation with the front line to promote risk management activities for prevention, including recurrence prevention. In tandem with this, we established the Corporate Safety Quality Audit Department to consolidate the functions of safety, maintenance and airport operation audits that had previously been dispersed throughout various departments and to build an effective auditing structure.

We aim to ensure the world's highest safety standard under this new structure, which can provide cross-divisional support for the front line without regard to department or duties.

► PDCA Cycle of the Safety Promotion Center



Workplace Initiatives

Operations Management



Operations Management Center

The Operations Management Center handles all ANA Group flights in Japan and overseas. The center steadfastly maintains a 24-hour safety operating system that handles the various flight irregularities that occur daily under the supervision and control of the Operations Director, who is responsible for overall operations, assisted by the Deputy Operations Director.

The center shares important information on earthquakes, volcanic eruptions, sudden airport closures and other matters in a timely fashion with aircraft in flight and relevant departments to make the most suitable judgments to keep safety first. After collecting the latest weather data from organizations in each country and conducting analysis using ANA's unique simulations based on past records, the center plays a role in providing the information cockpit crews need for safe operations, including whether or not to proceed with service, flight route and altitude selection, and information on turbulence for aircraft in flight.

As well as adding to the expertise of the ANA Group by actively incorporating the latest techniques for weather analysis, which are evolving year by year, the center seeks to raise the level of safety through various means such as upgrading systems, training staff and improving procedures.

Flight Operations

In 2012, the ANA Group began a project to prepare for the introduction of the Advanced Qualification Program (AQP) for training cockpit crews and has created a structure for developing training methods. AQP has received a high degree of interest worldwide as an advanced training program that continuously reflects flight conditions, which change daily, and actual flight data in the content of training to create conditions that are closer to real operating conditions. The ANA Group aims to provide training at the world's highest level and is proactively investigating public-private cooperation to introduce AQP in the Japanese airline industry.



Simulation training

Inflight Services

In April 2012, the ANA Group released an electronic version of its manual for cabin crew, who make extensive use of tablet computers. This helps to improve in-flight security operations by allowing cabin crew in Japan and overseas to share the latest information at any time and to acknowledge the specifications of each aircraft model, points to note when operating and other matters by checking videos or other visual materials before a flight. In addition, for many years Inflight Services have appointed a safety leader for each team of cabin crew to focus on organizational activities that raise safety awareness among all crew members and ensure thorough security operations. Crew members who are selected as leaders develop an accurate understanding of the significance of periodically set safety themes, inspect the status of security operations on flights and in committees, and encourage the prevention of unsafe events. These and other measures contribute to further raising the level of safety quality.



Pre-flight briefing using tablet computers

Airports

For every major accident, there are said to be 300 “near-miss” incidents, and we believe that careful scrutiny of each incident helps to prevent future accidents. For this purpose, we proactively report and collect data on near-miss incidents that occur at airports and share information on examples of improvements with all airports. Specifically, we created a workbook on near-misses to double-check procedures and revised a training manual for ground handling staff, who operate aircraft doors, with visuals illustrating cautions for door operation to prevent mistakes.



Training materials on near-miss incidents

Engineering and Maintenance

In April 2013, tablet computers for Line Maintenance were introduced at all service bases worldwide. Staff who conduct on-site maintenance between flights occasionally depend on back-office support. Previously, communication was mainly verbal, by radio or phone. The introduction of tablets makes it easy to send visual information or necessary documents, in addition to voice communication, thus raising the efficiency and quality of maintenance.

Engineering and maintenance staff are also encouraged to report near-miss incidents, and a new system has been installed to collect and manage data on 1,000 to 1,500 reports yearly from on-site staff. The resulting advance in incident analysis has led to improved prevention, including recurrence prevention.



On-site maintenance

Food Safety and Security Initiatives

Customers experience ANA through beverages, food and refreshments provided in aircraft cabins and lounges, making them important elements of customer evaluation of ANA.

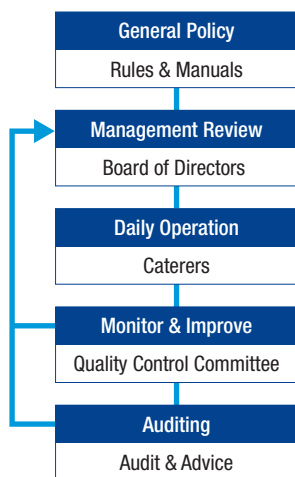
Currently, our in-flight meal service is evolving away from simply serving delicious meals that satisfy hunger toward a highly entertaining approach that wins customer delight with food procured and produced in a reliable process that we serve in a relaxing, hospitable space.



ANA Catering Quality Program (ACQP): ANA's Quality Control System

Many of the world's airlines contract with catering companies to simply have them handle operations including in-flight meal production and loading, and rely on these companies and third parties for the management of processes for operations such as in-flight meal procurement and production.

ANA, however, is confident that airlines on their own need to manage the quality of all items provided to customers in aircraft cabins regardless if they are ANA's own products or not. To meet this principle, company-certified chefs and auditors visit all of the contracted catering companies more than once a year to ensure the quality of in-flight meals meets ANA's unique standards, and ground personnel at ANA service airports visit the catering companies for the same purpose once a month. In addition, periodic sampling tests are conducted for in-flight meals actually served on board. Respective catering



companies and ANA are working together for the improvement of quality assurance management to ensure practices for food safety, quality of in-flight meals and their effectiveness.

We share the results of these activities internally. The quality control meeting is held twice a month to discuss specific measures for improvement, and periodic reports are submitted to the Board of Directors so that directors can confirm policies that are established.



ACQP uses the following three points in a quality control system that employs a PDCA cycle:

1. Food safety to provide in-flight meals prepared in hygienic conditions;
2. Quality of taste ensuring deliciousness;
3. Safe, quick and punctual aircraft loading and unloading and control of service items.

Focus on Food Safety and Quality of Taste

ANA's food safety standards for catering companies are more rigorous than those generally employed in the in-flight catering industry. We implement detailed standards for food product handling and microbiological tests and additional prerequisites for food traceability, factory maintenance, cleanliness, measures against insects and rats, and other aspects of food product handling.

We have several hundred control items, including for example the minimum clearance requirement between stored food and floors to prevent contamination; bacteria count in factory air; dust, insects, bacteria and other contaminants in factory airflow; factory interior illumination levels; and cleaning methods and facility maintenance with regard to biology and behavior. In addition, ANA is concluding reasonably rigorous contracts with catering companies in order to ensure food safety first.

ANA also has an uncompromising commitment to the quality of taste of in-flight meals. Customers enjoying meals on board may find the taste and texture different than on the ground because of environmental factors such as pressure and humidity difference. In-flight meals, which are mostly cooked on the ground, are provided after cabin attendants have reheated them using special equipment in aircraft cabins. Moreover, on international long-haul flights, temperature control is extremely important in preparing in-flight meals

for hygienic reasons because no food additives are used.

ANA chefs prepare menus with these issues in mind. They visualize good taste by breaking it down into dozens of categories and give instructions on the preparation methods to the chefs of catering companies.



Particularly the most difficult task is to provide advice on the important taste known as umami in Japanese cuisine, which is neither sweet nor spicy, to chefs at overseas catering companies who may not have fully experienced authentic Japanese cuisine. We also collaborate with

famous restaurants in creating menus, using continuous trial and error in adapting in-flight preparation methods to capture the style of each restaurant.

Moreover, providing safe, secure and high-quality in-flight meals involves loading the meals produced at catering companies into the limited space of an aircraft within the limited time between arrival and departure after taking all the prerequisites into consideration.

Strengthening our partnerships with catering companies that can support this world-class level of quality is crucial. While placing importance on mutual relationships of trust, we will promote measures to further improve quality such as our commendation system based on ANA's original rating system and customer opinions (see page 82).

Business Continuity Plan

A business continuity plan (BCP) determines in advance responses to hypothetical large-scale disasters to enable rapid decisions and systematic operations in the confusion following a disaster. The ANA Group has prepared and periodically reviews comprehensive manuals that will help the Group fulfill its mission as a public transportation institution by constructing a rapid response system for restoring service even in the event of an earthquake in the Tokyo area that causes catastrophic damage.

Disaster Backup Facilities

While formulating a BCP, we constructed backup facilities for use in responding to disasters and initiated shared use in April 2006. These facilities have systems, radiocommunication equipment and other infrastructure required to maintain flights, thus preparing the ANA Group against an outage of the Operations Management Center responsible for managing all flights in Japan and overseas. Each division has also backup facilities that will enable operations to continue if the head office is damaged. In addition, these facilities, the head office, and facilities in the vicinity of



Stockpiles at an airport

Haneda Airport, Narita Airport, Chubu Airport, Kansai Airport and Itami Airport area have a three-day supply of daily necessities for employees.

For the Future

At the time of the Great East Japan Earthquake, we promptly established a crisis response headquarters in conformance with our Crisis Management Manual to support rapid decision making that allowed us to quickly resume almost all regular flights. While ground transportation had not been sufficiently restored, we operated special relief flights to the Tohoku area while continuing transport of passengers and relief supplies to affected areas on regular flights.

Amid strong concerns over the potential occurrence of a chain of earthquakes from the Tokai to Nankai regions, during the fiscal year ended March 2013 we continued to thoroughly review our response system based on our experience in the Great East Japan Earthquake. This will enable us to continue our business operations while securing flight safety under any circumstances. We renewed our safety confirmation system for all employees and their families, and also strengthened equipment in ways such as enhancing deployment and increasing stockpiles of disaster-prevention radios and satellite phones. Moreover, we periodically issued information internally and raised day-to-day disaster awareness among employees through education. We will continue to steadily enhance response capabilities through means including periodic training exercises.



In-company publication "BCP Report"

Relationship with Customers

Group Brand Strategy

As outlined in its Course of Action, the ANA Group is thoroughly “customer oriented” and aims to generate maximum value for its customers. To do so, we meet diversifying customer needs with a multi-brand strategy for the ANA brand and our LCC brands. The ANA brand will continue to be the core of the Group, providing unique value such as high-quality service and a convenient network as a full-service carrier. By further improving our Japanese-style *omotenashi* (hospitality), we will strengthen our brand as an airline representing Japan in the global market.



Management Targets and Achievements

In March 2013, the ANA Group achieved its objective of earning a 5-Star Airline rating, the highest level given by SKYTRAX, an aviation industry evaluation and rating firm based in the United Kingdom. This rating represents an evaluation of our world-class quality and level of customer satisfaction. Currently, six companies worldwide have 5-Star ratings, and ANA is the first Japanese airline to receive the honor.

The airline star rating program gives its highest honor to airlines that consistently provide 5-Star service to passengers, based on a survey of more than 800 categories ranging from airports to onboard services. The rankings place importance on not only the quality of each airline’s latest products but also the service provided by frontline staff. Consequently, this 5-Star award is a testament to the consistently high level of service provided by the ANA Group’s frontline staff from the airport to the cabin, as well as the Group’s efforts to review and improve its service to meet the needs of non-Japanese passengers.

ANA was also voted 2013 Airline of the Year by *Air Transport World* magazine of the United States. In addition, we were recognized by FlightStats as world number one for On-Time Performance Service in the two categories of Network-Global Airlines and Lowest Global Cancellations. ANA has received recognition in a comprehensive evaluation covering its financial performance and management capability in the increasingly competitive Japanese market, and has been named number one in a global survey of on-time performance, reflecting our commitment to our customers even after they arrive at their destination. In the future, we will continue to work to maintain these world-class standards and further raise the basic level of quality.



SKYTRAX World Airline awards ceremony



Airline of the Year awards ceremony

FlightStats On-Time Performance Service awards ceremony



FlightStats award trophies

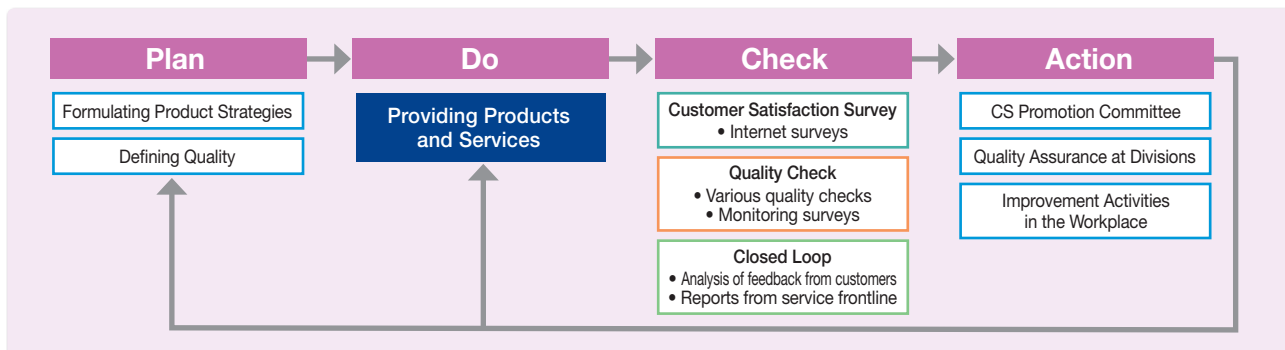


Enhanced Activities to Meet Targets

With its goal of being the world's leading airline group in customer satisfaction and value creation, the ANA Group, in conducting its business activities, encourages taking its customers' perspectives at all times. We have also established a cycle of accurately assessing the current

status of quality linked to specific improvement measures, and regularly ascertain our progress through the CS Promotion Committee, which is composed of officers from each division under the supervision of the President.

► Overview of Service Quality Management



One such method of assessment involves collecting more than 20,000 comments and requests directly from customers and more than 50,000 reports prepared by employees from customer interactions in airports, on flights, via call centers and during sales activities each year. The data is then used to make improvements in a process we call the "Closed Loop." Operating a cycle of improvements based on opinions received directly from customers and the impressions of the employees who deal with them allows a more flexible response to constantly changing customer expectations and desires, and leads to the planning of new services and the development of products.

To offer customer satisfaction at a higher level, the ANA Group aims to develop personnel who can accurately observe individual customer's situations to provide service with speed and flexibility. In doing so, we prize a quality we call "positive variation," where employees make the most of their spontaneity and individuality. This approach empowers employees working on the front line and works to promote a thoroughgoing customer orientation throughout the Group, extending to communication with managers and supervisors as well as the attitudes of employees who support the front line.

► The Closed Loop

A scheme to systematically collect and analyze comments from customers and observations from employees, and make use of them in improving and planning products and services.

We aim to be a group of companies that responds dynamically to ever-changing customer needs and makes continuous improvements.

Solutions are formulated and implemented at each division and department, or through ad-hoc subcommittees. Important issues are tabled at CS Promotion Committee meetings.

Comments received directly from customers and problems noted by frontline staff are systematically reported.



From among the many comments received from customers and observations from employees, constructive points are selected and analyzed.

Our Initiatives to Improve Brand Value

Enhancing Cabin and Ground Services

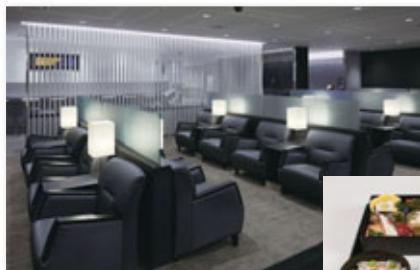
Based on its *Inspiration of Japan* concept, ANA develops and offers products and services that give a feeling of novelty and Japanese-style *omotenashi*.

In Premium Class on domestic routes, we have installed leather seats equipped with large trays and dividers and prepared a food service menu

supervised by up-and-coming chefs. In regular seats, we are responding to customer needs with improvements including seats with more legroom than previously and a wider range of free beverages. In Business Class on long-haul international flights, we are working to strengthen services exclusive to ANA, including an in-flight menu developed in collaboration with renowned hotels and restaurants. To enable our passengers to relax in comfort before boarding, we have refurbished and standardized our lounges at all 14 domestic airports under the name ANA LOUNGE, while measures in the fiscal year ended March 2013 included cooperating with local companies to offer products unique to their region and the start of a service that allows passengers to enjoy content such as electronic books, magazines and news on their personal electronic devices.



Premium Class seats installed on domestic routes from 2012



The lounge in Itami Airport, which reopened in 2012 after renovations



A menu for Japanese food supervised by Yugawara Sekiyou, a Michelin-starred traditional Japanese inn

Dealing with Passengers from Overseas

We are working to incorporate services that appeal to non-Japanese passengers with a view to attracting more customers worldwide. To deal with a wider range of languages and cultures, we have begun service using cabin

crews from South Korea and Taiwan to supplement our previous non-Japanese cabin crews based in London and Shanghai. In addition to offering multi-language audio and video for in-flight entertainment, we have increased our range of popular Hollywood movies. For in-flight meals, we are proactively introducing services tailored to the needs of passengers from outside Japan. These have included incorporating some aspects of the serving styles of U.S. and European carriers and developing an original dessert menu under the supervision of the world-renowned Pierre Hermé Paris brand. We will continue to improve our services to increase recognition of the ANA brand outside Japan.



Desserts served in First Class on international flights, created under the supervision of Pierre Hermé Paris

Valued Communication with Each Customer

The ANA Group is strengthening customer communication by actively using social networking services (SNS) as a useful tool for conveying a variety of information to its customers. The Group has been using Twitter to provide timely flight information since 2011, and in October 2012 we became the first airline in Japan to provide “active support.” This expands our use of Twitter from only sending messages to also responding directly to individual customer inquiries and tweets, thus helping to resolve their anxieties and questions about flights. We have also enhanced our services for customers using smartphones by sending notifications about flights together with reservation information for detailed services that meet customer needs.



Image of a smartphone screen with a flight information announcement

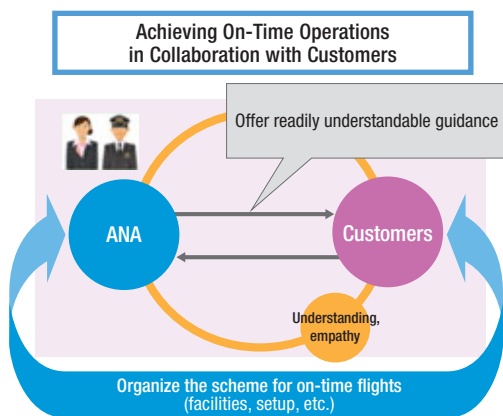


Providing flight information via Twitter

Results of Our Project to Improve On-Time Performance —Groupwide Improvement Activities Focused on the Value of Time—

Activities to Improve On-Time Performance

In 2002, the ANA Group stated its determination to be an airline that places great importance on its customers' time under the slogan "ANA On-Time." With maintaining safe flight operations as a basic premise, since then we have aimed for on-time departures and arrivals out of a Groupwide commitment to our customers even after they arrive at their destination.



Passenger Services staff at Haneda Airport



"To Your Destination and Beyond" image logo, our watchword for promoting on-time performance

"To Your Destination and Beyond"

Mindful of the various plans our customers have after they arrive, we have been carrying out activities under a policy centered on on-time arrival. On-time operations require not only efforts on our side but also the cooperation of our customers. Consequently, in the fiscal year ended March 2013, we worked to make customer announcements in plain language and reviewed our procedures and rules for smooth boarding in addition to our focus on improving facilities and equipment. For example, to alleviate congestion at pre-boarding security at Haneda Airport, we installed monitors before each checkpoint and changed to a glass wall in front of the security checkpoint so that customers can see the degree of congestion beforehand.



Security checkpoint at Haneda Airport



Activities at Airports

We promote activities that incorporate the opinions of frontline staff at airports.

In the fiscal year ended March 2013, we held "On-Time Forums" at 15 airports to discuss on-time performance. Every staff member has seriously considered quality improvements under the theme "the importance and value of one minute gained by working together." Opportunities such as these help staff members learn more about each other's duties and lead to stronger cooperation.

To ensure that our customers at the vast Haneda Airport arrive at the boarding gate ahead of time, ground staff wear armbands showing the time customers must pass through security. The ground staff also demonstrate the method for passing through the boarding gate and other measures to promote smooth boarding.

Staff at each airport will continue to work together to improve our rate of on-time departures and arrivals.



On-Time Forum at Chubu Airport

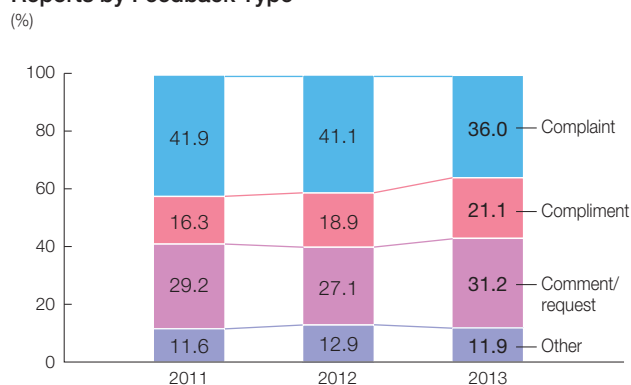
Improvements Based on Customer Feedback

Customer feedback submitted to ANA's Opinion/Suggestion Desk and matters noticed by frontline employees are compiled into reports, shared internally and put to good use. In this section, we provide an overview of reports prepared in the fiscal year ended March 2013.

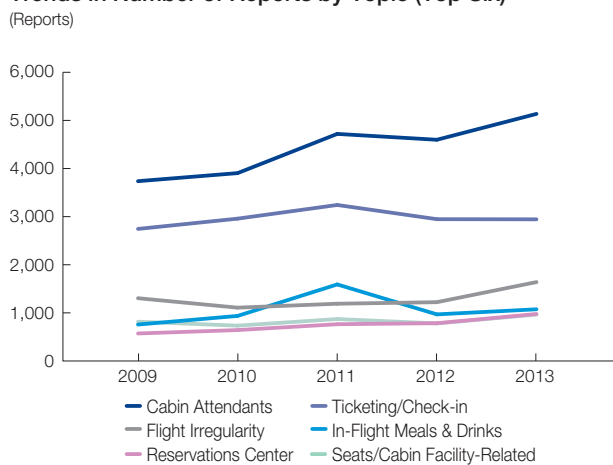
Overview — Number of Customer Feedback Reports

- The number of customer feedback reports increased 3% compared with the previous fiscal year, and remained above 70,000.
- The types of reports and their percentages were similar to the previous fiscal year.
- By type of feedback, the percentage of compliments rose 2 percentage points from the previous year to reach the highest level in five years. The percentage of complaints decreased by 5 percentage points.
- By domestic and international flights, comments concerning international flights increased 3 percentage points, reflecting the increase in users of international routes.
- By topic, the number of “flight crew-related” reports was the highest in five years, and exceeded 5,000. Many reports were received on the top four topics, the order of which remained unchanged from the previous fiscal year.

Composition of Customer Feedback Reports by Feedback Type



Trends in Number of Reports by Topic (Top Six)



Number of Reports by Topic (Top 11)

(Year ended March 31, 2013)

Rank	Topic	Total Reports for Fiscal Year Ended March 2013
1	Cabin Attendants	5,149
2	Ticketing/Check-In	2,952
3	Flight Irregularity	1,644
4	In-Flight Meals/Drinks	1,077
5	Reservations Center	979
6	Seats/Cabin Facility-Related	967
7	Checked Luggage Accident, Loss	920
8	Check-In to Boarding	862
9	Cabin Entertainment/Equipment/In-Flight Sales	825
10	ANA Mileage Club-Related	739
11	Lounge	699

Example of Improvement from Customer Feedback

Customer Feedback

“I would like to be able to download a ‘certificate of delay’ from the website.”

“I think it would be convenient if a certificate of delay was available for download from the website when a flight is delayed or cancelled, because the certificate would already be approved without spending time on issuance procedures at the airport.”

Improvement

From October 31, 2012, a Certificate of Delay/Cancellation/Diversion, which was previously issued at airport counters, can be downloaded from ANA SKY WEB for all domestic and international flights operated by the ANA Group.

For details, see the following web page (Japanese only)

<http://www.ana.co.jp/ana-info/blettine/12-12/index.html>



Other examples of improvements from customer feedback are introduced on the following website (Japanese only) and in our *Wingspan* in-flight magazine.

<http://www.ana.co.jp/ana-info/blettine/>

For Passengers Who Require Assistance

ANA “RAKUNORI” (Easy Travel) Service



The ANA Group wants all its passengers to enjoy safe, reliable air travel. For all passengers who require assistance on international flights, including elderly passengers, passengers with an infant, children traveling unaccompanied, and passengers traveling with pets, we provide the ANA “RAKUNORI” (Easy Travel) service to help provide comfort at every stage of travel, from reservations to the airport and the aircraft cabin.

Accommodating Customers with Disabilities



The ANA Disability Desk handles advance requests from customers to provide individualized assistance. In addition, Telecommunication Relay Services for ANA facilitate consultation with customers with hearing and speech disabilities. ANA Sales Co., Ltd. also promotes universal tourism* through methods such as establishing a consultation desk and indicating walking times and pavement conditions in schedules.

* Tourism that aims to be secure and enjoyable for all, regardless of factors such as disability status, age or gender

Enhancing In-House Training

We are enhancing in-house training to meet various demands from passengers who require assistance. All cabin attendants receive training about barrier-free access,

and we also held an internal seminar during the fiscal year ended March 2013 on new medical equipment (CPAP*) and guide dogs in response to our customers' suggestions. We also proactively conduct the “Virtual Aging Experience,” in which employees move through an airport wearing special goggles, weights and other equipment to learn how elderly passengers feel and the assistance they need. We will continue strengthening training of employees who can conduct detailed interaction that is closely in tune with the feelings of each of our customers.

* CPAP (Continuous Positive Airway Pressure) is a device that relieves the symptoms of people with sleep apnea syndrome.



Virtual aging experience seminar at an airport



Learning about transfer methods for people with physical disabilities



Seminar to deepen understanding regarding guide dogs

ANA Disability Desk Exhibited at the Fourth International Conference for Universal Design 2012

At the International Conference for Universal Design held in October 2012, ANA introduced its methods to assist passengers with illnesses or disabilities when boarding. Display items included upper body holding aid equipment such as assist seats and support belts that ANA makes available at no additional cost for use in airports and aircraft cabins to help people in wheelchairs or those who have trouble maintaining a sitting position, and panels were used to explain items such as aisle stretchers for use on boarding ramps, which we introduced in 2012 for narrow-body aircraft service at airports nationwide. We received a large volume of feedback from attendees including comments to the effect that disabilities had made people hesitant to travel by plane, but they definitely wanted to fly with their families now that these services are available. ANA will conduct activities to broaden awareness of its services so that as many customers as possible can enjoy barrier-free air travel with confidence and comfort.



A staff member explains a panel at the event

Universal Design

With the diversification of customers in a rapidly aging society, the services offered by the ANA Group are also becoming more complex. The types and volume of text media we provide to customers are increasing accordingly, as are the comments from customers asking us to make these text media easier to understand, read and use.

In response, the ANA Group has established a course of action and guidelines concerning text media. These are shared among all employees of the Group so that we can provide trustworthy, high-quality information to all customers regardless of factors such as age, gender, degree of knowledge and experience, and environment.

In addition, we conduct group education for managers of all departments and e-learning for all employees to promote understanding of the need for universal design.

In creating text media, we use check sheets and conduct regular sampling analysis through a professional firm to review our performance.

Universal Design Course of Action for Creating Text Media

- ① Provide accurate information.
- ② Offer large, easy-to-read text in easy-to-understand formats.
- ③ Use easily understood expressions.
- ④ Use colors and contrast for easy viewing.
- ⑤ Make the target, purpose, and usage scenarios of information clear.

Customer Information Management

In the ANA Group's operations, personal information about customers is indispensable for providing satisfactory service. We consider the information we receive from customers to be a valuable asset and handle it with utmost care.

We make maximum effort to properly manage and appropriately use customers' personal information, educating officers and employees thoroughly about laws and internal rules concerning personal information, and maintaining internal systems to protect it. We will work diligently to ensure that personal information is managed properly and used appropriately.

Specific Measures

- We introduced a self-check system of the status of compliance with information security rules, implemented annually and covering all Group companies.
- To impart knowledge on information security and ensure it is reliably implemented, we regularly provide education in an easy-to-understand format using e-learning.

ANA Sales Co., Ltd., which operates the travel services business, and ANA Business Solutions Co., Ltd., which operates the temporary staffing and employee education and training businesses, have acquired the Privacy Mark from the Japan Institute for Promotion of Digital Economy and Community.

The ANA Group as a whole will continue its initiatives to further strengthen its system for protecting personal information.

See the website below for details of our approach to managing customer information.

http://www.ana.co.jp/wws/japan/e/local/common/aboutana/legal/ana-privacy-policy_e.pdf



Relationship with Employees

► See page 92 for human resources data.

ANA Group Human Assets Strategy

In support of the ANA Group's new Mission Statement and Management Vision and in order to realize the full strength of each individual Group company in our holding structure, we take great care to develop and shape employees who seek to take on new challenges. We have implemented the four-point human assets strategy shown at right as a priority issue to proactively set in motion a positive cycle that leads to improvement in corporate value by increasing employee loyalty and human asset value.

ANA Group Human Assets Strategy

- 1 Promote employee understanding and practice of the new ANA Group Course of Action (ANA's Way)
- 2 Develop global human assets able to act on the world stage
- 3 Promote diversity and inclusion to make variety an advantage
- 4 Cultivate human assets to strengthen the Group

Specific Initiatives

① Promote Employee Understanding and Practice of the New ANA Group Course of Action (ANA's Way)

We established an office for Group Culture Promotion in April 2012 and created ANA's Way — the new ANA Group Course of Action — by gathering a broad range of opinions from all Group employees. (See “Conceptual Framework of the ANA Group's New Mission Statement” on page 54 for details.) Using ANA's Way as the basis of our actions, we will create unique value in the global marketplace to become the world's leading airline group in customer satisfaction and value creation.



Circulating ANA's Way to all Group employees

② Develop Global Human Assets Able to Act on the World Stage

Expanding our focus from Asia to the world, we are promoting the development of employees, who are valuable assets, so that they may develop the ability to understand various cultures, customs and values, and to display their abilities in a more global field in our aim to become the world's leading airline group in customer satisfaction and value creation.

To further enhance the ANA Global Talent Program, which started in the fiscal year ended March 2012, we are conducting the core initiatives of (1) improving global-level responsiveness at each workplace, centered on the front line; (2) systematically developing global human assets; and (3) promoting local hiring at offices outside Japan in the fiscal year ending March 2014.

Specific measures include increasing opportunities for dispatch overseas, cross-cultural seminars, intensive and selective development of global human assets, an open recruitment system for training, Star Alliance training, internal seminars given by employees from overseas, reorganization of the human resources system at offices outside Japan, a “Global Job Posting” that is open to all employees, an exchange program that brings employees hired outside Japan to Japanese offices and “One Team, One ANA” — an open seminar for creating dialogue across national boundaries. As we improve the global responsiveness of employees in offices in Japan, we will create an environment in which employees hired overseas can also display their abilities to a greater extent and we can meet the expectations of our stakeholders, including our customers around the world.

③ Promote Diversity and Inclusion to Make Variety an Advantage

Diverse individuals give the ANA Group an advantage. We believe that open discussion that goes beyond differences in race, age, gender and personal values creates new value that leads to individual and corporate growth. For this reason, we promote an environment that provides career support so that employees can work energetically while displaying their strengths and individuality. In support of the large number of female employees in the ANA Group, mainly on the front line, we have created a corporate atmosphere in which these employees can plan lifelong careers, even when their life stages change, through interaction among employees and



Seminar on childcare leave



mentors using methods such as career design and seminars for employees taking maternity and childcare leave. In addition, the introduction from 2012 of a system for allowing leave, under certain conditions, for employees to go with their spouses who are posted overseas, as well as an area-based career-track system for the Tokyo area, are part of our efforts to enhance systems that allow employees to choose employment arrangements that support continuing careers and meet diverse values and needs.

④ Cultivate Human Assets to Strengthen the Group

To make greater use of the valuable potential of each Group employee, we create human asset policies for each Group company according to its business characteristics and specialization, and Group companies cooperate in developing personnel through the strategic promotion of hiring, job assignment, education, training and employee treatment. In 2007, we established ANA JINZAI (Human Assets) University to provide educational opportunities across the Group with ANA's Way at their core.

For group training, in addition to hierarchical training, we select human assets who are organizational leaders for intensive development at the ANA Group Business School. Students not only learn business skills, but also reconsider their own sensibilities and spirit through experience-based

cultural training and fieldwork outside their companies, then draw on what they have learned and experienced to work independently toward their own image of a leader. Further, they work through difficulties together with other students with different specializations, work histories and duties to produce results as a group, giving rise to new values and building strong teams.

In addition, we promote cross-divisional human asset development in various other forms including a full range of open seminars and correspondence courses that employees are free to choose based on their individual personalities and duties, temporary transfers of personnel among Group companies and a job posting system.



Group cross-divisional stratified training



Project at Yamaguchi Ube Airport

Reaffirming Our Commitment to Customers on the Occasion of Our Sixtieth Anniversary

"Thank you for 60 years." On December 1, 2012, employees gathered at all 50 domestic and 35 overseas airports that ANA serves to raise large banners with this message for departing flights. The banners were filled with numerous handwritten messages to customers from employees all over the world.

Members of the project discussed, planned and carried it out to bring together all employees of the ANA Group on its sixtieth anniversary and to use the occasion to once again express their gratitude to the customers who have supported the airline since it was established. Other measures to celebrate the ANA character on the airline's sixtieth anniversary included a "Good Job Relay" that allowed co-workers to express their appreciation for each other's daily efforts.

Promoting Work-Life Balance

In promoting diversity, the ANA Group believes it is essential to create an environment in which employees can fully demonstrate their abilities and work with enthusiasm. ANA's Motivation Promotion Office places importance on individual lifestyles and values to promote work-life balance that creates synergies for the Group as a whole. With activities that include maintaining various systems, reviewing operations to introduce ways to reduce working time, and conducting nationwide seminars with outside experts, the Motivation Promotion Office works to create a culture that accommodates diverse working styles.

Creation of Work Arrangements to Accommodate Diverse Working Styles and Support Personal Development

- Leave system (Waku Waku Leave System) for study abroad or volunteer work
- Introduction of telecommuting system
- Leave system to accompany spouse posted overseas
- Area-based career-track system (Tokyo area only)

Childcare

- Conducted seminars for people taking childcare leave six times during the fiscal year ended March 2013.
- Conducted "Mom and Dad's Workplace Visit" day (ANA Kids' Day) at the head office, Haneda, and Osaka Crew Training Center during the fiscal year ended March 2013.
- Extended the pregnancy and childcare leave system to cover early pregnancy; introduced options including reduced working hours, childcare days and fewer work days, as well as a partial employment system for cabin crew.
- Enhanced the at-home childcare service support system.
- During the fiscal year ended March 2013, 447 people took pregnancy and childcare leave.

Nursing Care

- In addition to nursing care leave, employees can accumulate special leave days, carried over year by year, that can be used for nursing care (maximum of 120 days).
- Conducted nursing care seminars (Haneda and Narita).
- The ANA Group contracted with a non-profit organization (NPO) that assists with support for both work and nursing care, and introduced the NPO to employees.
- During the fiscal year ended March 2013, 29 people took nursing care leave.

Career Design Lecture for Women Working in the ANA Group

In January 2013, the ANA Group held an in-house lecture to encourage female employees to think about ways of balancing work and family life. The lecture included many ideas to help women change their perspectives on career development, such as the importance of continuing to work while overcoming life events, career-planning issues specific to women, and raising children in cooperation with one's partner rather than taking on the entire responsibility alone.

The lecture was followed by a talk session in which a flight attendant who is working on international flights while raising three children and a female manager answered questions on balancing work and child rearing, and systems for cooperating with colleagues. The social gathering after the lecture provided an excellent opportunity for participants to widen women's networks across divisions of the ANA Group.



Lecture by Professor Mariko Miyagi of Hosei University



Social gathering after the lecture

Other Measures for the Propagation and Practice of ANA's Way

Improving Employee Satisfaction

Based on the belief that warm, enthusiastic and lively employee activity is directly connected with corporate growth and customer satisfaction, the ANA Group conducts an annual employee satisfaction survey to monitor items including employees' thoughts and attitudes about their work. We conducted the tenth such survey in the fiscal year ended March 2013, receiving responses from more than 30,000 people, including overseas employees, at 49 Group companies. The response rate was 94.4 percent. We distributed the survey results to companies and departments for use in specialist-run information meetings, Group discussions and other workplace communication.

ANA Virtual Hollywood

Initiated by ANA Group employees, ANA Virtual Hollywood is a program in which employees execute projects that move the hearts of customers, just as film directors produce Hollywood movies that have the power to enthrall their audiences. ANA Group employees in any company or line of work can participate to share ideas and develop proposals, which they present directly to the executive in charge. These activities started in 2004, and a total of approximately 580 employees had participated by the fiscal year ended March 2013.

In addition to creating new value from the standpoint of customers, these activities have supported the creation of worthwhile places to work, with greater group cohesion and the value of open communication, in order to realize the ANA Group Management Vision.



Bamboo lanterns made by customers and ANA Group employees decorate Aso Kumamoto Airport at the *Sora Akari* event.

Fostering a Corporate Culture of Praise

The ANA Group conducts the initiatives on the right in the belief that widely sharing praise received from customers and valuing mutual employee recognition of work and conduct help to further bring out the ANA Character in each employee.

Delivering Customer Feedback to Employees

Payslips

ANA has been printing customer compliments on the cover sheets of monthly payslips since October 2004. This practice, proposed by an employee, reconnects employees with customer feedback each time they receive their remuneration.



ANA payslip

Praising Colleagues' Work

Good Job Card

We promote the exchange of Good Job Cards, where employees who find something praiseworthy about a colleague write it down on a card and hand it over. This nurtures respect for colleagues and engenders an atmosphere where employees can feel confidence and pride.



Good Job Card

Award System to Foster a Corporate Culture of Praise

The ANA Group has various award programs. One of them, the ANA Group President's Award, was established to give concrete form to the ANA Character and foster a corporate culture brimming with originality and creativity. The "Wow!" Award is presented to recognize employees and work units that inspire colleagues with original, outside-the-box ideas. In the fiscal year ended March 2013, the "Gate Buffet," in which snacks and refreshments are served at boarding gates when passengers are inconvenienced by significant departure delays on international flights at Narita Airport, was selected as an example that realized these objectives.



Employees of ANA Air Service Tokyo Co., Ltd. and the Narita Division of ANA Catering Service Co., Ltd. received the ANA Group President's Award.

Human Rights Initiatives

Fundamental Approach

The ANA Group specifies conduct for all Group officers and employees in the ANA Group Code of Conduct to help resolve human rights issues.

Promotion System

Dedicated staff in the Human Rights Awareness Room of ANA's Personnel Department formulate and execute plans for raising human rights awareness. In addition, the ANA director responsible for personnel leads the Human Rights Education Promotion Committee, which reports on the status of progress.

Helpline

The ANA Group has a helpline for consultation on subjects such as sexual and power harassment. It is available to all executives and employees, including temporary personnel. The privacy of the counselor and the caller is protected, with the assurance that no punitive measures will be taken against those who seek consultation or cooperate in confirming facts. The Group has also commissioned consultation services at external institutions. We make employees aware of the consultation services available through methods such as displaying posters within the Group and distributing stickers.

Promoting Employment of People with Disabilities

In April 2012, ANA's Personnel Department established the Group Disabled Person Employment Promotion Office, which supports the creation of meaningful work for disabled people at more workplaces. People with disabilities made up 2.07% of the total workforce of ANA and seven qualified companies (including two special subsidiaries) as of June 2013.

Content and Targets of Specific Initiatives

In the fiscal year ended March 2013, the ANA Group held a total of four cross-divisional meetings for managers of people with disabilities at Group companies, which confirmed basic knowledge of issues such as Group policies for employing people with disabilities and the regulatory framework for their employment. Participants also shared case studies of successful programs at each Group company and held discussions on issues and solutions. The Group also conducts ongoing training on employment of people with disabilities to deepen their interaction and mutual understanding with ANA Group colleagues who have a proper knowledge of disabilities, in addition to promoting

employment. The Group will continue to achieve and maintain the legally mandated ratio of employees with disabilities at all Group companies and will upgrade its overall scheme for responding to changes in the operating environment such as regulatory revisions. In addition, the Group will promote a barrier-free work environment by enhancing capital expenditure and support systems and share specific considerations required within the Group to enhance its responsiveness.



Discussion among staff in charge

Explanation of the ANA Group's policies on employment activities for people with disabilities

ANA Group Joint Interviews for People with Disabilities Held for the First Time

The ANA Group held joint interviews for people with disabilities in March 2013 at Haneda Airport, with the participation of 18 Group companies. A total of 224 people attended, including people with disabilities and representatives from institutions that provide support for them. In addition, corporate booths set up to explain the ANA Group allowed people to learn about working conditions and various occupations in the ANA Group for people with disabilities. The ANA Group will periodically hold these joint interviews, and the Group Disabled Person Employment Promotion Office will provide leadership to unify Group initiatives to further promote upgrades in the working environment for people with disabilities.



Explanation of workplace diversity in the ANA Group

Employee Safety and Health

Safety and Health Initiative

Ensuring employee safety and health and pleasant working conditions is fundamental to corporate activities. Our business offices independently carry out initiatives through their health and safety committees, which have been established at offices nationwide.

To prevent problems such as lifestyle-related diseases, the ANA Group considers it important for employees to proactively modify their behavior. For this purpose, we diligently develop programs for improving employee health and maintaining a sustainable environment, including seminars, walkathons and lectures on health held around the country.

ANA Group Occupational Safety and Health Policies

The ANA Group enhances employee value by improving and maintaining occupational safety and health. This is accomplished through:

- ① Accident prevention programs and programs encouraging employees' mental and physical health;
- ② Various measures and management systems (PDCA cycle) aimed at improving safety and health;
- ③ The observance of laws and regulations and implementation of activities raising employee awareness of occupational safety and health.

Mental Healthcare

Since 2006, ANA has been promoting employee health under its Health Frontier Declaration and has expanded its mental health support system. During the fiscal year ended March 2013, ANA made available an Internet-based mental

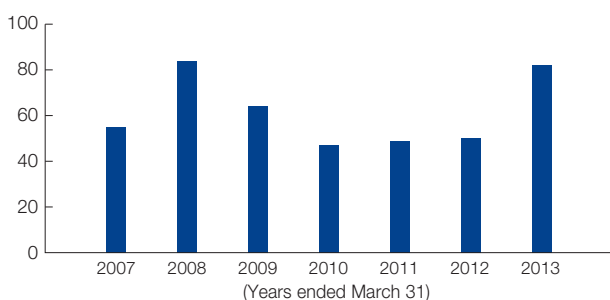
health improvement program to all employees and worked to prevent mental disorders by helping employees understand their own stress conditions through a learning program based on the results of monthly stress checks to raise stress tolerance. In addition to conducting ongoing mental health training for newly appointed managers by professional counselors, we help protect and maintain the mental health of employees and their families through methods such as providing opportunities for consultations with industrial physicians and health nurses and counseling with specialized external institutions.

ANA Welfare Plan — A Program for Motivation and Fulfillment

For employees to lead a full life, they need a viable life plan that looks at each life stage. The ANA Welfare Plan helps to provide motivation and a sense of fulfillment to every employee at each stage of their careers, from recruitment to post-retirement. The program offers employees the choice of a scheme best suited to their particular lifestyle and covers six different categories: health, finances, insurance, lifestyle support, leisure support and post-retirement.

Work-Related Accidents at ANA

(Number of accidents)



Labor-Management Relations

Labor unions and crew associations are organized at ANA and most Group companies.

We conduct labor-management discussions under themes such as improving employee motivation and employee treatment, benefits and labor practices, and work to achieve a shared awareness of operating challenges and the competitive environment by linking daily exchanges of information and opinions to business management. In addition, we discuss tasks in familiar workplace environments and each business office.

The ANA Group will strengthen communication between labor and management with the aim of improving fundamental quality while building relationships on mutual trust and cooperation.



Labor-management cooperative activity for recovery (Ten-Year Coastal Forest Restoration Project in the Tohoku Region)

Relationship with Business Partners

Basic Approach

We place great importance on the ANA Group's relationships of trust with its business partners – the suppliers and associated companies that help maintain the Group's quality as well as industry associations and other organizations – and aim to improve corporate value on both sides. Purchasing and transactions are based on the ANA Group Purchasing Policy, and we conduct rational procurement by receiving bids from various companies for fair and

impartial transactions in compliance with relevant laws and regulations. In cooperation with its business partners, the ANA Group develops high-quality products and services and takes various environmental initiatives such as the use of products with recycling in mind. In the future, we will promote CSR while further strengthening our partnerships.

Promoting CSR in Purchasing and Transactions

The ANA Group is working to unify and standardize purchasing procedures within the Group to strengthen compliance and cost competitiveness. Our new electronic purchasing system has dramatically reformed procurement by giving an overall grasp of structure, methods and scope. We are once again raising awareness of the importance of this system throughout the Group.

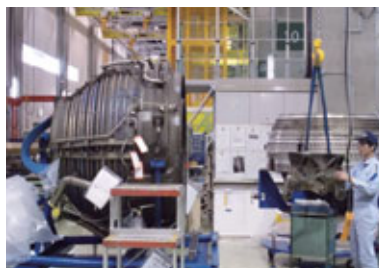
We are also aware that we are expected to promote CSR measures not just in our own business activities, but throughout the entire supply chain, which includes suppliers, manufacturers and contractors. In April 2013, we added a

Supplier Management Policy and CSR Guidelines to the ANA Group Purchasing Policy, and distributed it to companies involved with our business partners. The CSR Guidelines were formulated with reference to ISO26000, a set of international guidelines for CSR, and cover subjects including legal compliance, human rights, labor practices and the environment. This policy will play an important role in choosing purchasing and transaction partners, and we will proactively work to gain their understanding and cooperation through measures such as regular CSR monitoring surveys to follow up on their initiatives.

Measures Promoted in Cooperation with Business Partners

Pursuing the Safety of Aircraft and Aircraft Parts

For highly reliable aircraft that passengers can feel secure boarding, we work to improve safety in cooperation with the manufacturers of the aircraft and their parts. When our detailed maintenance work uncovers potential problems, we contact the manufacturer of the part promptly so that we can make immediate improvements and further improve reliability. Our insistence on reliability also helps to reduce maintenance costs.



Maintenance inspection for improving quality of aircraft parts

Improving Catering Quality

ANA's in-flight meals are rigorously checked by company-certified chefs and auditors to ensure "Food Safety," "Quality of Taste" and "Accurate & Punctual Loading on Aircraft." We evaluate the overseas catering companies each year according to ANA's dedicated rating procedure, which takes full account of the above three points and feedback from passengers. The first- and second-ranked catering companies are recognized for their superior performance. This commendation system has become established among the catering companies as an honor for the partners who support ANA's world-class quality and leads to further in-flight quality improvement.



Award ceremony for LSG Sky Chefs of Hangzhou, China



Collective Efforts of the Star Alliance

ANA is a member of the Star Alliance, which currently consists of 28 airlines and aims to improve customer satisfaction in the three core areas of network, seamless service at airports and mileage programs.

ANA has staff permanently stationed in the Star Alliance. In addition, since 2010 one of ANA's senior executive vice presidents has played a leading role in improving overall quality by serving as chairman of the Alliance Management Board (AMB), which is made up of officers from member companies.

In the 16 years since its establishment, the Star Alliance has continued to expand its network. To achieve further growth in the highly competitive airline industry and further increase added value as an alliance, the Star Alliance is conducting activities with a focus on the following three areas.

(1) Improving Basic Quality

The Star Alliance is going back to the basics and conducting surveys and related improvements to achieve its key performance indicators for basic quality. In doing so, it will strictly maintain standards at each member airline to keep its promises to customers in areas such as improving the success rate of through check-in.

(2) Improving Convenience at Heathrow Airport in London

Under the "Move under One Roof" project, Star Alliance



Star Alliance CEOs publicizing for the new terminal at Heathrow Airport in London

member airlines will share a new terminal at Heathrow Airport in London starting in June 2014. In preparation, we are setting up a seamless travel environment for passenger convenience and making adjustments to reduce operating costs, such as use of a shared counter.

(3) Establishing a New Standard of Governance

In January 2013, the Star Alliance amended its governance rules and simplified its decision-making process to become an organization that can focus on the issues it faces.

Improving the Quality of the Star Alliance

This is my second term as chairman of AMB. In an organization made up of 28 alliance members of different sizes from different cultures, it sometimes feels difficult to get results. However, understanding customer needs is a universal concept that goes beyond language and culture. We have promoted measures to improve the overall basic quality of the Star Alliance by repeatedly advocating the goal of getting back to the basics to each member company.

Steady, ongoing activities to respond to customer needs have been the key to the survival of the ANA Group so far. The unique Japanese attentiveness to customers has struck a chord around the world, and as a Japanese chairman I am uniquely suited to advocate its importance.

In the future, I would like ANA to help increase the competitiveness of the Star Alliance as a whole as it fulfills its responsibilities as a home carrier in the Japanese market. Even as we recognize the benefits of this alliance, we will raise our presence in the global market and grow by proactively implementing new strategies, including joint ventures.



Keisuke Okada
Senior Executive Vice President
All Nippon Airways Co., Ltd.

Relationship with Society

Basic Approach

Under the statement “We are committed to contributing to a better, more sustainable society with honesty and integrity” in the ANA Group’s Course of Action (ANA’s Way), we take active approaches that make the most of the ANA Group’s strengths to contribute to society through our businesses.

Encouraging Travel to Japan

The number of visitors to Japan fell drastically after the Great East Japan Earthquake, and the promotion of business and tourism has become a major issue throughout Japan. The ANA Group has been spreading the word overseas about the appeal of Japan and making it easier for visitors to come. In June 2012, we began offering visitors from overseas a new fare of ¥10,500, including tax, for single-segment domestic flights, regardless of what airline they use to travel to Japan.

In addition, we have been examining the appeal of Japanese culture and destination spots from an up-to-date and realistic foreign perspective in our focus on a project to stimulate demand worldwide called “IS JAPAN COOL?” The project involves a dedicated website that introduces the diverse attractions of Japan, from traditional to cutting-edge and from natural to technological. Covering subjects that have gained attention overseas, such as “KAWAII” and “COSPLAY,” the site has gained popularity as an interactive communication tool for many users worldwide.

In addition, we promote social contribution activities through employee volunteers as well as through our businesses, and the entire Group supports various initiatives that value interchange with local residents in cooperation with NGOs, NPOs, government agencies and others.

The ANA Group is the official airline in Tokyo’s bid to host the 2020 Summer Olympics and Paralympic Games. Videos from the “IS JAPAN COOL?” site have been used by the bid committee to attract interest overseas. We will continue to wholeheartedly support the efforts of the bid committee to host the 2020 Summer Olympics as one of our proactive initiatives to vitalize and inspire Japan.



“IS JAPAN COOL?” website

Contributing to Local Industries through the Cargo Business

The Okinawa Cargo Hub & Network, the realization of both the ANA Group’s cargo business strategy and Okinawa Prefecture’s plan to be an international distribution base, reached its third year of operation in October 2012.

This hub and spoke network uses Okinawa’s advantageous central location in Asia for late-night and early-morning service between Japan (Haneda, Narita and Kansai airports) and major Asian cities (Seoul, Shanghai, Taipei, Hong Kong and Bangkok) via Naha Airport.

The Okinawa Cargo Hub & Network has played a role in expanding sales routes for fruit, vegetables, perishable items and agricultural products from throughout Japan as well as promoting those products and high-tech goods under the “Japan brand.” Moreover, it has contributed to job creation and other local economic development by attracting businesses to the area around Naha Airport and building an air distribution business.

By making maximum use of a hub network that directly connects the major markets of the growing Asian region, we will work for the development of industry in Asia and Japan through our cargo business.



Late-night flight using the Okinawa Cargo Hub & Network



Support for Areas Affected by the Great East Japan Earthquake

Specific Efforts in Fukushima

Since the Great East Japan Earthquake, the ANA Group has made ongoing efforts to support reconstruction of the disaster area and revitalize local communities in the Tohoku region through its business activities. On June 1, 2012, we began regular service on a new Fukushima–Osaka (Itami) route to encourage leisure and business travel to Fukushima. We have also put into service a jet with its exterior decorated with photographs of the cast of *Yae no Sakura*, a television drama set in Fukushima Prefecture, to symbolize the area's resurgence and introduced the natural beauty, traditional culture and unique products of Fukushima Prefecture in in-flight magazines and entertainment programs. With these initiatives, we are working to raise interest in Fukushima among customers and people in the areas we serve throughout Japan. All Nippon Airways Trading Co., Ltd. actively promotes foods and unique local products from Fukushima and other parts of the Tohoku region via its “ANA

Jet featuring the cast of *Yae no Sakura*



Presentation to the governor of Fukushima Prefecture at the maiden flight ceremony for *Yae no Sakura*

Shopping astyle” web shopping mall and uses a portion of sales proceeds to give presents to elementary and middle schools in Fukushima Prefecture.

In volunteer activities as well, we have conducted various programs in Fukushima led by ANA Group employees. The Blooming Sunflower Project, carried out every year since the earthquake in cooperation with Fukushima residents, creates a sunflower field in the shape of a heart visible from the sky to greet visitors to Fukushima Airport with large blooms and smiles. A March 2013 charter flight on one of the decorated jets mentioned above brought tourists from other prefectures to Fukushima and invited local children and their families to enjoy a short flight.

Through both its business activities and volunteer work, the ANA Group will continue to spread the word about the charms of Fukushima Prefecture and the status of reconstruction in the Tohoku region to dispel harmful rumors about the area and cheer up local residents.



“ANA Shopping astyle” web shopping mall promotes unique local products from Fukushima



The Blooming Sunflower Project at Fukushima Airport

Environmental Initiatives

Basic Approach

With air transportation at the core of its business operations, the ANA Group exerts a substantial burden on the global environment, including through CO₂ emissions associated with its business activities as a public transportation provider. Starting from the humble recognition of our own environmental impact, we are taking the lead in promoting environmental preservation, including careful use of resources and energy to contribute to the creation of a sustainable society. We also energetically engage in environmental communication activities to share our “planet mindfulness” with our many customers and other stakeholders.

In 1974, ANA established the Environment Preservation Committee as an advisory body to the President. For many

years, our environmental initiatives have received recognition, with the launch of an environmental report in 1992 and other measures, and in 2008 the ANA Group was first in the airline and transport industries to be certified by Japan’s Ministry of the Environment as an Eco-First company.

With the continued support and cooperation of our stakeholders, we will conduct steady, forward-looking activities as a corporate group that continues to coexist with the global environment.



The ANA Group’s Medium-to-Long-Term Environmental Plan ANA FLY ECO 2020



ANA FLY ECO 2020 poster

With the aim of becoming a leading eco-friendly airline, the ANA Group has been setting forth specific numerical targets for each medium-term period while promoting comprehensive environmental protection activities centered on CO₂ reduction, beginning in 1999 with the “Action Plan for the 21st Century.”

In the fiscal year ended March 2013, to deal with environmental issues from a more global perspective in anticipation of our next target of 2020, the year when a new international framework for

climate change measures will be formulated, we began ANA FLY ECO 2020, a medium-to-long-term environmental plan spanning 2012 to 2020. When setting targets, we have further strengthened climate change measures such as CO₂ reduction, which is a high-priority matter for the Group, in light of the global targets set by the International Air Transport Association (IATA) for the airline industry. The plan also sets forth wide-ranging goals including implementation of a study for the start of full-scale use of biofuel within a set time frame, promotion of resource savings and implementation of environmental and social contribution activities. Because steady, day-by-day efforts are necessary to achieve these goals, all employees are aware of environmental protection in their daily duties and are building a corporate culture of working in unison.

Toward Becoming a Leading Eco-Friendly Airline

In “A Vision for the Future,” its new environmental vision, IATA has set a target of improving fuel efficiency by an average of 1.5% each year until 2020, for a cumulative improvement of 17%. As specific efforts for achieving this target, IATA has established a four-pillar strategy: invest in new technology and alternative fuels; fly aircraft with high fuel efficiency; build and operate efficient infrastructure for routes, air traffic management and airports; and support a global framework for carbon offsets. The ANA Group has taken on its share of the framework for climate change measures on a global scale by linking its own targets and environmental plan to IATA’s target and four-pillar strategy. The Group will continue to cooperate closely with its various stakeholders, including government and international organizations and groups such as ICAO and IATA, in working to achieve a sustainable global environment.



Tony Tyler, Director General & CEO of IATA, with Osamu Shinobe, President & CEO of ANA

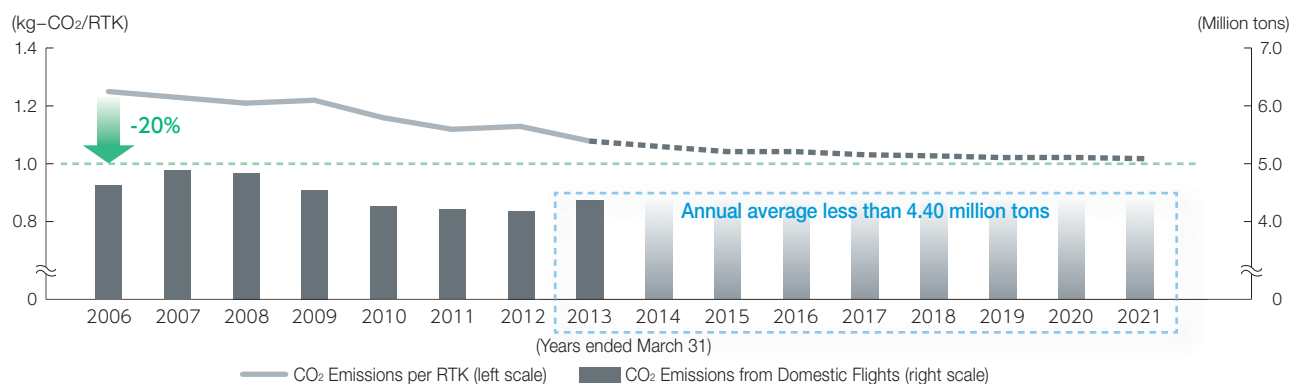


Targets and Results of ANA FLY ECO 2020

Item		Targets	Results in the Fiscal Year Ended March 2013
Climate Change Measures	Reduce CO ₂ Emissions from Aircraft Fuel	<p>Unit Target For the fiscal year ending March 2021, achieve a 20% reduction in CO₂ emissions per revenue ton-kilometer* (RTK) (total of domestic and international routes) compared with the fiscal year ended March 2006.</p> <p>Total Target For the fiscal years ending March 2013 through March 2021, keep average annual CO₂ emissions on domestic routes below 4.4 million tons.</p>	<p>We have progressed to a 12.2% reduction compared with the fiscal year ended March 2006. Total emissions from our domestic and international routes were 9,090 thousand tons, an increase of 8.3% year on year, due to expansion of our domestic and international route networks and an increase in the number of flights. However, CO₂ emissions per revenue ton-kilometer were 1.08kg-CO₂, a decrease of 0.05kg-CO₂ year on year.</p> <p>Emissions were 4.36 million tons, below our target annual average of 4.4 million tons. Emissions increased from the previous fiscal year due to expansion of our domestic route network, the increase in the number of flights and other factors.</p>
	Reduce Ground Energy	Reduce energy use at all work sites by 1% each year (in accordance with the Law Concerning the Rational Use of Energy).	Total ground energy consumption (crude oil equivalent) at all ANA Group work sites reached our target of a 1% reduction each year, meeting the requirements of the Law Concerning the Rational Use of Energy. We will continue to conduct integrated management of energy at work sites using new systems while carrying out various energy-saving measures.
	Introduce Aircraft Biofuel	Conduct a study toward the start of full-scale use of aircraft biofuel during ANA FLY ECO 2020.	In April 2012, the ANA Group flew a Boeing 787 loaded with jet fuel containing a 15% mixture of biofuel for its delivery flight from Seattle, U.S.A. to Haneda Airport. The flight was the first using biofuel for the ANA Group and the world's first trans-Pacific flight using biofuel.
Air Pollution Measures	Conform with Aircraft Emission Standards	All aircraft including leased aircraft to conform to Chapter 4 of the International Civil Aviation Organization (ICAO) emission standards.	All aircraft conformed to the standards.
	Introduce Low-Pollution Vehicles	Actively introduce hybrid, electric and other low-pollution vehicles, and study the use of biofuel.	In addition to its previous introduction of electric vehicles for indoor work at maintenance centers and elsewhere, the ANA Group began introducing them as operational vehicles for ground handling services at airports (four at Haneda Airport and two at Narita Airport in the fiscal year ended March 2013).
Noise Measures		All aircraft including leased aircraft to conform to Chapter 4 of the ICAO noise standards.	All aircraft conformed to the standards.
Resource Savings		Reduce waste and promote paperless operations, including sales. Promote 3R activities, including closed recycling of in-flight magazines and other items.	Overall waste emissions decreased 2.5% year on year. Total usage of various types of paper was unchanged year on year. Paper used for printouts decreased 13.7% year on year due to efforts to go "paperless."
Environmental Contribution Activities for Local Communities		Conduct forestation that provides new value to communities and society.	Forestation activities began in Minami Sanriku, Miyagi Prefecture, under the name ANA Hearty Forest in cooperation with a local forestry cooperative. ANA Group employee volunteers also participated in thinning trees. The Group also encouraged local revitalization by having novelty goods manufactured from the thinned wood at a local factory.
		Enhance environmental education activities through the Team Tyura Sango coral regeneration project.	Received the Minister of Agriculture, Forestry and Fisheries Award in recognition of many years of successful results and conducted planting of coral hand-delivered by the Emperor and Empress. The ANA Group held an awareness-raising event four times (twice in the spring and twice in the fall) with 181 volunteers, including divers and non-divers, in which local residents and tourists participated.

* Includes cargo and passengers

ANA Group CO₂ Emission Targets and Results



Initiatives to Reduce Our Environmental Impact

Approximately 98% of the ANA Group's CO₂ emissions are generated by in-flight aircraft and burning fuel for power or electricity. We continue to achieve steady CO₂ reductions and fuel savings through a growing number of efforts in every area in the air and on the ground.

Aircraft

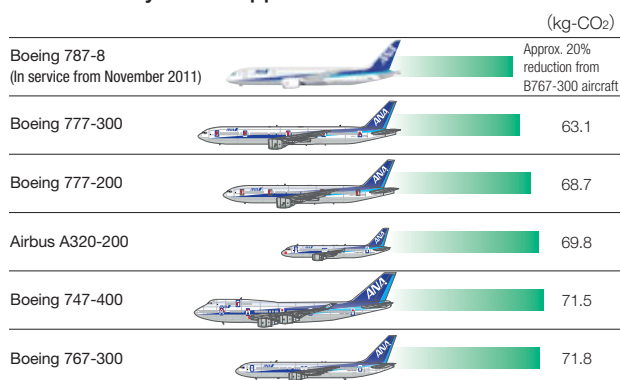
Actively Introducing New Aircraft Models with High Environmental Performance

The most effective method of reducing fuel consumption and CO₂ generation is to introduce new aircraft models with better fuel efficiency. We have introduced the Boeing 787, which offers an engine that incorporates the latest technologies, a new wing and flaps that offer high efficiency, and a lightweight structure from the use of composite materials. To follow the Boeing 787, we will also be the launch airline for the Mitsubishi Regional Jet (MRJ) manufactured by Mitsubishi Aircraft Corporation, and plan to introduce 25 of these aircraft. We will continue to actively utilize state-of-the-art aircraft with low environmental impact.

Development Support for Alternative Aircraft Fuel

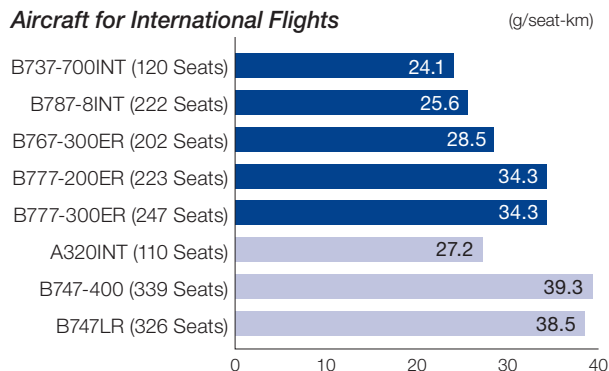
Expectations are growing for the development and commercial use of biofuel made from plant materials or waste cooking oil as an alternative to petrochemicals. When taking delivery of its seventh Boeing 787 aircraft on April 17, 2012, the ANA Group used fuel containing a 15% mixture of biofuel derived from waste cooking oil for the flight from Seattle, U.S.A. to Haneda Airport, achieving the industry's first trans-Pacific flight using biofuel. The Group is proactively providing support through investment in a biofuel development company and participation in a research group with the objective of starting full-scale use by 2020.

CO₂ Emissions per Seat for Flights Between Tokyo and Sapporo



Fuel Consumption by Aircraft Type

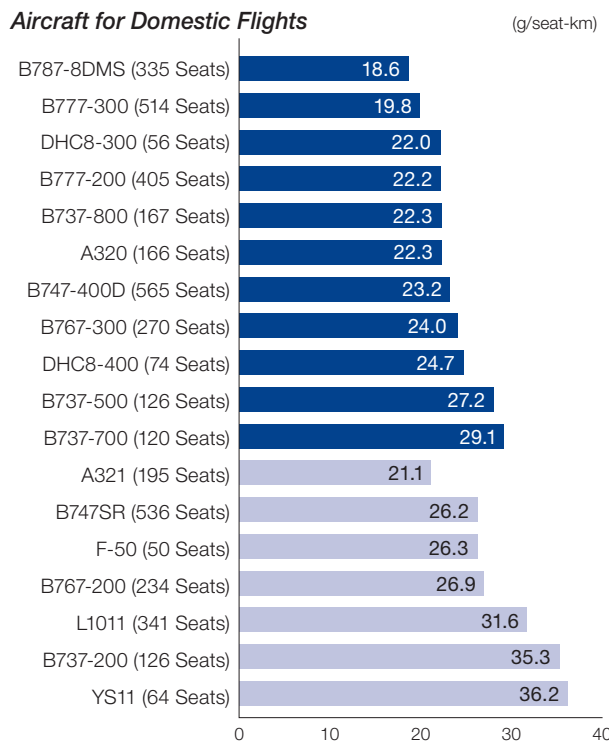
Aircraft for International Flights



Note: Calculated for international flights (assuming flight distances of 5,556km for the B737-700INT and A320INT and 9,260km for all other aircraft types, with full seating)

■ Retired aircraft

Aircraft for Domestic Flights



Note: Calculated for domestic flights (assuming flight distances of 926km and full seating)

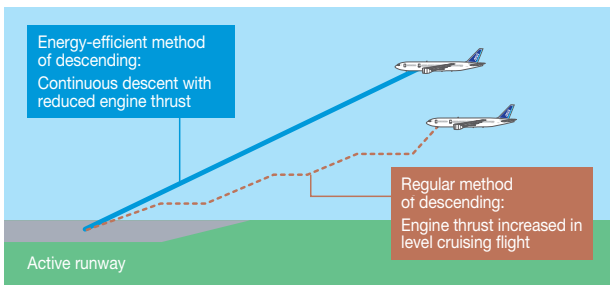
■ Retired aircraft

In the Air

Promoting an Energy-Efficient Descent Method

A flight method called the continuous descent approach, in which an aircraft descends continuously with minimum engine thrust from the start of descent to landing, without leveling off, is effective in reducing CO₂ emissions and noise. We have begun the practice in late-night and early-morning slots at Kansai International Airport and are expanding it in stages at targeted airports while cooperating with the organizations concerned.

► Energy-Efficient Descent



Idle Reverse at Landing Roll and One Engine Out Taxi In

Idle reverse at landing roll is effective in reducing CO₂ emissions and noise, and one engine out taxi in (the practice of turning off the engine on one side when taxiing after landing) is also effective in reducing CO₂. These operations depend on the pilot's comprehensive decision based on a range of factors, including the airports, weather, runway and aircraft conditions and instructions from the control tower, premised on being able to ensure safety.

On the Ground Engine Washing

During engine use, the compressor collects fine dust, causing fuel efficiency to drop. We restore engine performance and work to improve fuel efficiency and reduce CO₂ emissions by regularly washing the compressor section of the engine with water to remove the dust.

Facilitating the Introduction of Electric Vehicles for Ground Handling

The ANA Group is proactively promoting the introduction of low-emission vehicles at airports throughout Japan. As of the end of March 2013, the Group has introduced four electric vehicles at Haneda Airport and two at Narita Airport as operational vehicles for ground handling services. These vehicles have reduced CO₂ emissions by a total of 10 tons annually.



Electric vehicle for ground handling services

Reducing the Amount of Water on Board

On both domestic and international routes, we work to reduce weight on flights by reviewing the amount of water carried on board for hot water in accordance with the route. At Haneda Airport, we reuse the water that remains on the aircraft after landing for cleaning and in toilets at aircraft maintenance facilities.

Reducing the Weight of On-Board Items

In addition to reducing the weight of the aircraft itself, efforts to reduce the size, weight and number of items brought on board contribute to improving fuel efficiency. Measures such as changing the paper quality and reducing the page count of our in-flight shopping catalogue *ANA Sky Shop* reduced the weight by 15 grams per copy. Together with the cumulative effect of small improvements from a reduction in the weight of tableware and glasses and a review of spare items on board, we have achieved a total reduction of approximately 62kg per flight.



Lightweight tableware used in the first-class cabin on international routes

Environmental Contribution Activities

Forestation

The ANA Group conducts forestation activities near domestic airports. In the fiscal year ended March 2013, the Group conducted forestation activities at ANA Hearty Forest in Minami Sanriku, Miyagi Prefecture, Asahi Forest near Hiroshima Airport and Rankoshi Forest near Chitose Airport. The Group also cultivates seedlings of Japanese black pine as part of OISCA International's Ten-Year Coastal Forest Restoration Project in the Tohoku region. In addition, we held a "Blue Sky School" to teach about forestation and preservation of the environment.



Forestation activities at Asahi Forest near Hiroshima Airport

ANA Hearty Forest Afforestation Activities in Minami Sanriku, Miyagi Prefecture

In July 2012, the ANA Group initiated afforestation activities in Minami Sanriku, Miyagi Prefecture under the name "ANA Hearty Forest."

Employee volunteers performed pruning and other forestry maintenance with local residents. In addition, the Minami Sanriku factory of Frontier Japan Co., Ltd. uses wood thinned during afforestation activities to manufacture products for sale on ANA flights and novelty goods. In e-flight 2013 during March 2013, we conducted in-flight sales of goods made from wood thinned from ANA Hearty Forest as products with a carbon offset on domestic and international routes.

By developing a cycle that consists of making products from the wood thinned through activities in Minami Sanriku and selling them, these activities will contribute to both the activation of local industry and employment promotion.



Employee volunteers involved in ANA Hearty Forest afforestation activities



Support for the Ten-Year Coastal Forest Restoration Project in the Tohoku Region Conducted by OISCA International

The tsunami caused by the Great East Japan Earthquake devastated Tohoku's coastal forests. The functions of coastal forests include protecting against blowing sand and wind, thus serving the necessary role of helping to protect the region's living environment. With their loss, salt damage on the Tohoku coast is worsening day by day.

As one long-term restoration support activity, the ANA Group endorses the objectives, supports and participates in the planning of the activities of the Ten-Year Coastal Forest Restoration Project conducted by OISCA International, an international NGO.



Black pine seedlings growing in a nursery



Since the project started in 2011, the ANA Group has conducted various activities, mainly through employee volunteers, in addition to making and collecting donations and providing publicity. On April 19 and 20, 2013, our people worked with other volunteers under the guidance of OISCA International personnel and local farmers to transplant 70,000 black pine seedlings at OISCA International's Seedling Nursery Number One in Natori, Miyagi Prefecture.

We will maintain long-term support so that the next generation will have a beautiful landscape of coastal forests.



Black pine seedling transplants

Regenerating the Coral Sea

Coral Regeneration Project: Team Tyura Sango

An extensive and beautiful coral reef community once laid off the coast of Onnason, Okinawa Prefecture. However, coral-eating crown-of-thorns starfish, red clay runoff and chlorosis resulting from the rising temperature of seawater are causing the coral to decline dramatically.

In 2004, ANA Group led businesses in Okinawa and other prefectures in forming a collaborative project called Team Tyura Sango to revive and regenerate this beautiful coral reef community.

Team Tyura Sango emplaces coral polyps cultured at facilities on land four times a year, in spring and fall. This activity is carried out by volunteer divers, while volunteers who do not have a diving license engage in activities such as raising polyps, allowing a wide array of people to participate in the program. To date, more than 2,000 volunteers have participated, and the project has confirmed that the emplaced polyps are reproducing.



Volunteer divers emplacing coral polyps

In October 2012, the Tyura Sango Festival was held at the ANA InterContinental Manza Beach Resort to instill an interest among the children of Onnason in what has been happening in their local waters and to give them an opportunity to talk about environmental preservation with their parents. The event provided a program to enjoyably study about coral and clean seas. The approximately 200 attendees had fun while learning about the state of the sea around Okinawa through a talk, a quiz on fish and other events with invited personality Sakana-kun (Mr. Fish).

At the 32nd National Fishery and Marine Life Convention held on November 17 and 18, 2012, Team Tyura Sango received a Minister of Agriculture, Forestry and Fisheries Award in the fisheries and environmental preservation category for its environmental preservation achievements over many years.

The fiscal year ending March 2014 is the tenth year since the ANA Group founded Team Tyura Sango. Through this project, the ANA Group is sharing its commitment to a clean ocean with many people.



Tyura Sango Festival



32nd National Fishery and Marine Life Convention
His Majesty the Emperor handing over coral



Team Tyura Sango website (Japanese only):
<http://www.tyurasango.com/>

Note: See the website for details on initiatives to date.

Environmental Communication

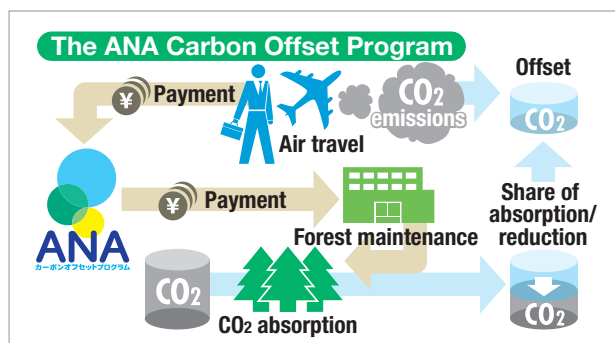
Carbon Offset Program



The ANA Group initiated the ANA Carbon Offset Program from October 1, 2009 for all domestic routes as part of its social contribution activities with customers. This program involves CO₂ offset activities that enable passengers to voluntarily provide money for planting

the trees necessary to absorb the CO₂ (carbon dioxide) emitted by the aircraft they are traveling on. The money received from passengers as offsets helps to cultivate forests in Japan through More Trees Intermediary Organization, an incorporated association, thus contributing to the alleviation of global warming. Customers can join in the program at any time by calculating their own emission amount for each domestic flight trip they made. Payments are made by credit card, and customers can offset emissions of past trips as well as planned future trips.

Carbon offsetting is the practice of individuals and organizations being aware of the amount of their own greenhouse gas (CO₂) emissions and making a proactive effort to reduce it.



e-flight 2013: Thinking of the Earth from the Sky

We implemented e-flight in March 2013, which is an environmental communication activity for thinking about the environment with our customers. We conducted in-flight sales of original ANA

goods made by residents of Minami Sanriku from wood thinned from ANA Hearty Forest as products with a carbon offset on domestic and international routes. This provided a convenient opportunity to offset CO₂ emissions from aircraft usage through customer shopping. In addition, customers participated in donating miles for the ANA-supported environmental preservation activities of coastal forest restoration in Sendai and coral reef regeneration in Okinawa.

ANA Original Badge

(Domestic routes; March 1 to 31, 2013)

Offset results: total of ¥2,776,576 → approximately 348-ton reduction in CO₂

Offset payments supported afforestation in Sumita, Iwate Prefecture through More Trees Intermediary Organization

ANA Original Puzzle

(International routes; March 1 to April 30, 2013)

Offset results: total of ¥266,700 → approximately 165-ton reduction in CO₂

Offset payments supported afforestation activities in Quirino Province, Philippines through More Trees Intermediary Organization



Original ANA badge and puzzles made with thinned wood

Environmental Support Miles (March 1 to 30, 2013)

Tohoku Coastal Forest Restoration Miles

Participation results: 154 people (462,000 miles = ¥462,000)

We contributed the donations to restoration activities by OISCA International, a public interest incorporated association, that is conducting a Ten-Year Coastal Forest Restoration Project in the Tohoku region in which residents of the stricken area cultivate saplings to restore the beautiful landscape of coastal forests that were damaged by the tsunami.

Coral Restoration Project Miles

Participation results: 105 people (315,000 miles = ¥315,000)

We contributed the donations to a coral regeneration project to revive the coral reef community off the coast of Onnason, Okinawa Prefecture that is being destroyed by coral-eating crown-of-thorns starfish, red clay runoff and chlorosis caused by the rising temperature of seawater.

Environmental Compliance

Work Sites That Comply with Environmental Laws and Regulations

The ANA Group is involved in a diverse range of business areas from aircraft to car maintenance plants and cabin cleaning services, and each Group work site is subject to an average of seven environmental laws and regulations related to waste disposal and other matters.

The ANA Group responds appropriately to changes in environmental legislation and in the fiscal year ended March 2013, we incurred no penalties and caused no environmental mishaps.

ISO14001 certification



Acquired for Narita maintenance district in 2002



Acquired by ANA Catering Service Co., Ltd. in 2007



Acquired by Sky Building Service Co., Ltd. in 2009

► Main Applicable Environmental Laws and Regulations

Applicable Laws/Regulations	
1	Law of the Re-manufacture of Specific Home Appliances (Home Appliance Recycling Law)
2	Waste Management and Public Cleaning Law (Waste Management Law)
3	Act on Recycling, etc., of End-of-Life Vehicles
4	Law Concerning the Protection of the Ozone Layer through the Control of Specified Substances and Other Measures (Ozone Layer Protection Law)
5	Law for Ensuring the Implementation of Recovery and Destruction of Fluorocarbons related to Specified Products (Fluorocarbons Recovery and Destruction Law)
6	Law Concerning Special Measures for Promoting Appropriate Treatment of Polychlorobiphenyl Waste
7	Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances into the Environment and Promotion of Improvements to the Management Thereof (PRTR Law)
8	Law Concerning Rational Use of Energy (Energy Saving Law)
9	Air Pollution Control Law
10	Law Concerning Special Measures for Total Emission Reduction of Nitrogen Oxides and Small Particles from Automobiles in Specified Areas (Automobile NOx-PM Law)
11	Water Pollution Control Law
12	Sewage Control Law
13	Septic Tank Control Law
14	Noise Regulation Law
15	Vibration Regulation Law
16	Offensive Odor Control Law
17	Factory Allocation Law
18	Law for Developing Pollution Prevention Organizations at Specified Factories (Pollution Prevention System Development Law)
19	Toxic and Hazardous Substances Regulation Law
20	Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging
21	Construction Waste Recycling Law
22	Law to Ensure Sanitary Environments in Buildings
23	Food Recycling Law

Disposal of Used Vehicles

The ANA Group uses roughly 4,000 vehicles in Japan. Many of these are specialized vehicles whose disposal entails various problems such as logistics.

To properly dispose of these used vehicles, we established a Japan-wide network that conforms to both the Waste Management Law and the Act on Recycling, etc., of End-of-Life Vehicles, which was enacted in April 2005.

The system selects reliable operators and disposal plants in the Hokkaido, Tohoku/Kanto, Hokuriku, Kansai/Chubu, Chugoku, Shikoku, Kyushu and Okinawa regions to

properly and efficiently dispose of such vehicles used at airports in each region.

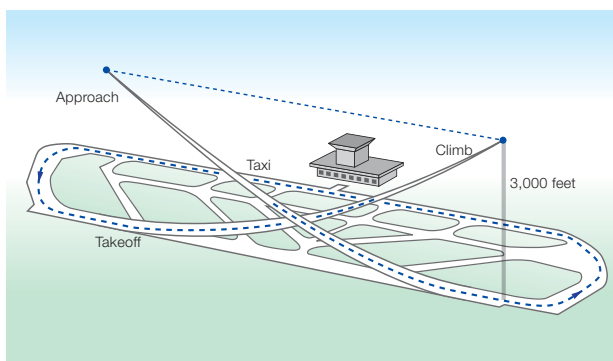
Through this network, in the fiscal year ended March 2013 we properly disposed of 203 vehicles that had been used at airports nationwide in accordance with the Waste Management Law. These vehicles provided approximately 187 tons of scrap metal for recycling.

Air Pollution Measures

The ANA Group's Efforts to Reduce Air Pollution

The main contributing factors to air pollution through the ANA Group's operations are (1) exhaust emissions from aircraft and (2) exhaust emissions from ground vehicles. Regarding aircraft exhaust emissions, Annex 16 of the Convention on International Civil Aviation of the ICAO has established emission standards for NOx (nitrogen oxides), HC (hydrocarbons), CO (carbon monoxide) and SN (smoke number, or density) in terms of mass of emissions per unit of engine thrust for the ICAO Landing/Takeoff (LTO) cycle. Appendix III of the Enforcement Regulation of Japan's Civil Aeronautics Act also contains the same standards, entitled "Emission Standards for Aircraft Operations."

▶ ICAO Landing/Takeoff Cycle



Emission levels are measured during the LTO cycle, which is defined as a descent from 3,000 feet to the ground and an ascent to 3,000 feet after takeoff. Engine tests are subject to the thrust settings and times in the chart below.

Thrust setting	Rated Output (%)	Time in Mode (Min.)
Takeoff	100	0.7
Climb	85	2.2
Approach	30	4.0
Taxi/idle	7	26.0

Low-Emission Aircraft

ANA's most effective measure to reduce hazardous exhaust emissions from aircraft has been to deploy the latest, most advanced aircraft equipped with state-of-the-art engines. Emissions of aircraft currently in use at the ANA Group are all within ICAO emission standards stipulated in Annex 16.

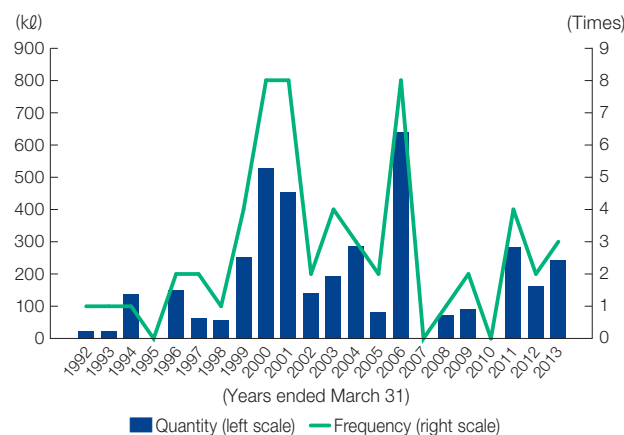
▶ Engine Exhaust Emissions (Fiscal Year Ended March 2013)

	ANA Group (Thousand tons)	ANA Group Year-on-Year Change (%)
NOx (nitrogen oxides)	0.67	5.2
HC (hydrocarbons)	0.07	(1.5)
CO (carbon monoxide)	0.48	(1.4)

Fuel Dumping

Mechanical malfunctions or passengers requiring immediate medical care often necessitate unscheduled landings. In such circumstances, if the aircraft's weight exceeds its maximum landing weight, the aircraft must dump fuel to reduce its weight to ensure a safe landing. Fuel dumping is performed only when necessary. Different airports designate specific dumping locations and altitudes. For example, fuel dumping operations are performed over oceans, to avoid urban areas. When dumped at high altitude, fuel turns into a diffuse mist that has minimal impact at ground level. In the fiscal year ended March 2013, the ANA Group dumped fuel three times, totaling approximately 244kℓ, off the east coast of Japan.

Quantity and Frequency of Fuel Dumping



Reducing Use of Chemical Substances

Compliance with the Pollutant Release and Transfer Register (PRTR) Law

To manage and conduct the required registration of chemical substances, the ANA Group has created an intercompany inventory database that groups these substances according to type, quantity, composition and usage status. ANA Holdings has worked to strengthen links across the organization so that all related information at Group companies can also be aggregated in the database. The total release and transfer volume of PRTR substances in the fiscal year ended March 2013 was 19,932kg. This

represents a decrease of 4,248kg year on year due to a decrease in the number of large aircraft (B777, etc.) that were repainted.

Use of dichloromethane paint remover was on par with the previous fiscal year as a result of the ANA Group's adoption of non-methylene chloride-based paint remover. The Group will continue to make improvements by conducting operations that give due consideration to any potentially negative environmental impact, and continue to study alternative materials and methods that do not use any designated hazardous substances.

► Major Type 1 Designated Chemical Substances Used by the ANA Group (Fiscal Year Ended March 2012)

	Item	Purpose of Usage	CAS No.*	Volume Rank	Item Purpose of Usage CAS No.,* Improvements, etc.
1	Methyl Ethyl Ketone (MEK)	Cleaning agent	78-93-3	—	
2	Tributyl phosphate	Hydraulic fluid for rotor blades, landing gear and other parts	126-73-8	SKYDROL500B4	
3	Toluene	Solvent used for paint	108-88-3	Selected paints with few volatile ingredients	

* An internationally standardized number that uniquely identifies a specific chemical substance.

Aircraft Washing and Discharged Water Processing

At Haneda and Narita airports, ANA washes its aircraft at night. In the fiscal year ended March 2013, the ANA Group's frequency of washing per plane and amount of water used were about the same as in the previous fiscal year. After each washing, water is treated at the airport's treatment facility and then discharged into the public sewerage system.

Environmental Measures for Anti-Freezing and De-Icing Fluid

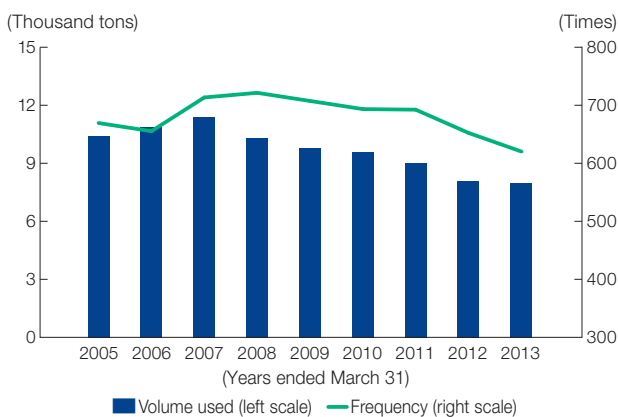
For safety reasons, aircraft are not permitted to take off with snow or ice on the wings, control surfaces, or fuselage.

Before departure, snow is removed using hot water or blown off with compressed air (in the case of dry snow), followed by the application of an anti-freezing fluid. The ANA Group fully switched to propylene glycol (not subject to the PRTR Law) as of 1996. As an additional environmental measure, since 2007 the ANA Group has been working with a manufacturer on the development of Fever Snow AG, an anti-freezing and de-icing fluid made from bioglycerine derived from non-edible plants.

Fever Snow AG is considered carbon neutral because even when unused fluid runs off outside the airport, the CO₂ emitted when the fluid is broken down by bacteria is only counted as the re-release of the CO₂ that was absorbed by the plant raw material. Fever Snow AG has little impact on global warming and its BOD/COD value is lower than conventional fossil fuel-based fluids.

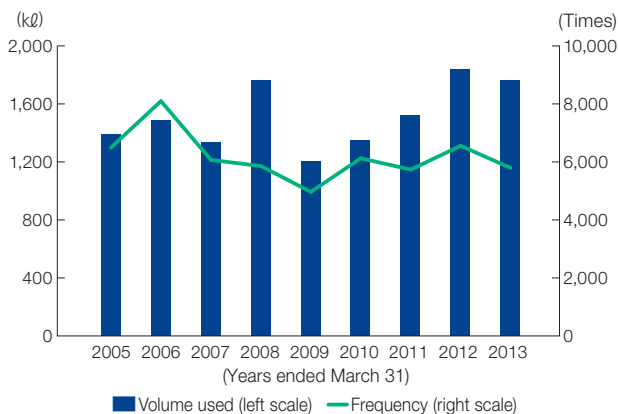
The ANA Group has been improving work procedures to reduce the volume of de-icing fluids used. However, usage in the winter of 2012-2013 was at the same level as

ANA Group Water Usage and Frequency of Aircraft Washing



in the previous fiscal year because of the large amount of snowfall in Hokkaido and the Tohoku region, similar to the previous winter.

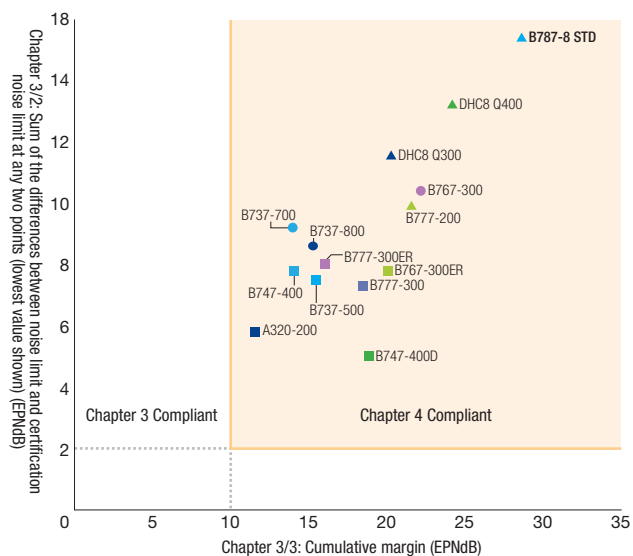
Volume and Frequency of Use of Anti-Freezing and De-Icing Fluids for Domestic and International Flights



Noise Measures

In response to growing demand to reduce aircraft noise in recent years, the ANA Group is working to reduce noise for both people on the ground and aircraft passengers through continued efforts to improve flight procedures and aircraft materials. All of the ANA Group's aircraft conform to Chapter 4, the strictest of the ICAO noise standards. The

▶ ICAO Annex 16, Chapter 4 Standards (ANA Group Fleet)



Reducing Use of PRTR Substances and Volatile Gas Emissions during Aircraft Exterior Paint Work

As a groundwater and soil pollution countermeasure, in March 2009 the ANA Group adopted a neutral non-methylene chloride paint remover (an environmentally friendly substance not subject to the PRTR Law) in its fuselage paint removing operations at maintenance centers in Japan. We have also adopted the use of this product at some overseas maintenance centers and plan to progressively expand its use.

Moreover, in March 2010 we completed the final prototype of a chrome-free low-VOC (volatile organic compound) intermediate primer that we had been developing with a paint manufacturer since fiscal 2004, and began trial painting on some aircraft. The primer has been favorably evaluated, and we are continuing our efforts to expand and evaluate its trial use toward eventual adoption.

Additionally, in the fiscal year ended March 2003 we introduced low-VOC (volatile organic compound) exterior paint, which emits very little volatile gas, and have expanded its use to all ANA Group aircraft.

Diagram below shows the margins of each type of aircraft with respect to the noise standards, with positions farther toward the upper right representing quieter aircraft. In the Boeing 787, which we introduced in 2011, a chevron nozzle and new materials help to significantly reduce noise compared with other aircraft.

Improving Aircraft Materials

Based on participation in the QTD2 (Quiet Technology Demonstration Two) program to verify the effectiveness of noise-reduction technologies, and test flights using a Boeing 777-300ER, the ANA Group is modifying noise sources (airframes and engines) and working to improve aircraft performance.

Pictured below are examples of noise-reduction measures that are being implemented or investigated.



Expanding the sound absorption surface area

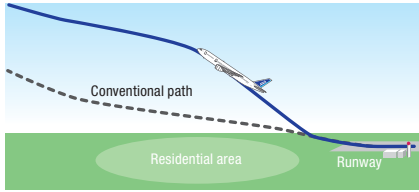
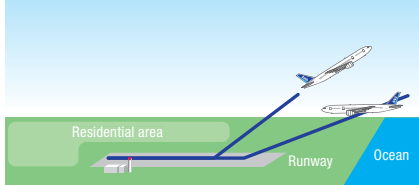
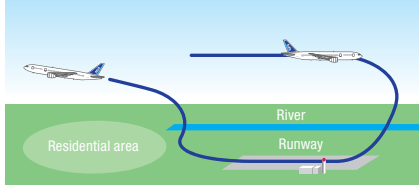
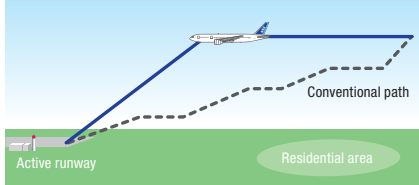


Chevron nozzle

Improving Flight Procedures

The ANA Group has devised various flight procedures to reduce the impact of flight noise at ground level.

► Primary Noise Abatement Procedures Implemented by ANA

	Procedure	Overview
Takeoff	Steepest climb procedure	<p>Execute a steeper takeoff climb to a higher altitude than usual (to 3,000 feet), so as to keep noise contained within the airport as much as possible, while suppressing noise by attaining high altitudes in residential areas.</p> 
Landing	Delayed flap-down approach	Delay flap-down and landing-gear-down operations to reduce air resistance to the airframe, so as to decrease the required engine thrust, thereby reducing noise.
	Low flap angle landing	Set smaller flap angle for use during final approach to reduce air resistance to the airframe, so as to decrease the required engine thrust, thereby reducing noise.
Landing and Takeoff	Preferential runway	<p>If one side of the runway does not have a residential area, aircraft will take off and land from that direction, wind direction and velocity permitting.</p> 
	Preferential flight path	<p>In the airport vicinity (at lower altitude), select flight paths that pass over rivers or that avoid residential areas as much as possible.</p> 
	Continuous descent using FMS ¹ VNAV ² function	<p>This procedure uses the FMS VNAV function for non-precision approaches. Higher altitude is maintained until reaching the vicinity of the airport, followed by continuous descent to reduce change in engine thrust, thereby abating noise. This procedure can save fuel as well.</p> 
	RNAV ³ /LLZ ⁴ flight	Use RNAV/LLZ in the airport vicinity while avoiding residential areas and shortening flight path. In the case of late-night flights at Haneda, avoid passing over Kisarazu (land area) and approach for landing via shortcut over the water.

1. FMS: Flight Management System, which uses flight conditions to calculate optimum speed and course as the basis for automatically adjusting engine output and flight controls
2. VNAV: Vertical Navigation, a function that allows approach at a fixed angle of descent by registering information about the descent path in advance
3. RNAV: Area navigation, a navigation method that assures the scheduled flight path using radio-navigation facilities as well as satellite and on-board equipment
4. LLZ: Localizer, a system that indicates the horizontal deviation of landing aircraft from the runway centerline using electromagnetic waves

Promoting Reduced Use of Resources

The ANA Group's 3R Activities

The ANA Group recycles trash generated in aircraft and at airports and offices, and promotes resource conservation and recycling.

Promoting Closed Recycling

The ANA Group undertakes closed recycling of waste generated in aircraft and at airports and offices with the aim of using resources twice wherever possible. The Group reuses paper generated by office automation equipment at its offices, and also recycles used in-flight magazines and other materials to make items such as timetables and business cards that are used in its offices throughout the country.



In-flight magazines (left) and timetables made from recycled in-flight magazines (right)

Recycling of Uniforms

Used uniforms of cabin attendants, ground staff and flight crews are returned to their original fiber and reused as automotive acoustic absorption materials. In addition, the uniforms themselves are made from materials produced from pet bottles and other recyclables.

Reuse and Recycling of Luggage Wrapping Bags

In September 2010, the ANA Group began reusing and recycling plastic bags used to wrap customer items such as luggage and baby cars at Haneda Airport. The initiative is now being expanded to all airports where ANA operates.



Collection of plastic bags used for wrapping at Haneda Airport

Other Initiatives

Aircraft maintenance	<ul style="list-style-type: none"> Revision of method for measuring the aircraft's center of gravity (measurement without discarding fuel on board) Reduction of detergents for cleaning engine parts by using ultra-high-pressure water spray Recycling of aircraft engine parts and aluminum scraps from repairs into rare metals
Aircraft cabins	<ul style="list-style-type: none"> Presorted collection of cabin refuse (empty bottles and cans) from international flights
Air cargo divisions	<ul style="list-style-type: none"> Recycle vinyl sheets for protection of cargo from rain and dust into solid fuel and garbage bags
Ground facilities and equipment	<ul style="list-style-type: none"> Use of rainwater and treated kitchen wastewater (intermediate water) Recycling of ground vehicles and other equipment used at airports into metal materials

ANA Group Environmental Data

The ANA Group's impact on the environment and society is reported in quantitative terms using tables, diagrams and charts, based on data compiled for the fiscal year ended March 2013.

▶ ANA Group Environmental Data (Fiscal Year Ended March 2013)

				Units	ANA Group Total
Ozone depletion		Fluorocarbon (aircraft)	Amount of discharge	kg	0
		Halon		kg	45.2
Water resources		Total water usage (buildings)		10,000 tons	63.9
Ecosystem-related environmental issues	Water pollution	Total waste treatment (buildings)		10,000 tons	17.3
		Aircraft anti-freezing and de-icing agent usage		kℓ	1,761
	Toxic substances	Amount of PCB (polychlorinated biphenyl) in storage		ton	14.7
Climate change	Deforestation	Total paper consumption		ton	5,409
	Energy	Total energy consumption (crude oil equivalent)	Total	crude oil 10,000 kℓ	355
			Aircraft energy consumption (crude oil equivalent)	crude oil 10,000 kℓ	349
			Ground energy consumption (crude oil equivalent) (Power supplied to parked aircraft from ground included)	crude oil 10,000 kℓ	6.25
			Total aircraft fuel consumption	10,000 kℓ	368.8
			Consumption per seat-kilometer	L/100ASK	3.76
	Air pollution	Total number of vehicles/aircraft	Aircraft	aircraft	226
			Motor vehicles	vehicles	4,154
			Ratio of low-emission vehicles	%	26.3
			Carbon dioxide (CO ₂) emissions	Total	10,000 ton-CO ₂
			Aircraft (total carbon emissions)	10,000 ton-CO ₂	909
			Aircraft (emissions per seat-kilometer)	kg-CO ₂ /RTK	1.08
			Ground equipment and vehicles (total emissions)	10,000 ton-CO ₂	10.8
			Nitrogen oxides (NO _x) (Aircraft – amount of emissions in LTO cycle*)	10,000 ton-NO _x	0.67
			Hydrocarbon (HC) (Aircraft – amount of emissions in LTO cycle*)	10,000 ton-HC	0.07
		Carbon monoxide (CO) (Aircraft – amount of emissions in LTO cycle*)	10,000 ton-CO	0.48	
Waste	Waste	Waste produced	Amount of fuel dumped	kℓ	244
			Times	times	3
			Total	10,000 tons	2.30
			In-flight operations–Total cabin waste and sewage	10,000 tons	1.78
		Ground operations–Total ground waste	10,000 tons	0.52	

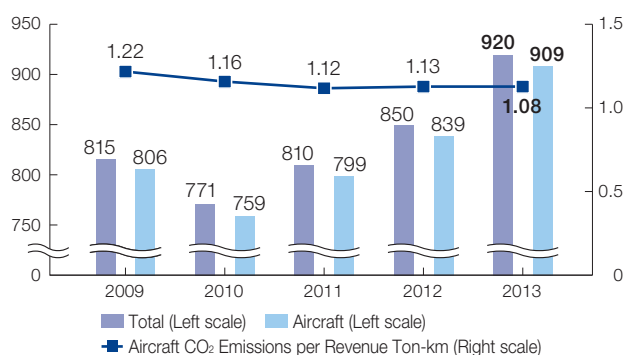
The above data was compiled from the environmental activities of ANA and a limited number of ANA Group companies (Air transportation, Maintenance, Ground handling, Catering, Vehicle maintenance, Building maintenance, etc.) in the fiscal year ended March 2013. Figures do not include data for all ANA Group companies. * LTO (Landing/Takeoff) cycle: Standard model for landing/takeoffs stipulated by the ICAO

Principal Environmental Data

ANA Group CO₂ Emissions

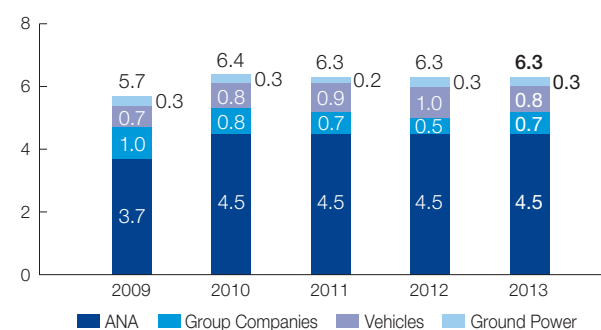
(10 thousand tons)

(kg-CO₂ / RTK)



Ground Energy Consumption

(10,000 kℓ crude oil equivalent)

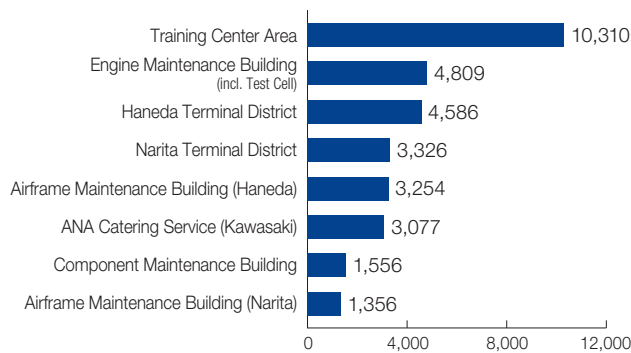


Ground Energy Consumption

The ANA Group continued its thorough energy conservation measures in response to the power shortages that followed the Great East Japan Earthquake. However, total energy usage increased 1% as a result of factors including extended operating hours of passenger terminals. Energy consumption per unit, on the other hand, decreased 1% compared with the previous fiscal year.

Energy Consumption by Major Work Site

(kℓ crude oil equivalent)

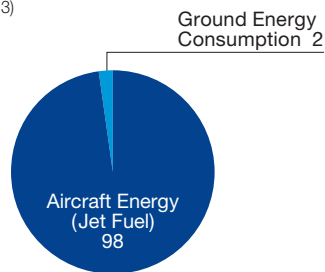


Breakdown of Annual Energy Consumption

(Including electric power supplied to aircraft)

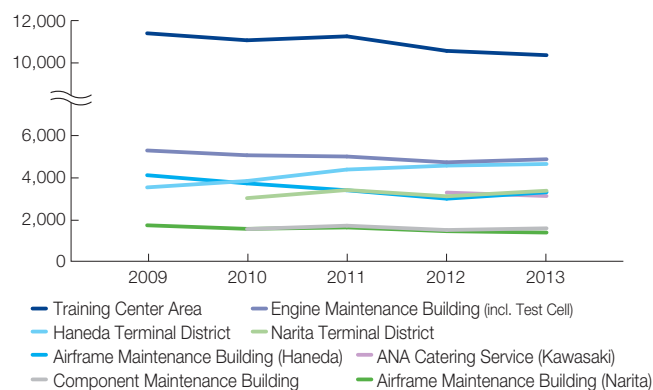
(Year ended March 31, 2013)

(Crude oil equivalent, %)



Energy Consumption by Major Office

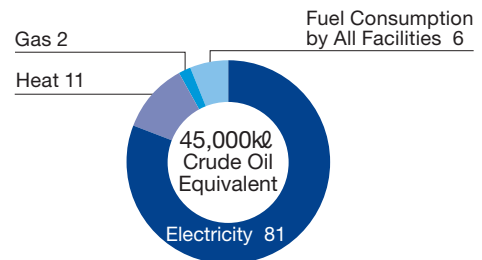
(kℓ crude oil equivalent)



Breakdown of Ground Energy Consumption

(Year ended March 31, 2013)

(%)



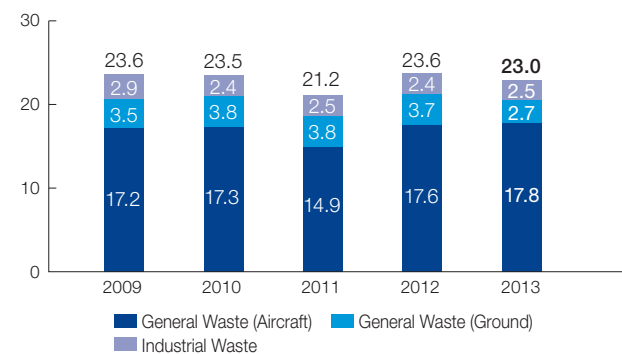
Waste Produced

In the fiscal year ended March 2013, the ANA Group as a whole produced 23,073 tons of waste, a slight decrease compared with the previous fiscal year. General waste from aircraft accounts for about 80% of the ANA Group's total waste volume, and toilet waste constitutes a large portion of that amount.

Of the waste produced by ground operations, waste plastic accounts for more than 30%, but the ANA Group works to recycle it into refuse paper and plastic fuel (RPF) and as thermal energy to the greatest extent possible. For other types of waste, we will continue to actively carry out 3R activities to promote recycling.

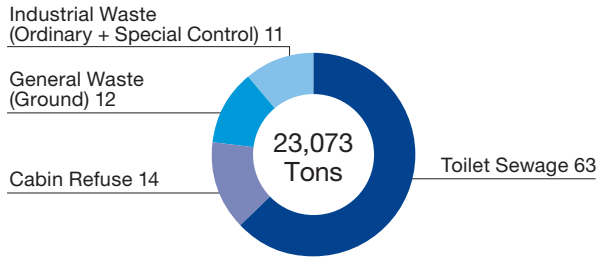
Waste Produced

(Thousand tons)



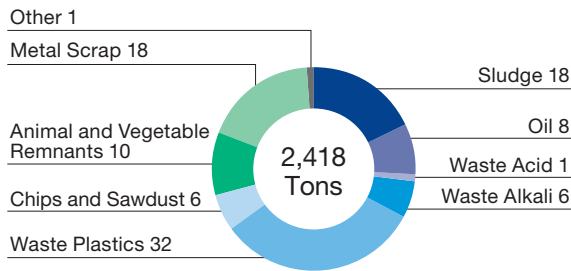
Breakdown of Waste

(Year ended March 31, 2013)
(%)



Breakdown of Industrial Waste

(Year ended March 31, 2013)
(%)

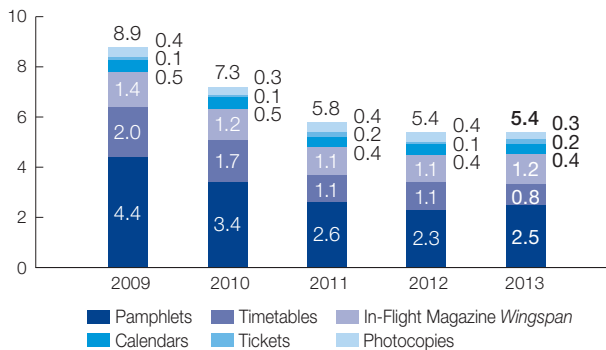


Paper Used

In the fiscal year ended March 2013, the ANA Group as a whole consumed 5,409 tons of paper. This was an increase of 27 tons year on year, due to factors including an increase in publication of travel brochures and in-flight magazines. The ANA Group will continue its efforts to reduce the amount of paper it uses, including office paper.

Paper Used

(Thousand tons)

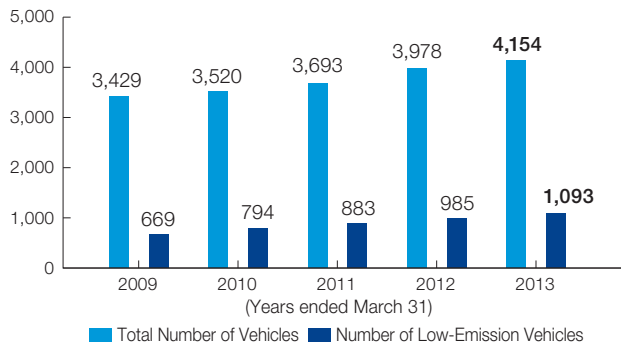


Ground Vehicles

The ANA Group operates a total of 4,154 ground vehicles, including vehicles under lease. Our number of low-emission vehicles increased by 108 year on year to 1,093. We have also increased the number of electric vehicles we use at airports throughout Japan, mainly small tractors and forklifts for indoor work at airport facilities such as aircraft repair bays and cargo storage facilities. Moreover, the ANA Group began introducing electric vehicles for airport-wide outdoor use in ground handling operations at Narita Airport starting in March 2012, followed by their introduction at Haneda Airport. As of March 31, 2013, the ANA Group had two of these vehicles in operation at Narita Airport and four at Haneda Airport. Use of these six vehicles for one year is expected to reduce CO₂ emissions by approximately 10 tons.

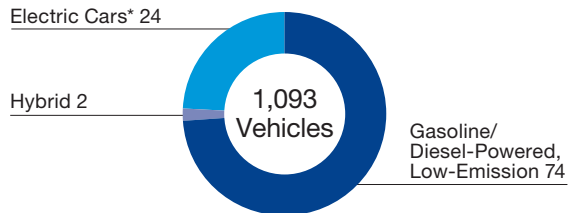
Total Number of Vehicles

(Vehicles)



Breakdown of Low-Emission Vehicles

(Year ended March 31, 2013)
(%)



* Includes electric forklifts

Corporate Governance

(As of July 1, 2013)

Fundamental Approach

The ANA Group believes that it is essential to institute a system of corporate governance that promotes business transparency and accountability to stakeholders in order to continue enhancing its corporate value.

Governing Bodies of the Company

The ANA Group shifted to a holding company structure in April 2013 based on its belief that a well-designed management structure is indispensable to being fully competitive.

The management system of ANA Holdings Inc. ("the Company") comprises 10 directors and five corporate auditors.

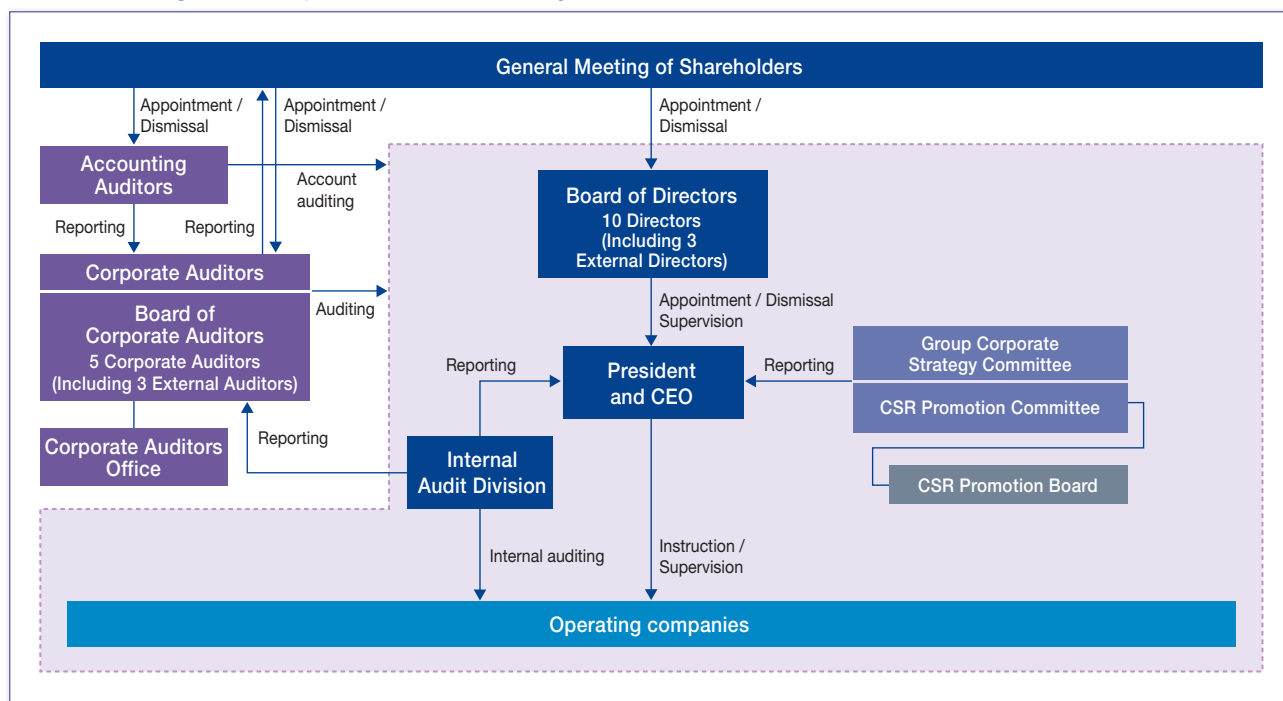
The Company's Board of Directors establishes Groupwide management policy and objectives in addition to playing a supervisory role in the execution of business at the operating companies. All directors, including the three external directors, and the five corporate auditors, including the three external corporate auditors, attend meetings of the Board of Directors, which are led by the chairman of the board. In addition, the Company has adopted a corporate auditor system comprising the Board of Directors and corporate auditors to supervise and audit the execution of duties by directors. Further, the Company has strengthened

the supervisory functions of the Board of Directors through measures such as the appointment of external directors and has enhanced the auditing capabilities of corporate auditors by appointing full-time external corporate auditors.

Furthermore, the Company has established the Group Corporate Strategy Committee, which plays a supplementary role to the Board of Directors and is composed of full-time directors, full-time auditors and others in order to deliberate on matters more quickly and in greater detail. Under the holding company structure, each operating company appoints persons fully knowledgeable about the business and well-versed in management as directors, who are given the authority to oversee business at the operating companies, to conduct functional and effective execution of management activities. In addition to establishing the CSR Promotion Committee, the top decision-making body for CSR promotion that is supervised by the president and composed of the full-time directors and full-time corporate auditors, the Company has set up the CSR Promotion Board as a subordinate organization under the CSR Promotion Committee.

In February 2011, the Company established a Remuneration Advisory Committee, with a majority of its members employed outside the ANA Group, including

▶ ANA Holdings Inc. Corporate Governance System



external directors, in order to enhance the transparency of the process of deciding the remuneration of directors to build a fair and appropriate remuneration structure.

Moreover, in order to hear frank and open opinions and advice about the ANA Group's management, the Company has established the Advisory Board, which consists of seven members with a range of backgrounds.

Enhancement of Internal Control System and Risk Management System

The ANA Group has adopted the Business Accounting Council's definition of internal control and has built an internal control system with the four objectives of "business effectiveness and efficiency," "reliability of financial reporting," "observance of laws and regulations for business activities" and "conservation of assets." Specifically, by considering risk management, compliance and internal audits to be instrumental in achieving these objectives, the ANA Group founded its internal control system, which comprises the pillars of the CSR Promotion Board and the Internal Audit Division.

In addition, based on the ANA Group Internal Control Regulations for Financial Reporting that it set out in response to the requirement to establish a system for the internal control of financial reporting, the Company maintains and operates internal controls and conducts ongoing evaluations, and it confirmed their effectiveness throughout the entire Group in the fiscal year ended March 2013.

Risk Management

The ANA Group Total Risk Management Regulations set out the basic terms of the Group's risk management. Under these regulations, the CSR Promotion Board, Administration and CSR Promotion, which is the committee secretariat, Legal & Insurance, CSR Promotion Officers assigned to Group companies and departments, and CSR Promotion Leaders facilitate risk management activities. The role of CSR Promotion Leaders is to promote risk management in each company and department by executing risk countermeasures according to plans and to take swift action while contacting the board and secretariat in the event of a crisis. Moreover, in addition to the Risk Management Subcommittee, the CSR Promotion Board has established subcommittees with expertise in specific risks, such as the Information Security Subcommittee and the Security Trade Control Subcommittee, to which it delegates the response to certain risks, such as new types of influenza.

In response to the various risks in its operating environment, the ANA Group has structured a system with two approaches to managing risks in the course of its business. The risk management approach entails a preventative perspective, with the goal of advance preparation and control. The crisis control approach is for handling risks that actually materialize.

For the risk management approach with a preventative perspective, the ANA Group has built a risk management cycle (identification → analysis → evaluation → study and implementation of controls and countermeasures → monitoring) with the goal of minimizing risk, and has been carrying out Groupwide risk management activities. Continuing from the previous fiscal year, in the fiscal year ended March 2013 the various divisions as well as the domestic and overseas offices of the various Group companies discussed the progress, effectiveness and level of achievement of the measures taken with respect to the major risks they had identified and carried out a final evaluation of the results of the activities. At the same time, these parties once again identified the risks for the following fiscal year, and reported the results at the management committees including the CSR Promotion Committee. In the field of information security, the Group established an intranet to introduce Control Self Assessment (CSA) in all departments, and is enhancing measures to firmly establish awareness regarding the rules on information security such as conducting four sessions of awareness training for all ANA Group executives and employees using video materials (e-learning).

Under the crisis control approach of preparation for emergencies, the ANA Group has constructed a response system based on detailed manuals in order to minimize damage and ensure safe and secure future operations by investigating the causes. The Emergency Response Manual (ERM) sets out responses to incidents with a direct impact on operations involving the ANA Group's aircraft, and the Crisis Management Manual (CMM) provides responses to other crises including systems failure, information leaks, scandals and risks from external sources. Responses to accidents and hijacking are drilled and practiced every year. The ANA Group as a whole is also promoting the creation of a safety confirmation system for when crises occur.

Compliance

The ANA Group has constructed a compliance system based on the ANA Group Compliance Regulations in order to promote compliance with laws and regulations as well as other standards in its business activities. Under the CSR Promotion Board, CSR Promotion Leaders assigned to ANA Holdings and Group companies are the driving force in strengthening the compliance system throughout the ANA Group.

As initiatives in the fiscal year ended March 2013, the Company provided information on a range of laws and regulations that included legislation related to air transport, the Anti-Monopoly Act and labor laws in addition to offering education and enlightenment through DVD educational materials and e-learning that explained the ANA Group Code of Conduct.

ANA Holdings has set out Group regulations concerning the handling of internal reporting and has established internal reporting contact points inside the Company and at an outside law firm to support understanding of information pertaining to compliance.

the event of a violation of the competition laws of the countries we serve, and need to put them into practice in our day-to-day operations. Currently, we have internal Rules for Competition Law Compliance and the ANA Group Cartel Prevention Handbook, which provides commentary on these rules through specific case studies, is distributed to relevant departments. We also provide periodic education and e-learning for managers in these departments to ensure fair competition and transactions. Moreover, we have established an office to receive information provided by the relevant departments to create a system that enables minimization of the potential risks of individual meetings and exchanges of information.

In addition to competition laws, we must conduct fair competition and transactions in accordance with various laws and regulations related to sales and marketing. We also provide seminars on the Act Against Unjustifiable Premiums and Misleading Representations, the Act Against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and contract affairs to help compliance staff master the appropriate knowledge.

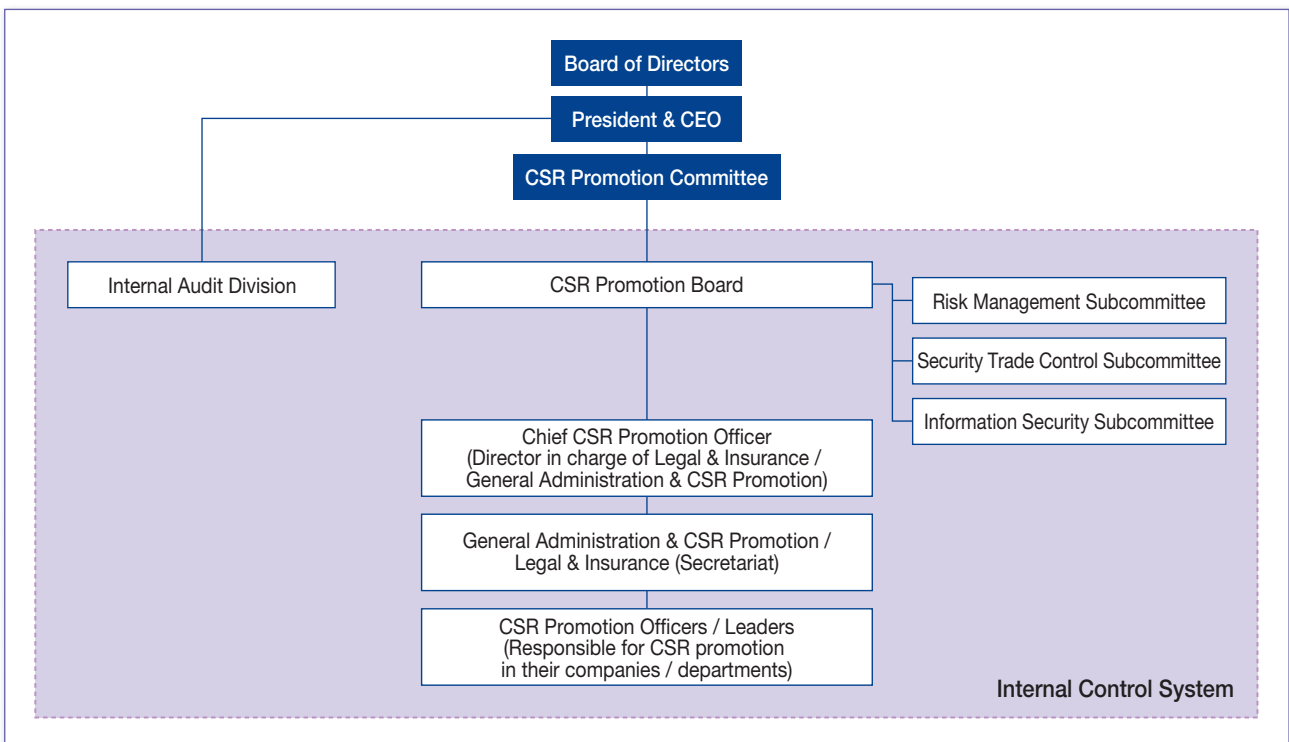
Thoroughgoing Fair Competition and Transactions

As the ANA Group continues to develop its global business, we recognize the serious risks that may occur in

Protection of Intellectual Property

The ANA Group works to upgrade its system for creating, protecting and using intellectual property, as well as for respecting the intellectual property rights of other

▶ ANA Holdings Inc. Internal Control System



companies and preventing infringements. ANA Holdings Legal & Insurance is in charge of handling matters concerning intellectual property, and provides information on protection of intellectual property to CSR Promotion Leaders. In addition, we will continue to periodically provide case studies and disseminate information through distribution of an internal newsletter and other media for the edification of all Group officers and employees.

Internal Audits, Audits by Corporate Auditors and Account Audits

The Internal Audit Division conducts internal audits and reports directly to the president. It carries out operational audits, accounting audits and evaluations for ANA and ANA Group companies pursuant to the “Reporting System for Internal Controls for Financial Reporting” under the Financial Instruments and Exchange Law of Japan. The division conducts regularly scheduled audits according to the plan for the fiscal year and unscheduled audits at the will of senior management. Scheduled audits are conducted from an independent and objective standpoint based on risk analysis of the Company’s divisions and Group companies. In the fiscal year ended March 2013, the Internal Audit Division emphasized audits of the consistency of departments’ action plans with the Group’s Mid-term Corporate Strategy, and the management of departments’ operations. Audits were conducted in about 20 offices, focused on headquarters, frontline departments and overseas workplaces. Auditing results are reported to the president each month and to the corporate auditors on a quarterly basis.

Audits by corporate auditors are performed by the five corporate auditors, three of whom are external corporate auditors. Primarily conducted by a full-time external corporate auditor with a financial institution background, the audits are carried out by full-time corporate auditors who are well-versed in the ANA Group’s internal operations and highly independent external corporate auditors. Each corporate auditor conducts audits of operations at each office and surveys of subsidiaries, reporting the results to the Board of Corporate Auditors and to the representative directors and sharing opinions on the results. The auditors share information and opinions with the Internal Audit Division and the independent auditors on a quarterly basis and work to enhance auditing. To support audits by corporate auditors, the Corporate Auditors Office, which reports directly to the Board of Corporate Auditors, has been established to enhance the audit structure in cooperation with the Internal Audit Division, which reports directly

to the president, and the independent auditors.

As for account auditing, Ernst & Young ShinNihon LLC audits ANA Holdings and its Group companies in accordance with the Corporation Law of Japan and the Financial Instruments and Exchange Law of Japan. Auditing results are reported to ANA Holdings’ management and to the Board of Corporate Auditors.

► Independent Auditors Engaged in Audits

	Name of Certified Public Accountant	Name of Audit Corporation
Engagement Partner	Kenzo Oka	Ernst & Young ShinNihon LLC
	Tadahiko Kamio	
	Takao Maruyama	

Note: The audit corporation has voluntarily adopted a system whereby its executive officers cease from ANA account auditing after a specified period.

There are 21 certified public accountants and 20 other staff members assisting with audit services.

External Directors and Corporate Auditors

External Directors

As part of its strengthening of corporate governance, the Company appoints external directors to receive appropriate advice about the ANA Group’s management from a perspective that is independent from its business, because the Company has judged that it would further strengthen its management structure. The Company has three external directors: Mr. Shosuke Mori, Mr. Ado Yamamoto and Ms. Izumi Kobayashi. Their appointments have been based on the assessment that Mr. Mori, as a manager of a business with a highly public nature, Mr. Yamamoto, as a manager within the transport industry, and Ms. Kobayashi, as a representative of a private-sector financial institution and a multilateral development bank, are able to use their managerial experience and broad insights to provide appropriate advice to the Company’s management from a third-party perspective, which would further strengthen its management structure.

Mr. Mori is the chairman of the board of directors of The Kansai Electric Power Co., Inc. While the ANA Group has normal transactions with this company as a customer for electric power, there is no particular interest at stake between this company and ANA Holdings.

Mr. Yamamoto is the president of Nagoya Railroad Co., Ltd., and there is no particular interest at stake between this company and ANA Holdings. This company is the largest shareholder of ANA Holdings, but is not a principal shareholder because it owns less than 5% of issued shares. Furthermore, Nagoya Railroad and a number of its

group companies transact business with the ANA Group, including consignment sales of airline tickets.

There is no particular interest at stake between Ms. Kobayashi and ANA Holdings.

In their positions on the Board of Directors, all three use their abundant experience and broad insights to make statements as they deem necessary. They also provide advice and exchange opinions with representative directors as needed outside of meetings of the Board of Directors.

External Corporate Auditors

ANA Holdings has three external corporate auditors: Mr. Sumihito Okawa, Mr. Shingo Matsuo and Mr. Tatsuo Kondo.

As Mr. Okawa served as the representative of a policy finance institution and Mr. Matsuo and Mr. Kondo are top executives of highly public businesses, the Company deemed that they would further enhance its auditing system by making use of their abundant experience and deep insight, and appointed them as external corporate auditors.

As a full-time corporate auditor, Mr. Okawa attends meetings of the Board of Directors, the Board of Auditors, the Group Corporate Strategy Committee and other meetings and also conducts site visits to offices and divisions in Japan and overseas. Mr. Matsuo and Mr. Kondo attend meetings of the Board of Directors and the Board of Auditors in addition to exchanging opinions with representative directors.

There is no particular interest at stake between Mr. Okawa, Mr. Matsuo and Mr. Kondo and ANA Holdings. Kyushu Electric Power Co., Inc., where Mr. Matsuo serves as counselor, and Hokkaido Electric Power Co., Inc., where Mr. Kondo serves as counselor, transact business with the ANA Group as an ordinary electricity customer, but there is no particular interest at stake.

The external corporate auditors exchange appropriate information and opinions as necessary with other auditors as well as internal control departments and the independent auditor to enhance auditing.

Moreover, while there is a balance of loans from the Development Bank of Japan Inc., with which Mr. Okawa was formerly affiliated, as of March 31, 2013, this represents emergency loans received under the Support System for Emergency Response, etc. in the past, and the Company has been making repayments in accordance with the loan agreement with no arrears to date.

Status of Independent Officers

ANA Holdings has registered six independent officers with the Tokyo Stock Exchange: Mr. Mori, Mr. Yamamoto and Ms. Kobayashi, the external directors, and Mr. Okawa, Mr. Matsuo and Mr. Kondo, the external corporate auditors.

▶ Meetings of Bodies Responsible for Corporate Governance

In the fiscal year ended March 2013, bodies responsible for corporate governance met the following number of times.

Board of Directors	12 times
Board of Corporate Auditors	11 times
Advisory Board	4 times
Management Committee	49 times
CSR Promotion Committee	3 times
Risk Management Committee	3 times
Compliance Committee	2 times

Note: The Risk Management Committee and the Compliance Committee were merged with the CSR Promotion Board in April 2013.

Remuneration of Directors and Corporate Auditors

The basic policies used in the determination of remuneration of a director of the Company are as follows.

- (i) Ensure transparency, fairness and objectivity of remuneration and establish a remuneration level worthy of his/her roles and responsibilities.
- (ii) Reinforce incentives for achieving management objectives by introducing performance-linked remuneration based on management strategies.
- (iii) Aim to establish a remuneration scheme that enables the Company to share profits with its shareholders by working to raise medium-to-long-term corporate value.

Based on the policies described above, the Remuneration Advisory Committee, with external directors and outside experts comprising a majority of the members, established the Company's remuneration system and standards for remuneration based on other companies' levels as researched by an external institution based on the Company's request.

Moreover, external directors receive fixed remuneration (monthly remuneration) only.

Remuneration for a corporate auditor consists of fixed remuneration (monthly remuneration) determined by taking

into consideration his/her function and the need to appoint and retain a capable person. The standards for remuneration were set based on other companies' levels as researched by an external institution upon the Company's request.

The retirement allowance system was abolished in 2004.

► Remuneration of Directors and Corporate Auditors

	Number Serving	Year Ended March 2013 Remuneration Paid
Directors (External Directors)	16 (2)	¥624 million (¥21 million)
Corporate Auditors (External Corporate Auditors)	6 (3)	¥104 million (¥46 million)
Total	22	¥728 million

Note: As of March 31, 2013, there were 16 directors (including 2 external directors) and 5 corporate auditors (including 3 external corporate auditors).

► Breakdown of Audit Fees

Breakdown of fees paid to certified public accountants and other parties

Fees for certification of audit	¥123 million
Fees for non-audit services	¥23 million

Ordinary General Meeting of Shareholders and Resolutions

ANA Holdings makes it possible for shareholders to exercise their voting rights using electronic methods. In addition to exercise by the Internet or mobile phone, institutional investors can vote via the electronic proxy voting platform operated by ICJ (Investor Communications Japan, Inc.).

Moreover, in addition to the notice of the Ordinary General Meeting of Shareholders and other materials, video coverage of General Meetings is posted on the Company's website at the close of the meeting.

<http://www.anahd.co.jp/en/investors/>

► Resolutions

The 68th Ordinary General Meeting of Shareholders held on June 27, 2013 passed the following resolutions.

1. Appropriation of Surplus

This item was approved as proposed. The amount of the year-end dividend was set at ¥4.00 per share.

2. Election of 10 Directors of the Company

This item was approved as proposed. The following 10 people were elected as directors, nine of whom, excluding Izumi Kobayashi, assumed their office: Yoji Ohashi, Shinichiro Ito, Shinya Katanozaka, Shigeyuki Takemura, Yoshinori Maruyama, Kiyoshi Tonomoto, Osamu Shinobe, Shosuke Mori, Ado Yamamoto, and Izumi Kobayashi. (Izumi Kobayashi assumed her office on July 1.)

3. Election of 1 Corporate Auditor of the Company

This item was approved as proposed. Tatsuo Kondo was elected as a corporate auditor and assumed his office.

Approach to Information Disclosure

To establish a highly transparent management structure and to be accountable to its stakeholders, it is important that ANA Holdings disclose important company information as well as information useful for understanding its business activities from the stakeholders' perspective in a swift, accurate and fair manner. In accordance with the Securities Listing Regulations, ANA Holdings makes timely disclosures through securities exchanges and strives to offer more information to its stakeholders through the press and its company website. In addition to financial results, annual and quarterly securities reports, stock information, financial data and monthly traffic results are available on the ANA Holdings website. Investors can also view webcasts or listen to audio presentations of financial results.

<http://www.anahd.co.jp/en/investors/>

Enhancing Communication with Shareholders and Investors

ANA Holdings focuses on initiatives for active communication with its shareholders and investors.

Specifically, the Company holds presentations for individual shareholders and investors in the various regions of Japan throughout the fiscal year. The Company also holds presentations and conference calls for securities analysts and institutional investors at the time of quarterly earnings announcements and holds briefings on medium-term management strategy whenever necessary. In addition, the Company actively holds individual meetings with its shareholders and investors. For foreign institutional investors, the Company conducts regular overseas investor relations activities, primarily in North America, Europe, Hong Kong and Singapore.

5 Our Cabin





A collection of various data in an easy-to-follow format for our readers

110 Consolidated 11-Year Summary

112 Market Trends

114 Social Data

115 Stock-Related Data

* For environmental data, please refer to pages 87-101 in Environmental Initiatives.

Consolidated 11-Year Summary

ANA HOLDINGS INC. and its consolidated subsidiaries (Note 1)
Years ended March 31

	2013	2012	2011	2010
For the Year				
Operating revenues.....	1,483,581	1,411,504	1,357,653	1,228,353
Operating expenses.....	1,379,754	1,314,482	1,289,845	1,282,600
Operating income (loss)	103,827	97,022	67,808	(54,247)
EBITDA (Note 3).....	227,743	216,290	186,248	59,559
Income (loss) before income taxes and minority interests	70,876	63,431	35,058	(95,593)
Net income (loss)	43,140	28,178	23,305	(57,387)
Cash flows from operating activities	173,196	214,406	203,889	82,991
Cash flows from investing activities	(333,744)	(166,323)	(139,619)	(251,893)
Cash flows from financing activities	84,549	16,171	(10,596)	173,791
Free cash flow	(160,548)	48,083	64,270	(168,902)
Depreciation and amortization.....	123,916	119,268	118,440	113,806
Capital expenditure	162,752	196,881	211,698	209,937
At Year-End				
Total assets	2,137,242	2,002,570	1,928,021	1,859,085
Interest-bearing debt (Note 4)	897,134	963,657	938,819	941,691
Short-term debt (Note 4).....	142,601	127,405	146,395	180,775
Long-term debt (Note 4)	754,533	836,252	792,424	760,916
Total shareholders' equity (Note 5).....	766,737	549,014	520,254	473,552
Per Share Data (Yen, U.S. dollars)				
Net income	13.51	11.22	9.29	(24.67)
Net assets	218.41	218.24	207.35	188.93
Cash dividends	4.00	4.00	2.00	—
Average number of shares during the year (thousand shares) ...	3,192,482	2,511,841	2,507,572	2,326,547
Management Indexes				
Operating income margin (%).....	7.0	6.9	5.0	(4.4)
Net income margin (%).....	2.9	2.0	1.7	(4.7)
ROA (%) (Note 6)	5.1	5.1	3.7	(2.8)
ROE (%) (Note 7)	6.6	5.3	4.7	(14.4)
Equity ratio (%).....	35.9	27.4	27.0	25.5
Debt/equity ratio (times) (Note 8)	1.2	1.8	1.8	2.0
Asset turnover (times).....	0.7	0.7	0.7	0.7
Interest coverage ratio (times) (Note 9)	9.5	10.8	10.7	4.6
Current ratio (times).....	1.6	1.2	1.1	0.9
Payout ratio (%)	29.6	35.7	21.5	—
Number of employees.....	32,634	32,884	32,731	32,578
Operating Data				
Domestic Passenger Operations				
Passenger revenues (¥ millions / \$ thousands)	665,968	651,556	652,611	630,976
Available seat-km (millions)	58,508	56,756	56,796	57,104
Revenue passenger-km (millions)	36,333	34,589	35,983	35,397
Number of passengers (thousands)	41,089	39,020	40,574	39,894
Load factor (%).....	62.1	60.9	63.4	62.0
Unit revenues (¥)	11.4	11.5	11.5	11.0
Yield (¥)	18.3	18.8	18.1	17.8
International Passenger Operations				
Passenger revenues (¥ millions / \$ thousands)	348,319	320,066	280,637	214,124
Available seat-km (millions)	37,947	34,406	29,768	26,723
Revenue passenger-km (millions)	28,545	25,351	22,430	20,220
Number of passengers (thousands)	6,276	5,883	5,168	4,666
Load factor (%).....	75.2	73.7	75.3	75.7
Unit revenues (¥)	9.2	9.3	9.4	8.0
Yield (¥)	12.2	12.6	12.5	10.6
Domestic Cargo				
Cargo revenues (¥ millions / \$ thousands)	32,231	33,248	32,413	31,829
Cargo volume (tons)	463,473	467,348	453,606	458,732
International Cargo				
Cargo revenues (¥ millions / \$ thousands)	86,589	87,978	86,057	55,750
Cargo volume (tons)	621,487	570,684	557,445	422,449

Notes: 1. As of March 31, 2013, there were 57 consolidated subsidiaries and 19 equity-method subsidiaries and affiliates.

2. U.S. dollar amounts in this report are translated, for convenience only, at the rate of ¥94.05=US\$1, the approximate exchange rate as of March 31, 2013.

3. EBITDA = operating income + depreciation and amortization

4. Lease obligations are included from the fiscal year ended March 2008 as a result of the early application of the Accounting Standard for Lease Transactions (revised March 30, 2007).

5. Total shareholders' equity = shareholders' equity + accumulated other comprehensive income

U.S. dollars (Note 2)
(Thousands)

Yen (Millions)							U.S. dollars (Note 2) (Thousands)
2009	2008	2007	2006	2005	2004	2003	2013
1,392,581	1,487,827	1,489,658	1,368,792	1,292,813	1,217,596	1,215,909	15,774,385
1,384,992	1,403,438	1,397,468	1,279,990	1,215,039	1,183,242	1,218,506	14,670,430
7,589	84,389	92,190	88,802	77,774	34,354	(2,597)	1,103,955
120,470	201,176	180,800	165,003	148,220	98,590	59,255	2,421,509
(4,445)	115,224	51,064	52,433	45,679	35,221	(54,821)	753,599
(4,260)	64,143	32,658	26,722	26,970	24,756	(28,256)	458,692
(39,783)	165,765	158,714	128,525	149,070	89,793	85,952	1,841,531
(111,139)	(69,827)	(128,298)	(46,449)	(169,247)	(95,882)	(52,478)	(3,548,580)
114,504	(87,336)	(100,897)	(3,137)	(51,600)	82,867	(63,364)	898,979
(150,922)	95,938	30,416	82,076	(20,177)	(6,089)	33,474	(1,707,049)
112,881	116,787	88,610	76,201	70,446	64,236	61,852	1,317,554
145,709	357,733	251,926	235,580	210,180	147,644	129,863	1,730,483
1,761,065	1,783,393	1,602,091	1,666,843	1,606,613	1,565,106	1,442,573	22,724,529
897,236	767,876	749,446	846,317	942,256	1,031,713	945,395	9,538,904
169,462	136,399	158,724	149,438	204,454	206,557	83,916	1,516,225
727,774	631,477	590,722	696,879	737,802	825,156	861,479	8,022,679
321,883	452,972	398,223	346,309	214,284	150,086	121,954	8,152,440
(2.19)	32.93	16.77	15.64	17.26	16.14	(18.42)	0.14
166.50	232.58	204.42	177.89	128.31	97.66	79.57	2.32
1.00	5.00	3.00	3.00	3.00	3.00	—	0.04
1,945,061	1,947,736	1,947,618	1,708,031	1,562,537	1,533,368	1,533,940	
0.5	5.7	6.2	6.5	6.0	2.8	(0.2)	
(0.3)	4.3	2.2	2.0	2.1	2.0	(2.3)	
0.6	5.3	6.0	5.7	5.2	2.7	0.3	
(1.1)	15.1	8.8	9.5	14.8	18.2	(21.7)	
18.3	25.4	24.9	20.8	13.3	9.6	8.5	
2.8	1.7	1.9	2.4	4.4	6.9	7.8	
0.8	0.9	0.9	0.8	0.8	0.8	0.8	
—	10.7	8.9	6.3	7.0	4.1	3.8	
0.9	0.9	0.9	1.1	0.8	1.0	1.1	
—	15.2	17.9	19.2	17.4	18.6	—	
33,045	31,345	32,460	30,322	29,098	28,870	28,907	
699,389	739,514	726,063	685,074	658,762	644,861	646,854	7,080,999
59,222	62,651	62,414	60,973	60,648	63,148	62,565	
37,596	39,928	40,564	39,712	38,454	38,857	40,388	
42,753	45,557	46,471	45,474	44,486	44,784	47,133	
63.5	63.7	65.0	65.1	63.4	61.5	64.6	
11.8	11.8	11.6	11.2	10.9	10.2	10.3	
18.6	18.5	17.9	17.3	17.1	16.6	16.0	
291,077	311,577	278,478	229,232	210,735	176,956	185,481	3,703,551
27,905	28,285	26,607	25,338	25,190	24,626	25,974	
19,360	21,291	20,145	18,769	19,191	16,950	18,719	
4,432	4,827	4,552	4,135	4,116	3,301	3,784	
69.4	75.3	75.7	74.1	76.2	68.8	72.1	
10.4	11.0	10.5	9.0	8.4	7.2	7.1	
15.0	14.6	13.8	12.2	11.0	10.4	9.9	
33,097	30,566	30,574	29,659	29,515	26,670	24,330	342,700
475,014	462,569	457,914	440,750	422,397	414,406	383,583	
69,069	72,192	62,195	55,380	50,089	43,205	40,393	920,669
354,251	332,507	277,571	248,735	234,417	220,476	195,669	

6. ROA = (operating income + interest and dividend income) / simple average of total assets

7. ROE = net income / simple average of total shareholders' equity

8. Debt/equity ratio = interest-bearing debt / total shareholders' equity. Interest-bearing debt includes lease obligations from the fiscal year ended March 2008 as a result of the early application of the Accounting Standard for Lease Transactions.

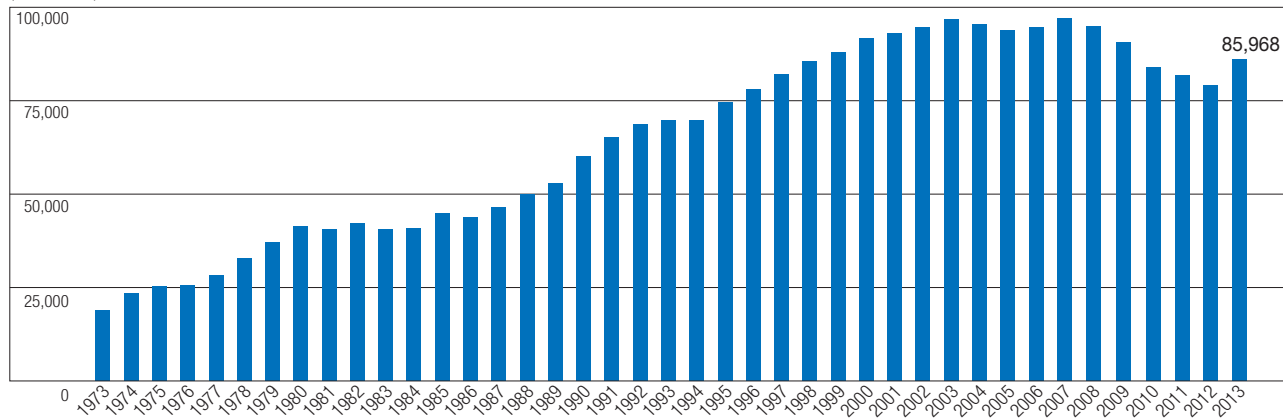
9. Interest coverage ratio = cash flows from operating activities / interest expenses

* Yen amounts are rounded down to the nearest million. Percentages are rounded to the nearest number. U.S. dollar translations are rounded down.

Market Trends

Number of Passengers on Regular Domestic Flights (Japanese Airlines)

(Thousands)



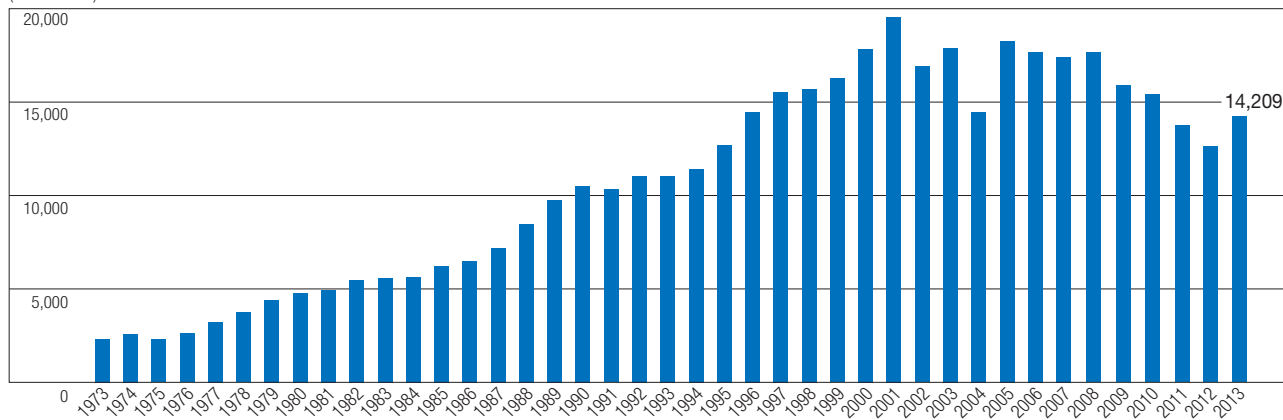
(Years ended March 31)

Source: Ministry of Land, Infrastructure, Transport and Tourism, Annual Air Transport Statistics

Note: Figures for the year ended March 2013 are from a preliminary report.

Number of Passengers on Regular International Flights (Japanese Airlines)

(Thousands)



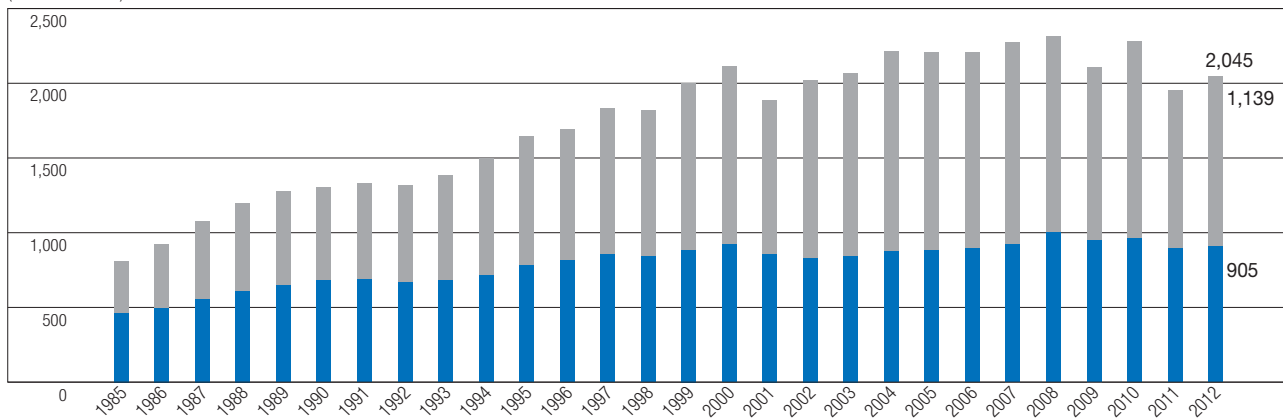
(Years ended March 31)

Source: Ministry of Land, Infrastructure, Transport and Tourism, Annual Air Transport Statistics

Note: Figures for the year ended March 2013 are from a preliminary report.

Domestic and International Cargo Shipping Volume (Japanese Airlines)

(Thousand tons)

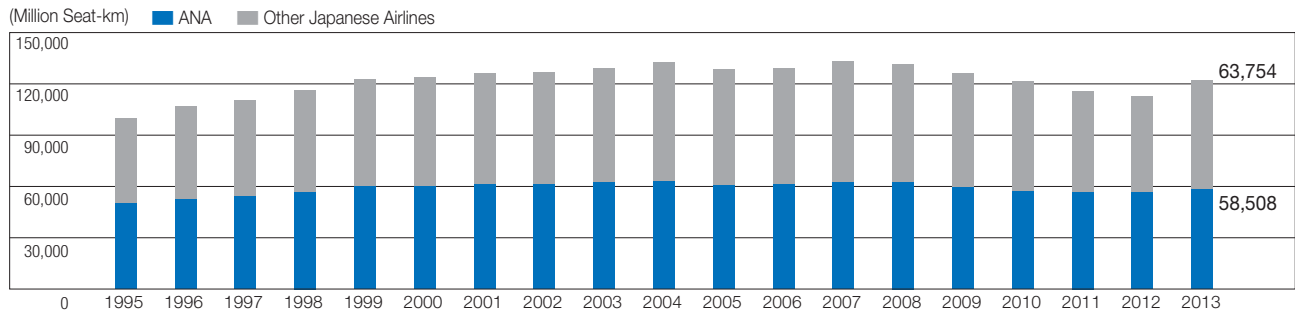


(Calendar years)

Source: Ministry of Land, Infrastructure, Transport and Tourism, Annual Air Transport Statistics

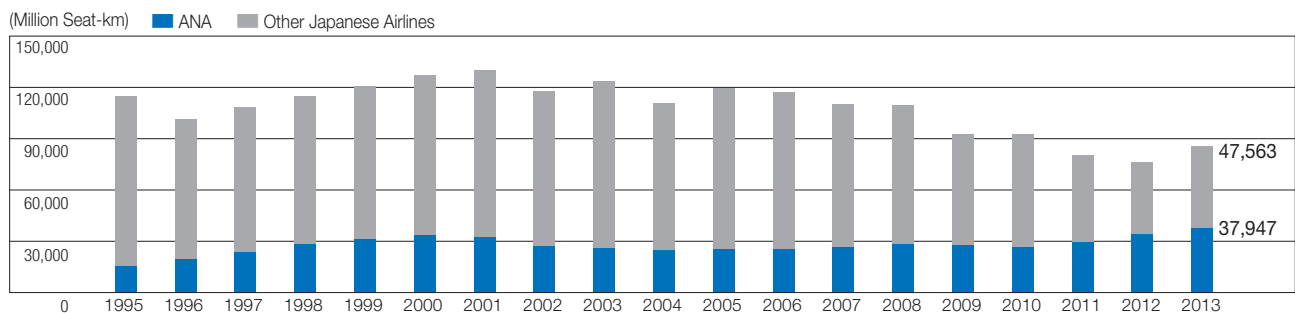
Note: Figures for 2012 are from a preliminary report.

Available Seat-Kilometers on Domestic Routes by Airline



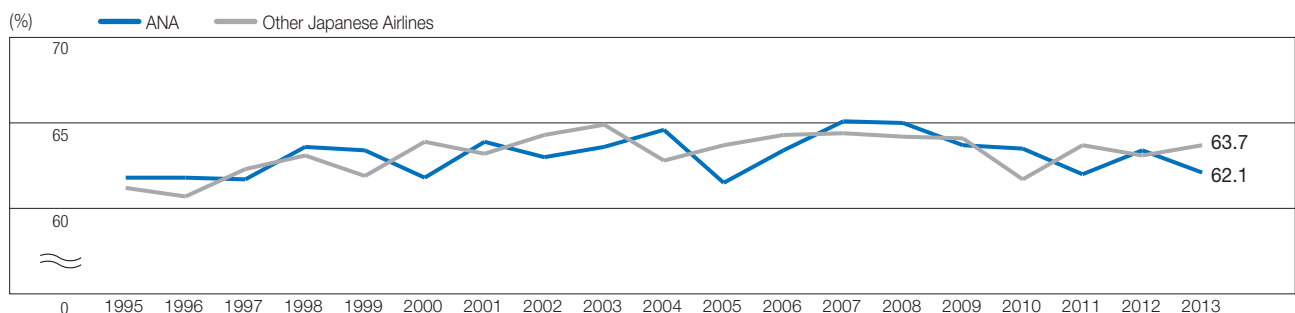
(Years ended March 31) Source: Ministry of Land, Infrastructure, Transport and Tourism, Annual Air Transport Statistics
 Note: Figures for the year ended March 2013 are from a preliminary report.

Available Seat-Kilometers on International Routes by Airline



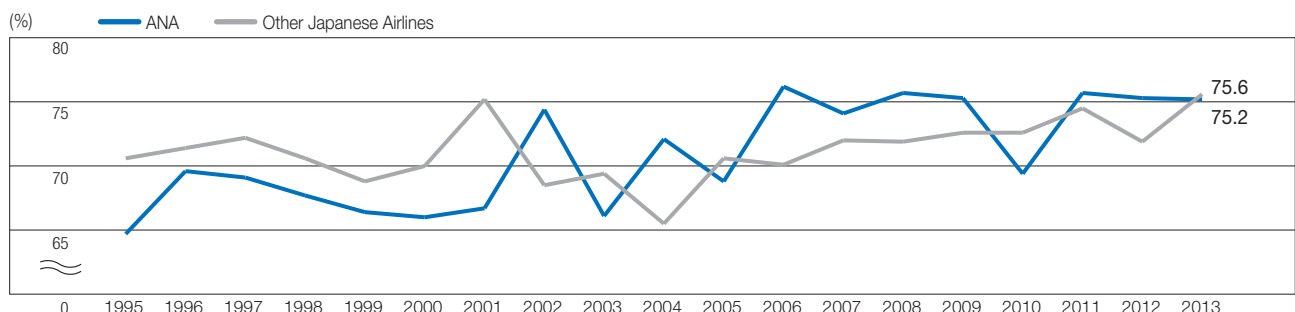
(Years ended March 31) Source: Ministry of Land, Infrastructure, Transport and Tourism, Annual Air Transport Statistics
 Note: Figures for the year ended March 2013 are from a preliminary report.

Load Factor on Domestic Routes by Airline



(Years ended March 31) Source: Ministry of Land, Infrastructure, Transport and Tourism, Annual Air Transport Statistics
 Note: Figures for the year ended March 2013 are from a preliminary report.

Load Factor on International Routes by Airline



(Years ended March 31) Source: Ministry of Land, Infrastructure, Transport and Tourism, Annual Air Transport Statistics
 Note: Figures for the year ended March 2013 are from a preliminary report.

Social Data

Years ended March 31

Human Resources Data (ANA)

	2013	2012	2011
Number of employees (people) ¹	13,731	12,768	12,848
Average age of employees (years) ¹	38.0	38.3	38.6
Average years worked (years) ¹	12.2	12.5	12.7
Global human assets (included in number of employees) (people) ¹	1,504	1,381	1,322
Ratio of female employees (%) ²	51.3	50.3	50.9
Ratio of female managers (%) ²	9.8	9.4	8.2
Number of employees on pregnancy or childcare leave (people)	447	409	349
Number of employees on nursing care leave (people)	29	19	23
Employment of people with disabilities (%) ³	2.07	1.89	1.90

1. As of the end of each fiscal year

2. As of April 1 of each year

3. As of June 1 of each year

Total of ANA and qualified ANA Group companies (2011-12: total of 6 companies including 2 special subsidiaries; 2013: total of 7 companies including 2 special subsidiaries)

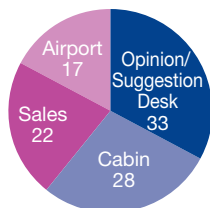
Customer-Related Data

	2013	2012	2011
Customer feedback reports (reports)	73,213	71,108	72,370
Composition by flight type			
Domestic routes (%)	51.2	55.5	55.1
International routes (%)	35.9	33.3	33.3
Other (%)	12.9	11.2	11.6
Breakdown of customer feedback reports			
Opinion/suggestion desk (%)	33.9	32.8	34.6
Cabin (%)	27.8	27.6	30.3
Sales (%)	21.6	23.3	21.0
Airport (%)	16.7	16.3	14.1

Breakdown of Customer Feedback Reports

(Year ended March 31, 2013)

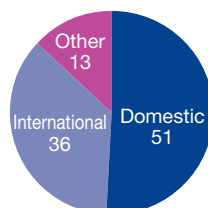
(%)



Composition by Flight Type

(Year ended March 31, 2013)

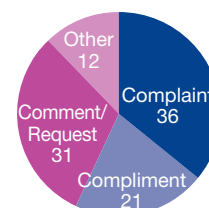
(%)



Composition by Feedback Type

(Year ended March 31, 2013)

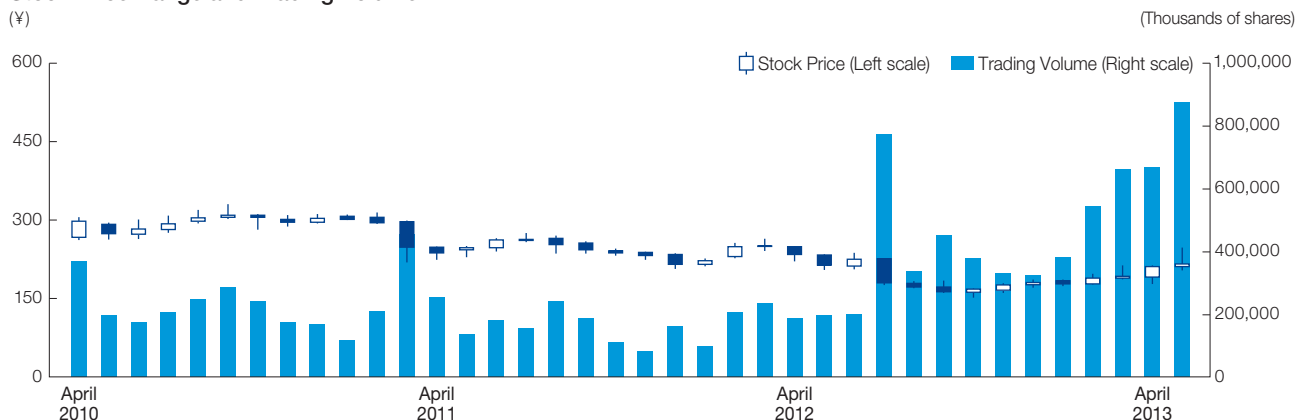
(%)



Stock-Related Data

As of March 31, 2013

Stock Price Range and Trading Volume

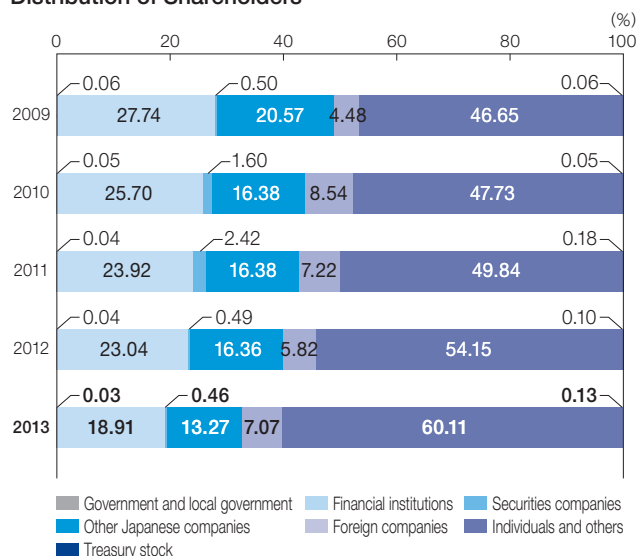


Major Shareholders

	Number of shares held (Thousands)	Percentage of total shares in issue
Nagoya Railroad Co., Ltd.	72,949	2.07%
Japan Trustee Services Bank, Ltd. (trust account)	71,127	2.02%
The Master Trust Bank of Japan, Ltd. (trust account)	58,380	1.66%
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	49,368	1.40%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	40,397	1.15%
Japan Trustee Services Bank, Ltd. (trust account 1)	35,822	1.02%
Japan Trustee Services Bank, Ltd. (trust account 6)	34,805	0.99%
All Nippon Airways Co., Ltd. Employee Stock Ownership Association	34,321	0.98%
Japan Trustee Services Bank, Ltd. (trust account 3)	32,739	0.93%
Mitsui Sumitomo Insurance Co., Ltd.	30,770	0.88%

Note: Numbers of shares less than one thousand have been omitted.

Distribution of Shareholders



Stock Price and Ratios (Consolidated)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Stock Price* (¥):										
High	249	274	329	382	446	486	489	509	403	364
Low	154	208	220	218	316	385	392	321	312	191
PER (times):										
High	18.4	24.4	35.4	—	—	14.8	29.2	32.5	23.3	22.6
Low	11.4	18.5	23.7	—	—	11.7	23.4	20.5	18.1	11.8
Price / Cash Flow Ratio (times):										
High	4.8	4.7	5.8	15.8	8.0	5.2	7.9	8.4	6.5	6.3
Low	2.9	3.5	3.9	9.0	5.7	4.1	6.3	5.3	5.0	3.3
PBR (times):										
High	1.1	1.3	1.6	2.0	2.7	2.1	2.4	2.9	3.1	3.7
Low	0.7	1.0	1.1	1.2	1.9	1.7	1.9	1.8	2.4	2.0
Earnings per Share (¥)	13.51	11.22	9.29	(24.67)	(2.19)	32.93	16.77	15.64	17.26	16.14
Equity per Share (¥)	218.41	218.24	207.35	188.93	166.50	232.58	204.42	177.89	128.31	97.66
Cash Dividends per Share (¥)	4.00	4.00	2.00	—	1.00	5.00	3.00	3.00	3.00	3.00

* Tokyo Stock Exchange

FINANCIAL SECTION

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Management's Discussion and Analysis

Overview

Overview of the ANA Group

The ANA Group, or the "Group," is structured as a holding company, ANA Holdings Inc., for 99 subsidiaries and 42 affiliates that include All Nippon Airways Co., Ltd. ("ANA" or the "Company"). The Group has 57 consolidated subsidiaries and 19 equity-method subsidiaries and affiliates.

During the fiscal year ended March 2013, the Group concentrated on capturing robust business travel demand and on measures to stimulate leisure demand. The Group also steadily implemented structural reform of costs on the scale of ¥100 billion, which it initiated in the fiscal year ended March 2012. As a result, the ANA Group increased operating revenues and operating income year on year, setting a new record for operating income for the second consecutive year.

Mid-Term Corporate Strategy

Major changes are forecast for the Japanese airline industry, including capacity expansion at airports in the metropolitan area, airline business liberalization and deregulation, and market opening measures. The ANA Group expects competition to intensify with existing Japanese airlines and other transportation providers due to factors including the full-scale market entry of low-cost carriers (LCCs) and Shinkansen extensions.

The ANA Group therefore formulated the ANA Group FY2012-2013 Corporate Strategy in February 2012 to prevail in this era of full-scale

competition and achieve a renaissance as a stronger corporate group.

The Group built the foundation for its growth strategy and strengthened its finances by strengthening its operating base with a focus on a Multi-brand Strategy, Group Reorganization, and Cost Restructuring. The Group also conducted a public offering of shares in July 2012 to make strategic investments that expand business segments with the objective of creating new revenue platforms.

In April 2013, the Group announced the ANA Group FY2013-2015 Corporate Strategy to build on progress in strengthening the Group's management base during the previous plan. This strategy is designed to improve the Group's overall network by fully capitalizing on the increase in arrival and departure slots at airports in the metropolitan area. Furthermore, the Group will diversify revenue domains through strategic investment in Asian countries to develop growth segments with the goal of achieving the Group Management Vision: becoming the world's leading airline group in customer satisfaction and value creation. The Group is targeting ROE of 10% or more, ROA of 8% or more, consolidated operating income of over ¥150 billion and a consolidated operating margin of 10% or more.

Economic Conditions

General Economic Overview

In the fiscal year ended March 2013, despite uncertain external economic factors such as Europe and China, the economy in Japan

Overview of the ANA Group FY2013-2015 Corporate Strategy

Strengthen the Group's Management Base: Renaissance as a Stronger ANA Group	Strengthen the multi-brand strategy to diversify the business portfolio <ul style="list-style-type: none"> Expand international route network arrivals and departures at airports in the Tokyo area. Complement existing inbound and outbound demand in Japan by enhancing the ability to capture transit demand for travel between third countries via Japan Strengthen the foundations of the LCC business by heightening awareness, capturing demand in Asian markets, and establishing low-cost operations, and develop air travel demand across a wide range of fares
	Implement and promote Group reorganization <ul style="list-style-type: none"> Shift to an organization that accurately determines customer needs and serves them with optimum quality and cost by delegating authority and responsibility to Group companies to enable quick response to a dramatically changing environment The holding company will concentrate on managing the Group as a whole by separating the formulation and execution of management policy, will assess the performance targets of each Group company from a fair and impartial perspective, and will draft management strategy and allocate corporate resources from the perspective of overall optimization
	Complete measures to improve cost competitiveness through structural reform <ul style="list-style-type: none"> Continue the steady progress enabled by the efforts of all ANA Group employees toward the strategic target of ¥100 billion in cost reductions (equivalent to operating costs of ¥1.0 per available seat-kilometer) by the year ending March 2015 Review and implement measures to address Groupwide issues such as business structure
Expand in Growth Areas	Strategic investments <p>Enter new growth regions through international investments, particularly strategic investments in Asian countries expected to achieve high economic growth</p> <ul style="list-style-type: none"> Maximize investment effectiveness by establishing an investment management firm in Singapore
	Diversification strategy <p>Aggressively expand external revenues by using the tangible and intangible assets (including personnel, facilities, knowledge, experience and business expertise) of Group companies</p> <ul style="list-style-type: none"> Study the feasibility of providing maintenance services to other airlines in Okinawa to increase earnings by participating in aviation-related businesses

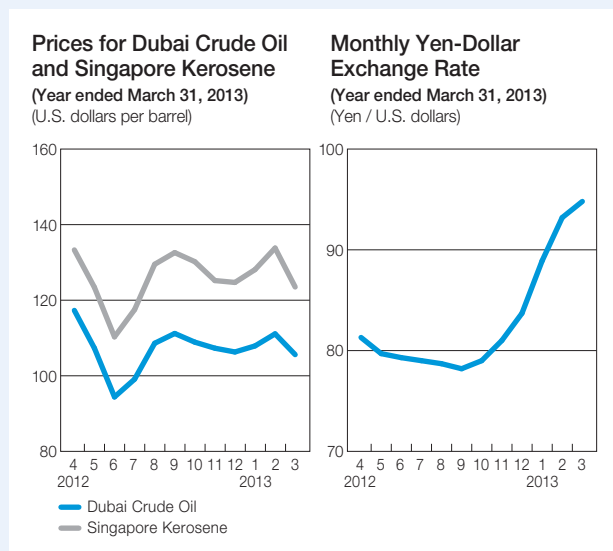
showed signs of improvement toward the end of the fiscal year due to a continued moderate recovery backed by reconstruction demand. Concerns about a downturn in economies overseas notwithstanding, the economy is expected to gradually recover, backed by an improved export environment and the impact of economic and monetary measures.

Fuel Price and Exchange Rate Trends

The price of crude oil remained high throughout the fiscal year ended March 2013. As of the end of March 2013, the Dubai crude oil price was \$107.10 per barrel, with an average price for the fiscal year of \$107.10 per barrel.

In addition, the market price of Singapore kerosene tracked the price of crude oil and ended the fiscal year at \$122.20 per barrel as of the end of March 2013, with an average price for the fiscal year of \$126.00 per barrel.

The yen remained strong throughout the fiscal year. The average exchange rate was ¥79.40 per dollar during the first half and ¥86.60 per dollar during the second half. Consequently, the exchange rate averaged ¥82.90 per dollar for the fiscal year ended March 2013.



Air Transport Traffic Trends

In 2012, the number of passengers on scheduled international routes of airlines that are members of the International Air Transport Association (IATA) increased 5.8% compared with the previous year to 1,150 million. Passengers on scheduled domestic routes increased 3.9% to 1,810 million. Moreover, scheduled global air cargo volume decreased 0.7%. (Source: IATA World Air Transport Statistics, 2012)

The number of passengers on scheduled domestic routes in the fiscal year ended March 2013 increased 8.7% compared with the previous fiscal year to 85.96 million. The number of passengers on trunk routes increased 9.6% from the previous fiscal year to 36.82 million. The number of passengers on local routes increased 0.5% from the previous fiscal year to 45.70 million, remaining essentially unchanged. The volume of domestic cargo increased

1.1% from the previous fiscal year to 0.90 million tons. The number of passengers carried by Japanese airlines on international routes in the fiscal year ended March 2013 increased 12.8% from the previous fiscal year to 14.20 million. The volume of international cargo handled by Japanese airlines increased 6.8% from the previous fiscal year to 1.14 million tons. (Source: Ministry of Land, Infrastructure, Transport and Tourism preliminary report)

Performance for the Fiscal Year Ended March 2013

Operating Revenues and Operating Income

Operating revenues increased 5.1%, or ¥72.0 billion, year on year to ¥1,483.5 billion. The ANA Group steadily captured robust demand, which more than offset the decrease in operating revenues due to the disputes over the Senkaku Islands and the Takeshima Islands in September 2012 and the grounding of Boeing 787 aircraft that began in January 2013.

Steady cost structure reforms allowed the Group to limit the year-on-year increase in operating expenses to 5.0%, or ¥65.2 billion, for a total of ¥1,379.7 billion even as the scale of operations expanded. Consequently, operating income increased 7.0%, or ¥6.8 billion, compared with the previous fiscal year to ¥103.8 billion, reaching a record high for the second consecutive year.

Review of Operating Segments

Air Transportation

Segment operating revenues increased 4.8% compared with the previous fiscal year to ¥1,323.5 billion. Results by business follow. (Please refer to the Air Transportation section on pages 40-49 for additional details on each business and its results.)

In domestic passenger operations, both business and leisure demand were strong. The Group enhanced its network while matching capacity with demand by increasing flights according to demand and optimizing aircraft deployment. In addition, the Group successfully set new fares for customers residing outside Japan and introduced new premium seats. The number of passengers on domestic routes therefore increased 5.3% year on year, while unit price decreased 2.9% year on year due to factors including *Tabiware 55* and *Premium Tabiware 28* promotional fares and changes in passenger composition. As a result, operating revenues from domestic passenger operations increased 2.2%, or ¥14.4 billion, compared with the previous fiscal year despite the negative impact on revenue from the grounding of Boeing 787 aircraft.

In international passenger operations, overall demand was strong except on China routes impacted by the disputes over the Senkaku Islands. The Group enhanced its network in ways such as initiating service on new routes and strengthening connections between Asia and North America, and executed various initiatives to stimulate demand in all categories including inbound to Japan. Similar to domestic routes, cancelled Boeing 787 flights impacted some international routes. However, the number of passengers on international routes increased 6.7% and unit price increased 2.0% year on year. Consequently, operating revenues from international passenger

Years ended March 31,	Yen (Millions)		
	2013	2012	2011
Air Transportation Expenses			
Fuel and fuel tax	¥ 299,856	¥ 263,123	¥ 256,292
Landing and navigation fees	102,161	94,532	93,842
Aircraft leasing	70,182	67,131	63,934
Depreciation and amortization	119,891	117,234	116,287
Aircraft maintenance – parts and contracts	45,460	45,760	46,296
Personnel	247,561	251,064	243,347
Sales commissions	69,987	63,532	67,098
Outsourcing	87,854	86,371	83,804
Other	186,466	185,335	186,888
	1,229,418	1,174,082	1,157,788
Travel Services Expenses	156,521	155,045	156,744
Other Business Expenses	143,406	134,328	134,150
Total Operating Expenses	1,529,345	1,463,455	1,448,682
Intercompany Eliminations	(149,591)	(148,973)	(158,837)
Consolidated Operating Expenses	¥1,379,754	¥1,314,482	¥1,289,845

operations increased 8.8%, or ¥28.2 billion, compared with the previous fiscal year.

In cargo and mail operations, domestic cargo operating revenues decreased 3.1% year on year to ¥32.2 billion. In international cargo services, air cargo demand to and from Japan is trending downward. The Group therefore executed proactive initiatives in parallel with network expansion to handle cargo transport between third countries via the Okinawa Cargo Hub & Network. While unit price decreased, international cargo volume increased 8.9% year on year. Operating revenues from international cargo services decreased 1.6% from the previous fiscal year to ¥86.5 billion. In mail services, operating revenues from both domestic and international operations increased year on year.

Operating revenues from other air transportation operations increased 12.3% year on year to ¥182.9 billion, largely because an increase in the number of companies that outsource operations to the Group at Haneda Airport, Narita Airport and elsewhere resulted in an increase in handling fees. Narita-based AirAsia Japan began service on domestic routes in August 2012 and on international routes in October 2012.

The ANA Group was able to limit the year-on-year increase in operating expenses in the air transportation segment to 4.7%, or ¥55.3 billion, for a total of ¥1,229.4 billion. This was the result of progress under ANA Group FY2012-2013 Corporate Strategy toward ¥100 billion in cost structure reforms, which is equivalent to reducing unit costs by ¥1.0. The Group reduced costs by ¥21.0 billion during the fiscal year ended March 2013.

Operating expenses rose year on year primarily because capacity increases resulted in higher fuel expenses. An additional factor was an increase in the operation-linked expenses of landing and navigation fees, aircraft leasing expenses and outsourcing expenses. Sales commissions

and other expenses related to operating revenues also increased.

Consequently, segment profit in the air transportation segment increased 6.3% year on year to ¥94.0 billion.

Breakdown of Air Transportation Expenses

• Fuel and fuel tax expenses

Fuel and fuel tax expenses increased 14.0% compared with the previous fiscal year to ¥299.8 billion, and accounted for 24.4% of segment operating expenses, compared with 22.4% in the previous fiscal year.

The ANA Group curbed fuel consumption volume to a certain extent by matching capacity with demand, and continued to conduct engine washing and fuel management to increase fuel efficiency through optimal altitude operation. However, expanded capacity on international routes resulted in an overall increase in fuel consumption volume.

Fuel tax expenses decreased because the reduction in the jet fuel tax carried over from the previous fiscal year.

• Landing and navigation fees

The number of flights increased 2.0% on domestic routes, increased 7.9% on international routes, and increased 2.4% on cargo routes. Landing and navigation fees increased 8.1% year on year to ¥102.1 billion, primarily because of the increase in flights on international routes.

• Aircraft leasing expenses

Aircraft leasing expenses increased 4.5% compared with the previous fiscal year to ¥70.1 billion. The number of leased aircraft decreased by 6 from a year earlier to 54 at the end of the fiscal year, but expenses for blocking seats increased because the scale of cooperation with domestic partner airlines increased.

- **Depreciation and amortization expenses**

Depreciation and amortization expenses increased 2.3% compared with the previous fiscal year to ¥119.8 billion, primarily due to depreciation of Boeing 787 and other aircraft. The number of Group-owned aircraft increased by 10 compared with the previous fiscal year to 176.

- **Aircraft maintenance expenses – parts and contracts**

Aircraft maintenance expenses decreased 0.7% compared with the previous fiscal year to ¥45.4 billion. Primary factors included lower expenses for parts following a review of maintenance procedures.

- **Personnel costs**

Personnel costs decreased 1.4% compared with the previous fiscal year to ¥247.5 billion. Performance-linked bonus payments decreased compared with the previous fiscal year and the ANA Group enhanced productivity through cost structure reforms.

- **Sales commissions**

Sales commissions increased 10.2% compared with the previous fiscal year to ¥69.9 billion, primarily because of higher sales planning expenses linked to the increase in operating and mileage revenues.

- **Outsourcing expenses**

The ANA Group limited the increase in outsourcing expenses to 1.7%, or ¥87.8 billion, year on year. Lower operating and handling costs resulting from effectively matching capacity with demand partially offset increased expenses due to expanded capacity, outsourcing of handling to external airlines, and other factors.

- **Other expenses**

Other expenses increased 0.6% compared with the previous fiscal year to ¥186.4 billion. While the ANA Group worked to reduce repair and maintenance expenses, rental expenses and other controllable expenses, advertising expenses and ground support service costs increased due to capacity expansion.

Travel Services

Domestic travel services benefited from increased demand for travel to the Kanto metropolitan area spurred by attractions such as the newly opened Tokyo Sky Tree. Demand for travel to the Tohoku area, which had been affected by the earthquake in the previous year, also increased. The *Tabisaku* dynamic package (web site package tour) performed well, supported by the expansion of sales channels to include smartphones. Revenues from domestic travel services increased year on year as a result.

In international travel services, the Group proactively developed travel products to coincide with the expansion of the international network and worked to develop new customer categories, including the announcement of a new package tour product, *ANA Wonder Earth*. However, travel demand to China declined significantly from September 2012 due to the impact of the dispute over the Senkaku Islands. Revenues from international travel services decreased year on year as a result.

Consequently, segment operating revenues increased 1.3% compared with the previous fiscal year to ¥161.0 billion. Operating expenses only increased 1.0% year on year to ¥156.5 billion because of programs to control costs by limiting selling expenses and raising sales organization efficiency. As a result, segment profit increased 14.7% year on year to ¥4.4 billion.

Performance in the Travel Services Segment

Years ended March 31,	Yen (Millions)		
	2013	2012	2011
Revenues from domestic package products	¥129,785	¥126,296	¥127,627
Revenues from international package products	22,297	23,509	21,558
Other revenues	8,919	9,147	10,196
Total	161,001	158,952	159,381
Segment operating expenses	156,521	155,045	156,744
Segment profit (loss)	4,480	3,907	2,637

Other Businesses

The Other Businesses segment includes information systems, product sales, logistics and building management. All Nippon Airways Trading Co., Ltd. handles product sales operations. Its revenues increased because of solid revenues in its customer service operations, primarily in airport and mail-order sales, and in its advertising media and aircraft businesses.

Consequently, operating revenues in the other businesses segment increased 7.5% compared with the previous fiscal year to ¥148.8 billion. Operating expenses increased 6.8% year on year to ¥143.4 billion. Consequently, segment profit increased 31.4% year on year to ¥5.4 billion.

Performance in the Other Businesses Segment

Years ended March 31,	Yen (Millions)		
	2013	2012	2011
Revenues from product sales	¥ 95,548	¥ 90,231	¥ 93,799
Revenues from information systems	29,078	26,042	24,950
Revenues from building management	20,285	19,032	17,226
Other revenues	3,915	3,147	2,988
Total	148,826	138,452	138,963
Segment operating expenses	143,406	134,328	134,150
Segment profit	5,420	4,124	4,813

Non-Operating Income (Expenses)

Net non-operating expenses totaled ¥32.9 billion, compared with net non-operating expenses of ¥33.5 billion for the previous fiscal year. Gain on sale of property and equipment, which includes aircraft, decreased ¥3.1 billion compared with the previous fiscal year, while loss on sale or disposal of property and equipment, which includes aircraft parts, decreased ¥0.7 billion compared with the previous fiscal year. Impairment loss increased ¥3.7 billion compared with the previous fiscal year primarily due to impairment of assets expected to be sold. The ANA Group also recognized depreciation of idle property and equipment totaling ¥2.0 billion. Foreign exchange gain totaled ¥1.9 billion, compared to foreign exchange loss of ¥0.1 billion for the previous fiscal year.

Net Income

As a result of the above, income before income taxes and minority interests increased 11.7% year on year to ¥70.8 billion. Income taxes totaled ¥29.0 billion. Net income increased 53.1% year on year to ¥43.1 billion. Earnings per share were ¥13.51, compared with ¥11.22 for the previous fiscal year.

Comprehensive income increased ¥17.5 billion year on year to ¥50.6 billion.

Cash Flows

Fundamental Approach to Sources of Funds

The ANA Group's fundamental approach to sources of funds is to keep capital expenditures within the limits of operating cash flows including repayment of lease obligations, and to expand capital while controlling total interest-bearing debt by managing free cash flow. In addition, to strengthen competitiveness over the medium and long term, the Group conducts continuous strategic investment while aiming to enhance financial soundness.

In general, the ANA Group raises funds mainly through bank loans and bond issuance, and has concluded commitment lines totaling ¥110.0 billion with 13 leading domestic financial institutions to ensure emergency access to working capital. All of the commitment lines were unused as of March 31, 2013.

The ANA Group's capital expenditure is mainly for aircraft, and the Group is able to use the Japan Bank for International Cooperation's guarantee system for loans from financial institutions.

Non-Operating Income (Expenses)

Years ended March 31,	Yen (Millions)		
	2013	2012	2011
Interest and dividend income	¥ 2,640	¥ 2,452	¥ 2,597
Interest expenses	(18,026)	(19,578)	(19,314)
Gain on sale of property and equipment.....	1,024	4,166	414
Loss on sale or disposal of property and equipment.....	(7,856)	(8,618)	(12,161)
Impairment loss	(5,496)	(1,746)	(315)
Valuation loss on investments in securities	(418)	(10)	(3,536)
Equity in earnings of unconsolidated subsidiaries and of affiliates	478	526	684
Gain on sale of investments in securities	71	158	—
Amortization of net transitional retirement benefit obligation	(6,369)	(6,396)	(6,425)
Special retirement benefit expenses.....	(146)	(2,442)	(192)
Refurbishment expense for return of lease aircraft.....	(1,422)	(2,170)	(2,846)
Loss on antitrust settlement.....	—	—	(6,835)
Reversal of provision for loss on antitrust proceedings.....	—	—	16,729
Expenses related to antitrust proceedings.....	—	—	(693)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	—	(2,130)
Gain on return of substituted portion of welfare pension fund	—	—	38
Others, net.....	2,569	67	1,235
Total	¥(32,951)	¥(33,591)	¥(32,750)

Overview of the Fiscal Year Ended March 2013

Net cash used in investing activities exceeded net cash provided by operating activities by ¥160.5 billion, while net cash provided by financing activities totaled ¥84.5 billion. As a result, cash and cash equivalents, including net increase resulting from changes in scope of consolidation, decreased ¥74.5 billion from a year earlier to ¥191.2 billion.

Cash Flows from Operating Activities

Net cash provided by operating activities decreased ¥41.2 billion compared with the previous fiscal year to ¥173.1 billion. Robust operating performance resulted in income before income taxes and minority interests of ¥70.8 billion, an increase of ¥7.4 billion compared with ¥63.4 billion for the previous fiscal year. Adjustment for depreciation and amortization and other non-cash items and a decrease in accounts receivable contributed to the increase in cash provided by operating activities, while a decrease in accounts and notes payable – trade and income taxes paid were among the factors that used cash.

	2013	2012	2011	2010	2009
Debt/Equity Ratio (Times)	1.2	1.8	1.8	2.0	2.8
Interest Coverage Ratio (Times)	9.5	10.8	10.7	4.6	—

Note: Interest coverage ratio = Cash flows from operating activities / Interest expenses

Cash Flows from Investing Activities

Net cash used in investing activities increased ¥167.4 billion compared with the previous fiscal year to ¥333.7 billion. Uses of cash included payment for purchase of property and equipment totaling ¥149.7 billion resulting from payments upon receipt of aircraft and other assets such as spare parts and advance payments for planned introductions of aircraft. In addition, payment for purchase of intangible assets used cash of ¥13.0 billion. On the other hand, proceeds from sale of property and equipment, which included aircraft leased after sale, totaled ¥44.4 billion. Moreover, net payment for purchase of marketable securities, including negotiable certificates of deposit with maturities of more than three months, totaled ¥214.8 billion.

Free Cash Flow

As discussed above, net cash provided by operations totaled ¥173.1 billion, and net cash used in investing activities totaled ¥333.7 billion. Consequently, the sum of net cash used in operating activities and net cash used in investing activities was a deficit of ¥160.5 billion. However, free cash flow would have been a substantial ¥54.2 billion excluding the use of cash to purchase negotiable certificates of deposit with maturities of more than three months.

Cash Flows from Financing Activities

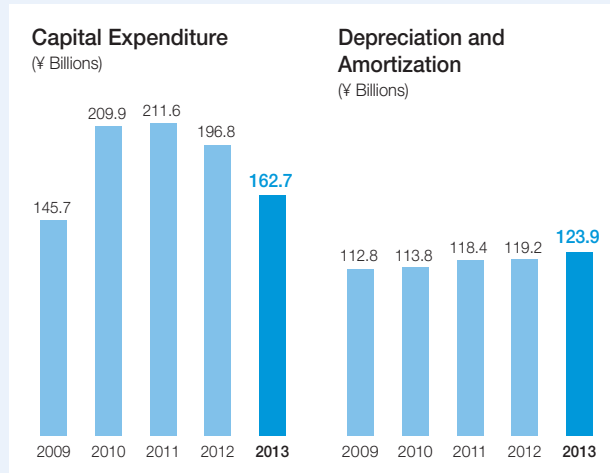
Net cash provided by financing activities totaled ¥84.5 billion, an increase of ¥68.3 billion compared with ¥16.1 billion for the previous fiscal year. The ANA Group used cash totaling ¥10.0 billion for payment for dividends, and used cash to repay long-term debt and leases. The Group also procured funds totaling ¥173.7 billion from issuance of new stock by public offering and allocation to third party.

Capital Expenditure and Aircraft Procurement

Capital Expenditure

The ANA Group's capital expenditure mainly comprises the acquisition of aircraft, aircraft engines and aircraft parts, and investments related to information systems. Capital expenditure in the fiscal year ended March 2013 decreased 17.3% compared with the previous fiscal year to ¥162.7 billion, centered on investment in aircraft such as the Boeing 787, a strategic aircraft.

By segment, compared with the previous fiscal year capital expenditure decreased 17.4% to ¥160.7 billion in the air transportation segment, increased 18.2% to ¥39 million in the travel services segment, and decreased 15.0% to ¥4.3 billion in the other businesses segment.



Fundamental Approach to Aircraft Procurement

Aircraft are major investments that are in use for more than ten years. Decisions regarding the selection of aircraft types suited to networks and programs to optimize fleet composition are among the most important issues for airline management.

The ANA Group's Fleet Strategy encompasses three policies: increasing cost competitiveness by introducing fuel-efficient aircraft, matching capacity with demand by increasing the proportion of medium-body aircraft, and increasing productivity by integrating the number of aircraft types.

Fundamentally, ANA purchases and owns strategic aircraft it intends to use over the medium-to-long term, and selects the most economical method on a case-by-case basis, including leases, for procuring aircraft it intends to use over the short-term or for capacity adjustment.

Aircraft Procured in the Fiscal Year Ended March 2013

In line with the above Fleet Strategy, the ANA Group's operating fleet increased by four aircraft from a year earlier to 230 aircraft as of March 31, 2013.

Newly Introduced Aircraft

During the fiscal year ended March 2013, the ANA Group purchased 20 new aircraft. The aircraft consisted of three Boeing 777-200s, 11 Boeing 787-8s, four Boeing 737-800s, and two Bombardier DHC-8-400s.

In addition, the ANA Group purchased one Boeing 777-200, five Boeing 737-500s, and two Bombardier DHC-8-300s upon the completion of their lease term.

Leased-in Aircraft

The ANA Group had leased-in four aircraft during the year ended March 31, 2013. All were Airbus A320-200s leased-in for use by AirAsia Japan.

The ANA Group aircraft leased back two Boeing 777-200s and one Boeing 767-300 after sale.

Retired Aircraft

The ANA Group retired 19 aircraft, returning four after lease and selling or disposing of 15. The aircraft consisted of three Boeing 747-400s (sold), six Boeing 767-300s (sold), seven Airbus A320-200s (four returned, three sold), one Boeing B737-500 (sold), and two Bombardier DHC-8-300s (sold).

The ANA Group aircraft leased back two Boeing 777-200s and one Boeing 767-300 after sale.

Leased-out Aircraft

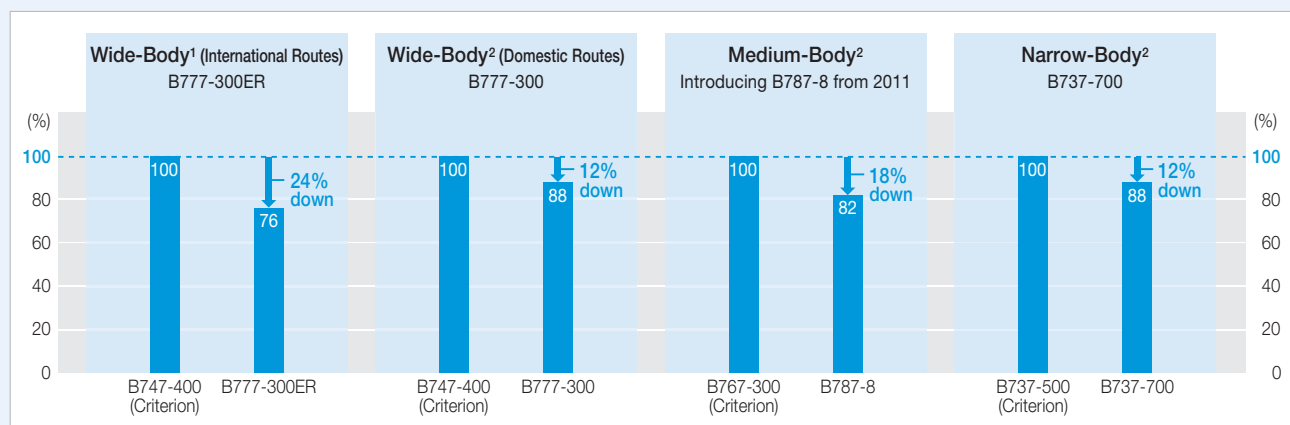
As of March 31, 2013, the ANA Group increased aircraft leased outside the Group to a total of 13 aircraft, adding two Boeing 737-700s and two CRJ700s and subtracting one Boeing 737-500 and two Boeing 737-400s. The 13 aircraft encompassed one Boeing 767-300, two Boeing 737-700s, three Boeing 737-500s, two Boeing 737-400s, and five CRJ700s.

Aircraft in Service

As of March 31, 2013	Total	Owned	Leased
Boeing 747-400	5 (-3)	5 (-3)	0
Boeing 777-300	26	23	3
Boeing 777-200	26 (+3)	20 (+2)	6 (+1)
Boeing 787-8	17(+11)	17(+11)	0
Boeing 767-300	51 (-6)	31 (-7)	20 (+1)
Boeing 767-300F (Cargo freighter)	9	7	2
Boeing 737-800	21 (+4)	20 (+4)	1
Boeing 737-700	16 (-2)	13 (-1)	3 (-1)
Boeing 737-500	16	14 (+5)	2 (-5)
Airbus A320-200	22 (-3)	18 (-3)	4
Bombardier DHC-8-400	20 (+2)	7 (+2)	13
Bombardier DHC-8-300	1 (-2)	1	0 (-2)
Total	230 (+4)	176(+10)	54 (-6)

- Notes: 1. Figures in parentheses show changes from the previous fiscal year-end.
 2. The above table includes four Airbus A320-200s aircraft, all of which are leased in for operation by AirAsia Japan.
 3. The above table does not include aircraft leased outside the ANA Group (13 aircraft as of March 31, 2013, 12 aircraft as of March 31, 2012).

Fuel Consumption by Aircraft Type



- Notes: 1. Figures are based on Narita–New York route.
 2. Figures are per seat and based on Tokyo–Sapporo route, domestic-use aircraft with full capacity.

Interest-Bearing Debt

As of March 31,	Yen (Millions)		
	2013	2012	2011
Short-term loans:			
Short-term bank loans	¥ 250	¥ —	¥ 166
Current portion of long-term loans	110,589	115,962	115,036
Current portion of bonds and notes	20,000	—	20,000
Current portion of finance lease obligation.....	11,762	11,443	11,193
	142,601	127,405	146,395
Long-term debt (excluding current portion):			
Loans, principally from banks.....	621,806	716,663	665,161
Bonds.....	105,000	95,000	95,000
Finance lease obligations	27,727	24,589	32,263
	754,533	836,252	792,424
Total interest-bearing debt	¥897,134	¥963,657	¥938,819

Aircraft Procurement Plan for the Fiscal Year Ending March 2014

The ANA Group's aircraft procurement plan for the fiscal year ending March 2014 involves the introduction of 17 aircraft to ensure that the Group takes advantage of business opportunities available from creating and stimulating new demand, primarily on international routes. This will include 10 Boeing 787s, three Boeing 777-200ER aircraft, three Boeing 737-800 aircraft, and one Bombardier DHC-8-400 aircraft. On the other hand, the Group plans to continue to integrate the number of aircraft type and to steadily improve its cost structure by aggressively introducing fuel-efficient aircraft. The Group therefore plans to retire a total of 16 aircraft, including the five Boeing 747-400s it now owns, during the fiscal year ending March 2014.

Financial Position

Assets

As of March 31, 2013, total assets increased ¥134.6 billion from a year earlier to ¥2,137.2 billion.

Current assets increased ¥168.9 billion from a year earlier to ¥717.7 billion, primarily because cash on hand increased due to the issue of new shares. Marketable securities increased ¥96.0 billion, and accounts receivable decreased ¥3.4 billion. Liquidity available from cash on hand and in banks and marketable securities increased ¥140.6 billion.

Total non-current assets decreased ¥35.8 billion from a year earlier to ¥1,417.8 billion. Property and equipment decreased ¥23.5 billion, and deferred income taxes – non-current decreased because expanded profitability reduced tax loss carry-forwards. The ANA Group purchased 20 new aircraft, leased-in four aircraft, purchased eight aircraft upon the completion of their lease term, returned four leased aircraft, sold 15 aircraft, and leased back three aircraft after sale. Flight equipment therefore increased

¥91.0 billion, while leased assets decreased ¥4.4 billion from a year earlier, and the total of construction in progress and advance payments on aircraft purchase contracts decreased ¥96.3 billion.

Liabilities

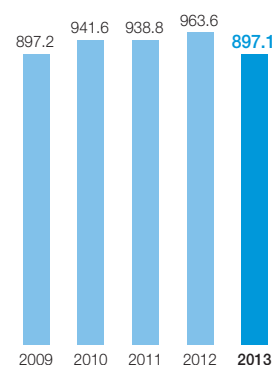
Total liabilities as of March 31, 2013 decreased ¥83.5 billion from a year earlier to ¥1,364.1 billion. Debt repayment and other factors more than offset new borrowings and bond issues to raise funds.

Current liabilities decreased ¥2.6 billion from a year earlier to ¥458.3 billion. Bonds due for redemption within one year totaling ¥20.0 billion moved from long-term debt to the current portion of long-term debt, and factors such as higher advance ticket sales resulted in an increase of ¥10.1 billion in other current liabilities. On the other hand, the current portion of long-term loans decreased ¥5.3 billion, and accounts and notes payable decreased ¥22.5 billion.

Long-term liabilities decreased ¥80.9 billion from a year earlier to ¥905.7 billion, largely because of a ¥94.8 billion decrease in long-term debt, less current portion and finance lease obligations, from a year earlier as the ANA Group controlled new borrowings and made scheduled debt repayments. This decrease was partially offset by a ¥10.0 billion net increase in long-term debt resulting from the issue of new bonds totaling ¥30.0 billion and the shift of ¥20.0 billion in bonds due within one year to current liabilities.

Interest-bearing debt including finance lease

Interest-Bearing Debt
(¥ Billions)



Retirement Benefit Obligation and Related Expenses

As of / Years ended March 31,	Yen (Millions)		
	2013	2012	2011
Retirement benefit obligation	¥(299,651)	¥(265,140)	¥(269,579)
Plan assets at fair value	108,418	96,072	95,924
Unfunded retirement benefit obligation.....	(191,233)	(169,068)	(173,655)
Net amount unrecognized	60,456	42,993	50,267
	(130,777)	(126,075)	(123,388)
Prepaid pension cost.....	13	—	12
Accrued employees' retirement benefits	¥(130,790)	¥(126,075)	¥(123,400)
Net periodic pension and severance cost	¥ (23,295)	¥ (23,331)	¥ (22,705)
Discount rate.....	1.1 ~ 2.5%	1.5 ~ 2.5%	1.6 ~ 2.5%

obligations therefore decreased ¥66.5 billion from a year earlier to ¥897.1 billion.

The debt/equity ratio decreased to 1.2 times from 1.8 times a year earlier.

Net Assets

As of March 31, 2013, net assets increased ¥218.2 billion from a year earlier to ¥773.1 billion.

Common stock increased ¥87.4 billion from a year earlier to ¥318.7 billion because of the issue of new shares. Capital surplus increased ¥86.2 billion from a year earlier to ¥281.9 billion. Retained earnings increased ¥33.0 billion from a year earlier to ¥150.6 billion, reflecting net income after payment of cash dividends.

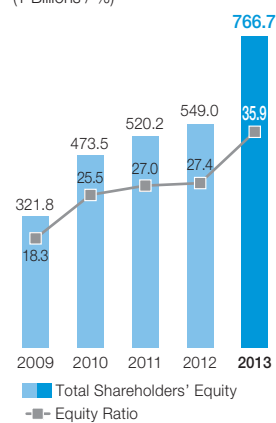
Accumulated other comprehensive income totaled ¥17.2 billion, an increase of ¥8.8 billion from a year earlier. Factors included an increase of ¥3.3 billion in deferred gain on hedging instruments for fuel and foreign exchange hedging transactions.

As a result, total shareholders' equity, defined as shareholders' equity plus accumulated other comprehensive income, increased ¥217.7 billion from a year earlier to ¥766.7 billion. The equity ratio increased 8.5 percentage points to 35.9% from 27.4% a year earlier.

Book value per share (BPS) increased ¥0.17 to ¥218.41 from ¥218.24 at the end of the previous fiscal year.

Total Shareholders' Equity / Equity Ratio

(¥ Billions / %)



Bond Ratings

ANA Holdings Inc. has obtained ratings on its long-term debt from Japan Credit Rating Agency, Ltd. (JCR) and Rating and Investment Information, Inc. (R&I).

Bond ratings as of March 31, 2013 are as follows:

	JCR (Revised October 2007)	R&I (Revised September 2007)
Issuer rating	A-	BBB+
Long-term senior debt	A-	
Commercial paper	J-1	a-2
Outlook	December 2010 Negative → Stable	January 2011 Negative → Stable

Retirement Benefit Obligation

The ANA Group and its domestic consolidated subsidiaries have defined benefit plans that encompass welfare pension fund plans, defined benefit corporate pension plans and lump-sum retirement benefit plans. The ANA Group has adopted defined contribution pension plans as well as defined benefit pension plans. Certain employees, such as those who participate in the ANA Group's early retirement program, are entitled to premium retirement benefits.

Fuel Price and Exchange Rate Hedging

The ANA Group has been conducting hedge transactions with the objective of equalizing operating expenses by controlling the risk of fluctuations in fuel prices and foreign exchange rates, which significantly affect operating expenses. Moreover, the ANA Group has shifted the objective of its hedging policies to stabilizing operating income in addition to equalizing expenses because recent business expansion centered on international routes has increased the need to control the risk of fluctuation in operating revenues.

For fuel hedging, the ANA Group flexibly targets the optimum hedging ratio for stabilizing operating income in consideration of increases or decreases in operating revenues centered on fuel surcharges and fluctuations in fuel prices. The ANA Group conducts fuel hedging 2.5 years in advance of the applicable period. As of April 2013, the Group had a hedge ratio of approximately 35% for the fiscal year ending March 2014, approximately 15% for the fiscal year ending March 2015, and approximately 5% for the fiscal year ending March 2016.

For foreign exchange, the ANA Group hedges recurring U.S. dollar payments for fuel and parts for aircraft maintenance, and U.S. dollar payments associated with capital expenditure for aircraft and other items, beginning 2.5 years prior to the applicable period. The Group allocates foreign-currency revenues to payment of foreign-currency expenses, and uses forward exchange agreements to hedge any portion of foreign-currency expenses in excess of foreign-currency revenues. The Group determines the forward exchange agreements needed for hedging based on operating revenues denominated in foreign currencies, which have been increasing because of business expansion on international routes. As of April 2013, the Group had a hedge ratio for recurring U.S. dollar payments of approximately 40% for the fiscal year ending March 2014, approximately 15% for the fiscal year ending March 2015, approximately 5% for the fiscal year ending March 2016.

Fuel Price Sensitivity

Fuel price sensitivity for the fiscal year ending March 2014 without hedging is as follows (beginning of the fiscal year):

- Change of US\$1/BBL for crude oil
- Fuel cost: Approximately ¥2.3 billion per year

Foreign Exchange Rate Sensitivity

Based on the business plan for the fiscal year ending March 2014, operating income sensitivity is as follows (beginning of the fiscal year):

- ¥1 depreciation versus US\$1 (and similar depreciation versus other foreign currencies)
- Operations income: Approximately ¥0.8 billion decrease

* Fuel expenses are pro forma calculations including hedge effectiveness based on a 40% foreign currency hedge ratio.

Allocation of Profits

Basic Policy on Allocation of Profits

Shareholder returns are an important management priority for ANA Holdings Inc. Given an increasingly challenging operating environment, ANA Holdings balances its desire to increase shareholder returns with considerations of trends in business results for the relevant fiscal year. ANA Holdings also takes into account its need to make substantial capital expenditures to secure a stable operating base and greater profitability over the medium-to-long term. In addition, ANA Holdings considers its responsibility for strengthening its finances to support future business development.

Dividends for the Fiscal Year Ended March 2013 and Plans for the Fiscal Year Ending March 2014

For the fiscal year ended March 2013, ANA Holdings paid cash dividends of ¥4.00 per share after due consideration of factors including results for the fiscal year, its financial condition and the future operating environment.

ANA Holdings will base the allocation of profits for the fiscal year ending March 2014 on accomplishments under ANA Group FY2013-2015 Corporate Strategy. For the fiscal year ending March 2014, ANA Holdings expects to pay cash dividends of ¥4.00 per share based on its performance forecast (announced April 30, 2013).

Operating Risks

The following risks could have a significant effect on the judgment of investors in the ANA Group. Further, the forward-looking statements in the following section are the ANA Group's judgments as of March 31, 2013.

(1) Risk of Economic Recession

The airline industry is susceptible to the effects of economic trends. Continued economic malaise in Japan could reduce demand for air travel by slowing personal consumption and reducing corporate earnings. In addition, weakness in the international economy could affect Group performance by reducing air passenger demand and stalling distribution of goods. This is particularly the case for Asia because it is the focus on the ANA Group's management strategy for the future. Furthermore, the low birthrate and aging of society affecting the composition of Japan's population, combined with the hollowing out of industry as manufacturing moves overseas, are expected to lead to a decline in domestic and international air travel demand over the medium-to-long term.

(2) Risk from the Impact of the Nuclear Power Station Accident

The government has announced that the nuclear reactors at the Fukushima Daiichi Nuclear Power Station are in cold shutdown, but the surrounding area is still designated as a restricted zone. The government would be likely to expand existing no-fly zones or establish new ones if the effects of the accident expand further or a similar accident occurs, which could stop service on existing routes and affect operations on domestic routes. Such conditions could also significantly affect passenger and cargo demand from overseas to Japan and from other areas of Japan to the stricken areas.

In addition, the occurrence of electricity supply restrictions and large-scale power outages could reduce air travel demand by slowing domestic economic activity or rendering the ANA Group unable to maintain the operation of required systems such as reservation and operational control systems, which could affect the provision of services and flights.

(3) Risks Related to the ANA Group's Management Strategy

1. Risks Related to the ANA Group's Fleet Strategy

In air transportation operations, the ANA Group is pursuing a Fleet Strategy centered on using medium-body and small-size aircraft, integrating aircraft models, and introducing highly economical aircraft. This strategy involves ordering aircraft from The Boeing Company, Bombardier Inc. and Mitsubishi Aircraft Corporation. Delays in delivery from any of the three companies for financial or other reasons could create obstacles to the ANA Group's medium-to-long-term operations.

In addition, elements of the Fleet Strategy could prove ineffective or their expected benefits could diminish significantly due to the factors given below.

Dependence on The Boeing Company

In accordance with the above Fleet Strategy, the Company had ordered 73 aircraft as of March 31, 2013, 57 of which were ordered from The Boeing Company (Boeing). Therefore, should financial or other issues render Boeing unable to fulfill its agreements with the ANA Group or companies such as those that maintain Boeing products, the Group would be unable to acquire or maintain aircraft in accordance with its Fleet Strategy. Such eventualities could significantly affect the ANA Group's performance.

The ANA Group plans to prioritize the introduction of Boeing 787 aircraft, which can operate on long-haul routes despite being a medium-body aircraft and is highly fuel efficient because it is lighter. Delivery of this aircraft was delayed several times, but the ANA Group received its first Boeing 787-8 aircraft on September 26, 2011 Japan time, and had taken delivery of 17 Boeing 787-8s as of March 31, 2013.

The ANA Group plans to introduce the large-capacity 787-9 aircraft in the future. Significant delays in future scheduled deliveries of the Boeing 787-9 and related parts could adversely affect the ANA Group's medium-to-long-term operations.

Significant changes in passenger impressions of Boeing 787s since these aircraft were grounded following an incident on ANA Flight 692 on January 16, 2013 could affect the ANA Group's operations.

Delay of Aircraft Development Plan by Mitsubishi Aircraft Corporation

In accordance with the above Fleet Strategy, the ANA Group has decided to introduce the Mitsubishi Regional Jet (MRJ) that Mitsubishi Aircraft Corporation is developing. Delivery was planned to start from the fiscal year ending March 2014, but the decision has been made to delay delivery by approximately two years. Further delivery delays could create obstacles to the ANA Group's medium-to-long-term operations.

2. Risks Related to the International Competitiveness of Haneda Airport and Narita Airport

The ANA Group's international passenger operations employ a hub-and-spoke strategy that uses Haneda Airport and Narita Airport as hubs. However, landing and navigation fees at Haneda Airport and Narita Airport are higher than at international airports overseas, and airspace, times and slots available for flight arrivals and departures are subject to various restrictions. Access to Narita Airport from central Tokyo also takes considerable time.

Reduced competitiveness of Haneda Airport and Narita Airport as international airports relative to international airports in other countries, primarily in Asia, could reduce demand at both airports for connecting flights between North America or Europe and Asian countries. This could affect the operations of the ANA Group, which uses both airports as hubs.

3. Risks Related to Flight Slots

The ANA Group has made various investments and operational changes to take advantage of significant business opportunities created by the expansion of capacity at the two Tokyo-area airports, including the opening of a new runway at Haneda Airport and the introduction of a simultaneous

arrival and departure system at Narita Airport. The current 390 thousand annual arrival and departure slots at Haneda Airport are planned to increase to 447 thousand slots during the fiscal year ending March 2014 at the earliest. While the specific allocation of the increased slots for domestic routes for the summer 2013 timetable onward has been announced, the specific allocation of slots for international routes up to the summer 2014 timetable not been completely finalized. In addition, the current 270 thousand arrival and departure slots at Narita Airport are planned to increase to a final 300 thousand slots during the year ending March 2015 at the earliest, although the allocation of the increased slots has not been decided. Given these circumstances, variance between the actual increase in the number of arrival and departure slots, slot allocation and timing of expansion of the two Tokyo-area airports (Haneda and Narita) and the ANA Group's projections could affect achievement of the targets of the ANA Group management strategy.

4. Risks Related to Cargo Business Strategy

The transportation of semiconductors, electronics and automotive parts accounts for a certain percentage of the ANA Group's air cargo operations. Conditions in the semiconductor and electronics markets and periodic fluctuations in automobile production may therefore affect the Group. Furthermore, changes in industry structure, the hollowing out of industry due to the shift of manufacturing overseas, and changes in supply chains may also reduce cargo demand.

The international cargo business, including the express business, is highly dependent on shipments of cargo to and from China and other parts of Asia. Economic conditions in Asia may cause the volume of cargo the ANA Group handles and shipping prices to decrease.

5. Risks Related to the LCC Business

The ANA Group has made equity investments and is now operating in the LCC business. However, the ability of the LCC business model to generate sustained earnings in Japan as it does overseas is not clear because of conditions inherent in Japan, including high landing and navigation fees, the scarcity of uncongested secondary airports and the concentration of population in Tokyo. The ANA Group might not obtain the desired results from entering the LCC business if it fails to achieve the objective of creating new airline demand, competition intensifies with domestic or overseas LCCs, or a large number of passengers switch from ANA flights to LCCs. Moreover, the ANA Group may be exposed to economic costs if the interests of equity investors do not align, the joint venture does not operate in a manner the Group considers appropriate, or if joint venture operations deteriorate. In addition, equity investors other than ANA may experience poor results or withdraw from the LCC business.

6. Risks Related to the Multi-brand Strategy, Group Reorganization and Cost Restructuring

The Group has three pivot points in strengthening its operating fundamentals: a Multi-Brand Strategy, Group Reorganization and Cost Restructuring.

However, the Multi-Brand Strategy involves the risk that the LCC business may not succeed as described in "5. Risks Related to the LCC

Business" above, and the risk that operating an LCC business within the same group may damage the value of the ANA brand.

Furthermore, Group Reorganization does not guarantee that the transition to a holding company structure will improve management efficiency, and the transition to a holding company structure may preclude the implementation of measures as planned.

In addition, the success of Cost Restructuring is uncertain due to factors such as the need to obtain approval from third parties for some of the measures being implemented, and lowering the quality of services provided may make the Group less competitive.

As part of its management strategy, the ANA Group may invest in or acquire other companies. These investments may not have the expected effect, and may incur unforeseen losses.

7. Risks Related to Strategic Investments

The ANA Group may enter new businesses and invest in or acquire other companies to further expand its business in growth areas. These initiatives may not have the intended effects. The Group may also expand into foreign countries, primarily in Asia, and enter into businesses with little relation to the airline business. These initiatives may incur unforeseen losses.

(4) Risks Related to Crude Oil Price Fluctuations

Jet fuel is a crude oil derivative and its price tracks the price of crude oil. Variance that exceeds ANA Group estimates for factors that affect the price of crude oil, including political instability in oil-producing countries, increased demand for crude oil due to rapid economic growth in emerging countries, reduction in oil stockpiles or reserves, speculative investment in crude oil, and natural disasters can affect the ANA Group's performance as follows.

1. Risk of Increase in Crude Oil Prices

Generally, an increase in the price of crude oil causes an increase in the price of jet fuel, which imposes substantial additional costs on the ANA Group. Accordingly, to control the risk of fluctuations in the price of jet fuel and to stabilize operating income, ANA hedges risks using crude oil and jet fuel commodity derivatives in planned, continuous hedging transactions for specific periods of time. The Company's hedging transactions are limited to a certain percentage of scheduled purchases of fuel in Japan and overseas, with plans for hedging volume set quarterly. Individual hedge transactions are maintained within limits that are set in such a way that the Company's transactions will not affect the spot market, and margins are settled monthly without any physical delivery.

The ANA Group has a hedge ratio of approximately 30% to 40% of fuel volume it expects to procure during the fiscal year ended March 2014. Because the prices of hedging instruments generally rise in tandem with the markets, in the event that crude oil prices rise further in the future, there are limitations to the ANA Group's ability to offset increases in crude oil prices through the cost reductions it is implementing and higher fares and charges, which could affect the ANA Group's performance over the medium-to-long term.

2. Risk of Sudden Decrease in Crude Oil Prices

The ANA Group hedges against changes in the price of crude oil. Therefore, a sudden decrease in oil prices during a given fiscal year may not directly contribute to earnings because hedge position and other market conditions may preclude the immediate reflection of a sudden drop in crude oil prices in results.

(5) Risks Related to Pandemic Illnesses Including New Strains of Influenza

All of the ANA Group's businesses including but not limited to its international routes are exposed to the risk of decreased demand due to the outbreak and spread of major illnesses including new strains of influenza. The spread of disease and the harm it may cause, including reduced desire to travel by air among customers due to rumors, could affect the ANA Group's performance by causing the number of passengers on the ANA Group's domestic and international routes to drop sharply.

Furthermore, more employees and contractors than expected could fall ill due to the spread or increased virulence of highly contagious new strains of influenza and other diseases, which could affect the continuity of the ANA Group's operations.

The above risks could also apply to the avian influenza (H7N9) currently spreading in China if human-to-human infection is documented, which could lead to an outbreak.

(6) Risks Related to Foreign Exchange Rate Fluctuations

Jet fuel purchases account for a significant share of the ANA Group's expenses and are conducted in foreign currencies. Therefore, depreciation of the yen significantly affects the ANA Group's profits. On the other hand, appreciation of the yen has an increasingly large effect on ANA Group revenues because of growth in revenue from international routes. Accordingly, to the greatest extent possible, foreign currency taken in as revenue is used to pay expenses denominated in the same foreign currency, thereby minimizing the risk of foreign exchange rate fluctuations. In addition, the Group uses forward exchange agreements and currency options for a portion of the foreign currency needed for its jet fuel and aircraft purchases to limit the impact on operating income from the risk of fluctuations in foreign exchange rates and to stabilize and control payment amounts.

(7) Risks Related to the International Situation

The ANA Group currently operates international routes, primarily to North America, Europe, China and elsewhere in Asia. Incidents including political instability, international conflicts, large-scale terrorist attacks, or deterioration in diplomatic relations with countries where the Group operates could affect the ANA Group's performance due to the accompanying decrease in demand for travel on these international routes.

The tensions on the Korean Peninsula that have been in the news may also incur the above risks.

(8) Risks Related to Statutory Regulations

As an airline operator, the ANA Group undertakes operations based on the stipulations of statutory regulations relating to airline operations. The Group is required to conduct passenger operations and cargo operations on international routes in accordance with the stipulations of international agreements, including treaties, bilateral agreements, and the decisions of the International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO). The ANA Group's fares, airspace, operating schedule and safety management are subject to a variety of constraints due to these regulations. Further, the Group's operations are constrained by Japanese Antitrust Law and similar laws and regulations in other countries with regard to the pricing of fares and charges.

(9) Risks Related to Litigation

The ANA Group's businesses are subject to various lawsuits that could affect the ANA Group's performance. Moreover, the following may result in lawsuits or other legal action in the future, which could result in similar investigations in other countries and regions.

U.S. Price Fixing Allegations

In October 2010, the ANA Group agreed to a plea bargaining arrangement in connection with a U.S. Department of Justice (USDOJ) investigation of charges including price fixing for international air cargo and passenger operations upon due consideration of the circumstances surrounding the investigation. Also in October 2010, ANA agreed to settle a class action suit in connection with cargo services related to the USDOJ investigation.

No specific damages have been sought in a class action suit in connection with passenger operations, making detailed analysis of the situation difficult at this time.

(10) Risks Related to Public-Sector Fees

Public-sector fees include jet fuel taxes and landing and navigation fees. The Japanese government is currently implementing temporary measures to reduce jet fuel taxes and landing fees but could scale back or terminate these measures in the future, which could affect the ANA Group's performance.

(11) Risks Related to Environmental Regulations

In recent years, numerous Japanese and overseas statutory environmental protection regulations have been introduced or strengthened with regard to such issues as noise, aircraft emissions of CO₂ and other greenhouse gases, use of environmentally polluting substances and their disposal, and energy use at major offices. Compliance with such statutory regulations imposes a considerable cost burden on the Group and business activities may be constrained or additional significant expenses incurred if current regulations are strengthened or if new regulations, such as changes to the European Union Emission Trading System or environmental taxes, are introduced by the governments of EU countries.

(12) Risks Related to the Operating Environment of the Airline Industry

The operating environment of the airline industry is changing dramatically. The progress of government Open Skies policies, the rise of LCCs, the restoration of bankrupt airlines to competitiveness through public support and corporate rehabilitation procedures, and mergers and acquisitions among existing airline companies are among the developments taking place as significant changes occur in the competitive environment.

Within Japan, changes to aviation policy, material changes in the current competitive and operating environment, or changes in the operations of our competitors could affect the Group's profitability.

(13) Risks Related to Competition

The possibility of future increases in costs related to the ANA Group's air transportation operations due to such factors as jet fuel expenses, the cost of raising funds, and responses to environmental regulations cannot be denied. If such costs increase, in order to secure income, it is necessary for the Group to reduce indirect fixed costs, reduce costs by enhancing efficiency through the standardization of aircraft types, and pass on costs through higher fares and charges.

However, because the Group is in competition with other airlines and LCCs in Japan and overseas as well as with alternative forms of transportation, such as the Shinkansen, on certain routes, passing on costs could diminish competitiveness. Further, because price competition with competitors greatly restricts the passing on of costs, an increase in costs could affect the ANA Group's performance.

(14) Risks Related to Ineffective Strategic Alliances

Mainly through its membership in the Star Alliance, the ANA Group enjoys a variety of benefits, including not only customer mix, network expansion and market diversification as a result of heightened name recognition outside Japan, but also the sale of tickets by alliance partners (code-sharing) and the usage of its flights by members of other companies' mileage plans.

Based on antitrust immunity (ATI) approval, joint venture flights were introduced in collaboration with United Airlines in the network between Japan and the United States, and with Lufthansa in the network between Japan and Europe. Furthermore, Lufthansa group companies Swiss International Air Lines and Austrian Airlines also joined the joint venture on April 1, 2013.

However, the benefits of Star Alliance membership might diminish if the alliance is broken up by antimonopoly laws in various countries; an alliance partner withdraws from the Star Alliance or changes its business policies; another alliance group becomes more competitive; bilateral alliances between member companies end; an alliance partner performs poorly, restructures or becomes less creditworthy; or restrictions on alliance activities are tightened due to external factors. Such eventualities could affect the ANA Group's performance.

(15) Risks Related to Flight Operations

1. Aircraft Accidents

An aircraft accident involving a flight operated by the ANA Group or a code-share partner could cause a drop in customer confidence, creating a medium-to-long-term downturn in demand that could affect the Group's performance. On June 20, 2012, ANA Flight 956 experienced flight instability, and the aircraft was partially damaged during landing. On January 16, 2013, Flight 692 made an emergency landing. MLIT's Transport Safety Board is now determining the cause of these and other incidents, with announcement of the final results of these investigations planned in the future.

A major accident suffered by a competitor could similarly lead to a reduction in aviation demand that could affect the Group's performance. An aircraft accident would give rise to significant expenses including compensation for damages and the repair or replacement of aircraft, but aviation insurance would not cover all such direct expenses.

2. Technical Circular Directives

If an issue arises that significantly compromises the safety of an aircraft, MLIT by law issues a technical circular directive. In some cases, all aircraft of the same model are grounded until the measures to improve the airworthiness of the aircraft and equipment have been implemented as directed. Even when the law does not require a directive to be issued, in some cases when safety cannot be confirmed from a technical perspective, operation of the same model is voluntarily suspended, and repairs or replacements made. The occurrence of such a situation could affect the ANA Group's safety credibility or performance. Of particular note, the ANA Group has been consolidating its fleet around the Boeing 787 and other new models. The discovery of a design flaw or technical issue with new aircraft upon which the Group depends could profoundly affect the Group's performance.

(16) Risks Related to Unauthorized Disclosure of Customer Information

The ANA Group holds a large amount of information relating to customers, such as that pertaining to the approximately 24.90 million members (as of the end of March 2013) of the ANA Mileage Club. The Personal Information Protection Law requires proper management of such personal information. The ANA Group has established a privacy policy, apprised customers of ANA's stance regarding the handling of personal information, and established full measures to ensure information security, including in its IT systems. In addition, work procedures and information systems are continuously monitored and revised when needed to eliminate any potential security gaps. Despite these precautions, the occurrence of a major leak of personal information caused by unauthorized access, an error in conducting business or some other factor could carry significant cost, in terms of both compensation and loss of public confidence, which could affect the Group's performance.

(17) Risks Related to Disasters

The extended closure of airports or flight path restrictions due to disasters including an earthquake, a tsunami, a flood, a typhoon, heavy snow, a volcanic eruption, an infectious disease, a strike, or a riot in the future could impact flights using affected airports and routes or result in significantly reduced demand for air transportation, which could affect the ANA Group's performance.

In particular, the ANA Group's data center is located in the Tokyo area, while the operational control for all of the ANA Group's domestic and international flights is conducted at Haneda Airport. Further, more than 60% of the ANA Group's passengers on domestic routes use Haneda Airport, and 80% or more of the Group's passengers on international routes use Haneda Airport or Narita Airport. As a result, a major disaster, such as an earthquake or a typhoon, in the Tokyo area; a disaster, such as a fire; or a strike that closes or limits access to the above-mentioned facilities could lead to a long-term shutdown of the ANA Group's information systems, operational control functions or its operations themselves that could significantly affect the ANA Group's performance.

(18) Risks Related to Income and Expense Structure

Fixed costs such as aircraft expenses and personnel expenses, along with expenses that are largely unaffected by aircraft capacity utilization rates such as fuel expenses and landing and navigation fees, account for a significant proportion of the ANA Group's costs, which limits the Group's ability to immediately change the scale of its operations in response to changes in economic conditions. Therefore, decreases in the number of passengers or volume of cargo could affect the ANA Group's income and expenses.

Moreover, a significant decrease in demand during the summer could affect the Group's performance for that fiscal year because passenger service sales typically increase during summer.

(19) Risks Related to IT Systems

Customer service and air transportation operations are highly dependent on information systems for such critical functions as reservations and sales, boarding procedures, operational control, and operational management. A major disruption of one of those systems or of telecommunications networks caused by natural disaster, accident, computer virus or unauthorized access would make it difficult to maintain customer service and operations and would result in a loss of public confidence, which could affect the ANA Group's performance. Further, the ANA Group's information systems are also used by its strategic partners, so the impact of systems failure would not be limited to the ANA Group.

A large-scale power outage or mandated electricity conservation could cause concerns about insufficient supply of electricity to operate key ANA systems including reservations and operational management, and could affect ANA's ability to maintain system operations.

(20) Risks Related to Personnel and Labor

1. Risks Related to Strikes

Many ANA Group employees belong to labor unions. Events including a collective strike or work stoppage by ANA Group employees, or sabotage could affect the operation of ANA Group aircraft.

2. Risk of Inability to Secure Required Flight Crews or Other Personnel

The start of LCC flights and other factors have increased demand for flight crews and other personnel. At the same time, a certain amount of time is required to cultivate and train flight crews and other personnel. Inability to secure the required number of competent flight crews and other personnel in a timely manner could affect the ANA Group's performance.

(21) Financial Risks

1. Increase in the Cost of Raising Funds

The ANA Group raises funds to acquire aircraft primarily through bank loans, share issuances and bond issuances. However, the cost of raising funds could increase due to deteriorating conditions in the airline industry; turmoil in capital and financial markets; changes in the tax system; changes in government interest rate policy; changes to the guarantee systems at governmental financial institutions; or a downgrade of the ANA Group's credit rating that makes it difficult or impossible to raise funds on terms advantageous to the Group. Such eventualities could affect the ANA Group's performance.

2. Risks Related to Asset Impairment or Other Issues

The ANA Group owns extensive property and equipment as a function of its businesses. If the profitability of various operations deteriorates, or a decision is made to sell an asset, the ANA Group may be required to recognize asset impairment losses on property and equipment or loss on sale of property and equipment in the future.

Consolidated Balance Sheet

ANA HOLDINGS INC. and its consolidated subsidiaries
As of March 31, 2013 and 2012

ASSETS	Yen (Millions)		U.S. dollars (Thousands) (Note 3)
	2013	2012	2013
Current assets:			
Cash on hand and in banks	¥ 86,459	¥ 41,867	\$ 919,287
Marketable securities (Note 4).....	333,134	237,104	3,542,094
Accounts receivable, less allowance for doubtful accounts (¥577 million (\$6,135 thousand) in 2013 and ¥1,160 million in 2012) ...	143,208	125,562	1,522,679
Accounts receivable from and advances to non-consolidated subsidiaries and affiliates	1,199	1,857	12,748
Inventories	55,474	49,859	589,835
Deferred income taxes – current (Note 9).....	27,581	30,269	293,258
Prepaid expenses and other current assets	70,645	62,201	751,143
Total current assets	717,700	548,719	7,631,047
Investments and long-term receivables:			
Investments in securities (Note 4).....	40,050	32,157	425,837
Investments in and advances to non-consolidated subsidiaries and affiliates (Note 5)	31,932	29,865	339,521
Lease and guaranty deposits.....	11,247	11,662	119,586
Other long-term receivables.....	23,268	19,383	247,400
Total investments and long-term receivables	106,497	93,067	1,132,344
Property and equipment (Notes 6 and 11):			
Flight equipment.....	1,474,990	1,433,274	15,683,040
Ground property and equipment.....	483,726	485,711	5,143,285
	1,958,716	1,918,985	20,826,326
Less accumulated depreciation	(930,676)	(968,232)	(9,895,544)
	1,028,040	950,753	10,930,781
Leased assets, net	22,822	27,305	242,658
Advance payments on aircraft purchase contracts	134,291	234,309	1,427,868
Construction in progress	11,209	7,508	119,181
Net property and equipment	1,196,362	1,219,875	12,720,489
Deferred income taxes – non-current (Note 9)	48,187	68,887	512,355
Other assets	68,496	72,022	728,293
Total assets	¥2,137,242	¥2,002,570	\$22,724,529

See accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Yen (Millions)		U.S. dollars (Thousands) (Note 3)
	2013	2012	2013
Current liabilities:			
Short-term loans, including current portion of long-term debt, and finance lease obligations (Note 6).....	¥ 142,601	¥ 127,405	\$ 1,516,225
Accounts and notes payable	160,879	179,473	1,710,568
Accounts payable to non-consolidated subsidiaries and affiliates ..	1,672	893	17,777
Advance ticket sales	82,100	71,192	872,939
Accrued expenses	42,190	51,159	448,591
Accrued income taxes	7,246	3,912	77,044
Asset retirement obligations (Note 8)	699	1,146	7,432
Other current liabilities	21,000	25,865	223,285
Total current liabilities	458,387	461,045	4,873,864
Long-term liabilities:			
Long-term debt, less current portion, and finance lease obligations (Note 6).....	754,533	836,252	8,022,679
Accrued employees' retirement benefits (Note 7).....	130,790	126,075	1,390,643
Deferred income taxes – non-current (Note 9).....	1,701	1,787	18,086
Asset retirement obligations (Note 8)	801	1,027	8,516
Other long-term liabilities	17,930	21,525	190,643
Total long-term liabilities	905,755	986,666	9,630,568
Commitments and contingent liabilities (Note 13)			
Net assets (Notes 9 and 12):			
Shareholders' equity	749,523	540,637	7,969,409
Common stock:			
Authorized – 5,100,000,000 shares			
Issued – 3,516,425,257 shares at March 31, 2013 and 2,524,959,257 shares at March 31, 2012	318,789	231,381	3,389,569
Capital surplus	281,969	195,723	2,998,075
Retained earnings	150,663	117,622	1,601,945
Less treasury common stock, at cost (5,937,475 shares at March 31, 2013 and 9,266,449 shares at March 31, 2012)....	(1,898)	(4,089)	(20,180)
Accumulated other comprehensive income	17,214	8,377	183,030
Net unrealized holding gain (loss) on securities	4,693	(140)	49,898
Deferred gain on hedging instruments	12,705	9,334	135,087
Foreign currency translation adjustments	(184)	(817)	(1,956)
Minority interests	6,363	5,845	67,655
Total net assets	773,100	554,859	8,220,095
Total liabilities and net assets	¥2,137,242	¥2,002,570	\$22,724,529

Consolidated Statement of Changes in Net Assets

ANA HOLDINGS INC. and its consolidated subsidiaries.
Years ended March 31, 2012 and 2013

	Yen (Millions)										
	Shareholders' equity					Accumulated other comprehensive income					
	Common stock (Note 12)	Capital surplus (Note 12)	Retained earnings (Note 12)	Less treasury common stock, at cost	Total shareholders' equity	Net unrealized holding gain (loss) on securities	Deferred gain on hedging instruments	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at March 31, 2011	¥231,381	¥196,330	¥ 94,892	¥(5,800)	¥516,803	¥ (810)	¥ 5,010	¥(749)	¥ 3,451	¥6,100	¥526,354
Cash dividends paid			(5,018)		(5,018)						(5,018)
Net income			28,178		28,178						28,178
Decrease resulting from purchase of treasury stock.....				(25)	(25)						(25)
Disposition of treasury stock.....		(607)		1,721	1,114						1,114
Changes in scope of consolidation and application of the equity method.....			(430)	15	(415)						(415)
Net changes of items other than shareholders' equity during the period						670	4,324	(68)	4,926	(255)	4,671
Total changes during the period	—	(607)	22,730	1,711	23,834	670	4,324	(68)	4,926	(255)	28,505
Balance at April 1, 2012	231,381	195,723	117,622	(4,089)	540,637	(140)	9,334	(817)	8,377	5,845	554,859
Issuance of common stock.....	87,408	87,408			174,816						174,816
Cash dividends paid			(10,062)		(10,062)						(10,062)
Net income			43,140		43,140						43,140
Decrease resulting from purchase of treasury stock				(389)	(389)						(389)
Disposition of treasury stock.....		(1,162)		2,639	1,477						1,477
Changes in scope of consolidation and application of the equity method.....			(37)	(59)	(96)						(96)
Net changes of items other than shareholders' equity during the period						4,833	3,371	633	8,837	518	9,355
Total changes during the period.....	87,408	86,246	33,041	2,191	208,886	4,833	3,371	633	8,837	518	218,241
Balance at March 31, 2013	¥318,789	¥281,969	¥150,663	¥(1,898)	¥749,523	¥4,693	¥12,705	¥(184)	¥17,214	¥6,363	¥773,100

	U.S. dollars (Thousands) (Note 3)										
	Shareholders' equity					Accumulated other comprehensive income					
	Common stock (Note 12)	Capital surplus (Note 12)	Retained earnings (Note 12)	Less treasury common stock, at cost	Total shareholders' equity	Net unrealized holding gain (loss) on securities	Deferred gain on hedging instruments	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at April 1, 2012	\$2,460,191	\$2,081,052	\$1,250,632	\$(43,476)	\$5,748,399	\$ (1,488)	\$ 99,245	\$(8,686)	\$ 89,069	\$62,147	\$5,899,617
Issuance of common stock.....	929,377	929,377			1,858,755						1,858,755
Cash dividends paid			(106,985)		(106,985)						(106,985)
Net income			458,692		458,692						458,692
Decrease resulting from purchase of treasury stock.....				(4,136)	(4,136)						(4,136)
Disposition of treasury stock.....		(12,355)		28,059	15,704						15,704
Changes in scope of consolidation and application of the equity method.....			(393)	(627)	(1,020)						(1,020)
Net changes of items other than shareholders' equity during the period						51,387	35,842	6,730	93,960	5,507	99,468
Total changes during the period.....	929,377	917,022	351,313	23,296	2,221,010	51,387	35,842	6,730	93,960	5,507	2,320,478
Balance at March 31, 2013	\$3,389,569	\$2,998,075	\$1,601,945	\$(20,180)	\$7,969,409	\$49,898	\$135,087	\$(1,956)	\$183,030	\$67,655	\$8,220,095

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

ANA HOLDINGS INC. and its consolidated subsidiaries
Years ended March 31, 2013, and 2012

	Yen (Millions)		U.S. dollars (Thousands) (Note 3)
	2013	2012	2013
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 70,876	¥ 63,431	\$ 753,599
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	123,916	119,268	1,317,554
Impairment loss	5,496	1,746	58,437
Loss on disposal and sale of property and equipment	7,125	4,789	75,757
(Decrease) increase in allowance for doubtful accounts.....	(291)	210	(3,094)
Increase in accrued employees' retirement benefits	5,179	2,212	55,066
Interest expenses	18,026	19,578	191,664
Interest and dividend income	(2,640)	(2,452)	(28,070)
Foreign exchange (gain)	(3,010)	(333)	(32,004)
Decrease (increase) in accounts receivable	3,102	(28,756)	32,982
(Increase) in other current assets	(8,152)	(6,197)	(86,677)
(Decrease) increase in accounts and notes payable—trade	(22,660)	20,049	(240,935)
Other, net	(1,682)	44,785	(17,884)
Cash generated from operations	195,285	238,330	2,076,395
Interest and dividends received	2,832	3,220	30,111
Interest paid	(18,310)	(19,866)	(194,683)
Income taxes paid.....	(6,119)	(5,299)	(65,061)
Other, net	(492)	(1,979)	(5,231)
Net cash provided by operating activities	173,196	214,406	1,841,531
Cash flows from investing activities:			
Payment for purchase of marketable securities	(761,670)	(231,730)	(8,098,564)
Proceeds from redemption of marketable securities	546,866	227,770	5,814,630
Payment for purchase of property and equipment	(149,705)	(181,196)	(1,591,759)
Proceeds from sale of property and equipment	44,441	40,577	472,525
Payment for purchase of intangible assets	(13,047)	(15,685)	(138,724)
Payment for purchase of investments in securities	(4,615)	(7,059)	(49,069)
Proceeds from sale of investments in securities.....	86	602	914
Payment for advances	(105)	(108)	(1,116)
Proceeds from collection of advances	524	956	5,571
Other, net	3,481	(450)	37,012
Net cash used in investing activities	(333,744)	(166,323)	(3,548,580)
Cash flows from financing activities:			
Increase (decrease) in short-term loans, net	250	(166)	2,658
Proceeds from long-term debt	17,499	180,481	186,060
Repayment of long-term debt	(117,729)	(128,053)	(1,251,770)
Proceeds from issuance of bonds	29,848	—	317,363
Repayment of bonds.....	—	(20,000)	—
Repayment of finance lease obligations	(11,810)	(11,950)	(125,571)
Proceeds from issuance of new stock by public offering and allocation to third party, net of issuance costs.....	173,718	—	1,847,081
Payment for dividends	(10,062)	(5,018)	(106,985)
Other, net	2,835	877	30,143
Net cash provided by financing activities	84,549	16,171	898,979
Effect of exchange rate changes on cash and cash equivalents	412	(26)	4,380
Net (decrease) increase in cash and cash equivalents	(75,587)	64,228	(803,689)
Cash and cash equivalents at beginning of year	265,834	201,606	2,826,517
Net increase resulting from changes in scope of consolidation	1,050	—	11,164
Cash and cash equivalents at end of year (Note 17)	¥ 191,297	¥ 265,834	\$ 2,033,992

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

ANA HOLDINGS INC. and its consolidated subsidiaries

1 Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of All Nippon Airways Co., Ltd. (the corporate name was changed to ANA HOLDINGS INC. on April 1, 2013; hereinafter referred to as "the Company") and its consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the

Company as required by the Financial Instruments and Exchange Act of Japan. In preparing the accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, the notes to the consolidated financial statements include information which is not required under accounting principles and practices generally accepted in Japan but is presented herein as additional information.

2 Summary of significant accounting policies

(a) Principles of consolidation and accounting for investments in non-consolidated subsidiaries and affiliates

The consolidated financial statements include the accounts of the Company and all of its significant subsidiaries (57 subsidiaries for 2013 and 62 subsidiaries for 2012). All significant inter-company accounts and transactions have been eliminated in consolidation.

Investments in certain subsidiaries and significant affiliates (19 companies for 2013 and 22 companies for 2012) are accounted for by the equity method of accounting. The difference between the cost and the underlying net equity in the net assets at dates of acquisition of consolidated subsidiaries and companies accounted for by the equity method of accounting is amortized using the straight-line method over a period of five years.

Investments in subsidiaries and affiliates which are not consolidated or accounted for by the equity method (65 companies for 2013 and 2012) are stated at cost. The equity in undistributed earnings of these companies was not significant.

Certain foreign subsidiaries have fiscal years ending on December 31 and necessary adjustments for significant transactions, if any, are made on consolidation.

(b) Foreign currency translation

The balance sheet accounts of foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except for components of shareholders' equity, which are translated at historic exchange rates. Revenues and expenses are translated at the rates of exchange prevailing when such transactions are made. Resulting translation differences are recorded in minority interests and in foreign currency translation adjustments under the net assets section of the consolidated balance sheet.

Foreign currency payables and receivables are principally translated at the rate of exchange in effect at the balance sheet date, except payables and receivables hedged by qualified forward exchange contract.

(c) Marketable securities and investment securities

The accounting standard for financial instruments requires that securities be classified into three categories: trading, held-to-maturity or other securities. Under the standard, trading securities are carried at fair value and held-to-maturity securities are carried at amortized

cost. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gains or losses, net of the applicable income taxes, included directly in net assets. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method. See Note 4.

(d) Allowance for doubtful receivables

A general provision is made for doubtful receivables based on past experience. Provisions are also made against specific receivables as and when required.

(e) Inventories

Inventories include aircraft spare parts, supplies and stock in trade of consolidated subsidiaries.

These are stated at cost principally based on the moving average method. Net book value of inventories in the consolidated balance sheet is written down when their net realizable values decline.

(f) Property and equipment and depreciation (excluding leased assets)

Property and equipment excluding leased assets are stated at cost less accumulated depreciation. Ground property and equipment includes ¥52,826 million (\$561,680 thousand), ¥56,545 million of land at March 31, 2013 and 2012, respectively. Depreciation of property and equipment is computed based on estimated useful lives by the following methods:

Aircraft	Straight-line method
Buildings	Straight-line method
Other ground property and equipment.....	Declining balance method

The Company and certain subsidiaries employ principally the following useful lives, based upon the Company's estimated durability:

Aircraft	17-20 years
Buildings	3-50 years

Major additions and improvements are capitalized at cost. Maintenance and repairs, including minor renewals and improvements, are charged to income as incurred.

The Company records impairment charges on long-lived assets used in operations when events and circumstances indicate that the assets may be impaired. The assets of the Company and its domestic

consolidated subsidiaries are grouped by individual property in the case of rental real estate, assets expected to be sold, idle assets, and by management accounting categories in the case of business assets. An impairment loss is required to be recognized when the carrying amount of the assets significantly exceeds their recoverable amount. See Note 18.

(g) Intangible assets and amortization (excluding leased assets)

Intangible assets included in other assets are amortized by the straight-line method. Cost of software purchased for internal use is amortized by the straight-line method over five years, the estimated useful life of purchased software.

(h) Stock issuance costs

New stock issuance costs are principally capitalized and amortized by the straight-line method over a period of three years.

(i) Bond issuance costs

Bond issuance costs are principally capitalized and amortized by the straight-line method over the period of redemption of bonds.

(j) Business commencement expenses

Business commencement expenses are principally capitalized and amortized by the straight-line method over a period of five years.

(k) Provision for loss on antitrust proceedings

On October 29, 2009, the Republic of Korea Fair Trade Commission issued an "Examiner's Report" to the Company with respect to its alleged breach of South Korea's Antitrust Law in its air freight transport services. Subsequently, the Company filed an appeal against a corrective order from the Commission in November 2010 and a decision of the Seoul High Court in May 2012 with the Supreme Court of Korea in June 2012. The estimated amount of the provision may change as the proceedings progress.

(l) Retirement benefits

The retirement benefit plan of the Company and certain subsidiaries covers substantially all employees other than directors, officers and corporate auditors. Under the terms of this plan, eligible employees are entitled, upon mandatory retirement or earlier voluntary severance, to lump-sum payments or annuity payments based on their compensation at the time of leaving and years of service with the Company and subsidiaries.

The Company and certain significant domestic subsidiaries have trustee employee pension funds to provide coverage for part of the lump-sum benefits or annuity payments.

The Company and certain consolidated subsidiaries adopt defined contribution pension plans as well as defined benefit pension plans.

For defined benefit pension plans, accrued retirement benefits for employees at the balance sheet date are provided mainly at an amount calculated based on the retirement benefit obligation and the fair market value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized net retirement benefit obligation at transition, unrecognized actuarial gains or losses and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated service years of eligible employees. The net retirement benefit obligation at

transition is being amortized principally over a period of 15 years by the straight-line method. Actuarial gains and losses are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over a certain period (principally 8 years through 19 years) which is shorter than the average remaining service years of employees. Prior service cost is being amortized as incurred by the straight-line method over a certain period (principally 8 years through 19 years) which is shorter than the average remaining service years of employees. See Note 7.

The assumptions used in accounting for the above plans as of March 31, 2013 and 2012 are as follows:

	2013	2012
Discount rate	1.1%~2.5%	1.5%~2.5%
Expected return on plan assets	1.8%~7.2%	1.0%~6.6%

(m) Deferred tax accounting

Deferred income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases and operating losses and tax credits carried forward. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is charged to operations in the period that includes the enactment date. See Note 9.

(n) Leased assets and amortization

Leased assets arising from transactions under finance lease contracts that do not transfer ownership to lessee are amortized to a residual value of zero by the straight-line method using the term of contract as useful life.

(o) Derivatives

The Company and its subsidiaries use derivatives, such as forward foreign exchange contracts, interest rate swaps and commodity options and swaps, to limit their exposure to fluctuations in foreign exchange rates, interest rates and commodity prices. The Company and its subsidiaries do not use derivatives for trading purposes.

Derivative financial instruments are carried at fair value with changes in unrealized gains or losses charged or credited to operations, except for those which meet the criteria for deferral hedge accounting under which an unrealized gain or loss is deferred as an asset or a liability. Receivables and payables hedged by qualified forward exchange contracts are translated at the corresponding foreign exchange contract rates. Interest rate swaps that qualify for hedge accounting are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expenses or income.

(p) Appropriation of retained earnings

Under the Corporation Law of Japan (the "Law"), the appropriation of unappropriated retained earnings of the Company with respect to a financial period is made by resolution of the Company's shareholders at a general meeting to be held subsequent to the close of the financial

period and the accounts for that period do not therefore reflect such appropriation. See Note 12.

(q) Net income per share

The computation of net income per share of common stock is based on the weighted average number of shares outstanding during each year.

Net income per share assuming full dilution is not disclosed due to nonexistence of dilutive shares.

(r) Revenue recognition

Passenger revenues, cargo and other operating revenues are recorded when services are rendered.

(s) Cash equivalents

For the purpose of the statements of cash flows, cash and short-term, highly liquid investments with a maturity of three months or less are treated as cash equivalents. See Note 17.

(t) Reclassification

Certain reclassifications have been made to the 2012 financial information in the accompanying financial statements to conform with the 2013 presentation.

(u) Frequent flyer program

The Company accrues a frequent flyer liability for the mileage credits that are earned and to be used based on assumptions including analyses of previous experience under the program, anticipated behavior of customers, expectations of future awards to be issued, and analysis of current accumulated mileage balances.

(v) Regarding the accounting of Trust Type Employee Stock Ownership Incentive Plan

The Company introduced a "Trust Type Employee Stock Ownership Incentive Plan." The purposes of this plan are to increase incentives for the Company's employees to accumulate their own property as a part of the Company's benefit plan and to endeavor to enhance the Company's corporate value; as well as to ensure stable provision of the Company's shares to the Employee Stock Ownership Group (the "ESOP Group").

Under this plan, the "Employee Stock Ownership Trust" (the "ESOP Trust"), which was established for the purpose of transferring the Company's shares to the ESOP Group, acquires the Company's shares in advance in a quantity sufficient for the ESOP Group for the next five years, and subsequently sells those shares to the ESOP Group.

Taking the conservative view and focusing on the economic substance, the accounting treatment for the acquisition and sale of

the Company's shares is based on the assumption that the Company and the ESOP Trust form substantially a single entity given that the Company guarantees the ESOP Trust's liability. Therefore, the Company's shares owned by the ESOP Trust as well as the assets and liabilities and income and expenses of the ESOP Trust are included in the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and consolidated statement of cash flows of the Company. The ESOP Trust was terminated as of March 31, 2013.

(w) Changes in accounting policies for items that are difficult to distinguish from changes in accounting estimates

Change in depreciation method for property and equipment

In conjunction with a revision to the Corporation Tax Act of Japan, from the first quarter of the current fiscal year, the Company and its domestic consolidated subsidiaries have adopted a new depreciation method for tangible fixed assets acquired on or after April 1, 2012 based on the amended law. The effect on operating income, ordinary income, income before income taxes and minority interests for the fiscal year ended March 31, 2013 is immaterial.

(x) Unapplied accounting standards, etc.

Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26 of May 17, 2012), and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25. of May 17, 2012)

(1) Outline

Under the revised accounting standard, actuarial gains and losses and past service costs shall be recognized within net assets on the consolidated balance sheet after adjusting for tax effects, and the accumulated deficit or surplus shall be recognized as a liability or asset. Also regarding the estimated amount of retirement benefits and the method of attributing the expected benefit to accounting periods, in addition to the straight-line method, the benefit formula basis may be used, and the method of calculating the discount rate has been revised.

(2) Scheduled date of adoption

These accounting standards will be adopted from the beginning of the fiscal year ending March 31, 2014. However, as no retrospective application of this accounting standard is required, it will not be applied to consolidated financial statements for prior years.

(3) Impact of adoption

The impact on the consolidated financial statements as a result of the adoption of this accounting standard is currently being evaluated.

3 Financial statements translation

The consolidated financial statements presented herein are expressed in yen and, solely for the convenience of the reader, have been translated into United States dollars at the rate of ¥94.05 = US\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 29, 2013. This translation should not be

construed as a representation that the amounts shown could be converted into United States dollars at such rate. Translations of United States dollars are rounded down to the nearest thousand and therefore the totals shown in tables do not necessarily agree with the sums of the individual amounts.

4 Marketable securities and investments in securities

Market value information at March 31, 2013 and 2012 is summarized as follows:

Held-to-maturity securities having market value are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Gross unrealized gain:			
Cost	¥ 1	¥ 1	\$10
Market value	1	1	10
	0	0	0
Gross unrealized loss:			
Cost	—	—	—
Market value	—	—	—
	—	—	—
Net unrealized gain	¥ 0	¥ 0	\$ 0

Other securities having market value are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Gross unrealized gain:			
Cost	¥ 15,962	¥ 6,903	\$ 169,718
Market value	23,990	10,112	255,077
	8,028	3,209	85,359
Gross unrealized loss:			
Cost	336,112	247,391	3,573,758
Market value	335,851	245,944	3,570,983
	(261)	(1,447)	(2,775)
Net unrealized gain	¥ 7,767	¥ 1,762	\$ 82,583

Other securities sold having market value in the years ended March 31, 2013 and 2012 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Proceeds	¥171	¥26	\$1,818
Gain on sale	61	0	648
Loss on sale	38	4	404

Breakdown of securities for which it is extremely difficult to determine the fair value at March 31, 2013 and 2012 is as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Held-to-maturity bonds	¥ —	¥ —	\$ —
Other securities	27,860	27,528	296,225
	¥27,860	¥27,528	\$296,225

The redemption schedule of other securities and held-to-maturity debt securities as of March 31, 2013 and 2012 is summarized as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Bonds:			
Within 1 year	¥ 2	¥ 2	\$ 21
Over 1 year to 5 years	1	1	10
Others:			
Within 1 year	333,132	237,102	3,542,073
Over 1 year to 5 years	—	200	—
Total:			
Within 1 year	¥ 333,134	¥237,104	\$3,542,094
Over 1 year to 5 years	1	201	10

5 Investments in and advances to non-consolidated subsidiaries and affiliates

Investments in and advances to non-consolidated subsidiaries and affiliates at March 31, 2013 and 2012 consisted of the following:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Investments in capital stock	¥28,433	¥26,429	\$302,317
Advances	3,499	3,436	37,203
	¥31,932	¥29,865	\$339,521

6 Short-term loans and long-term debt

Short-term loans at March 31, 2013 and 2012 consisted of the following:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Short-term bank loans	¥ 250	¥ —	\$ 2,658
Current portion of long-term loans	110,589	115,962	1,175,853
Current portion of bonds and notes	20,000	—	212,652
Current portion of finance lease obligations	11,762	11,443	125,061
	¥142,601	¥127,405	\$1,516,224

The interest rates on the above short-term loans were between 0.21% and 1.47% per annum in 2013.

Long-term debt at March 31, 2013 and 2012 consisted of the following:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Bonds and notes:			
3.2% notes due 2017	¥ 20,000	¥ 20,000	\$ 212,652
2.27% notes due 2014	10,000	10,000	106,326
2.09% notes due 2014	10,000	10,000	106,326
1.97% notes due 2015	15,000	15,000	159,489
1.84% notes due 2013	10,000	10,000	106,326
2.45% notes due 2018	10,000	10,000	106,326
1.71% notes due 2015	20,000	20,000	212,652
1.00% notes due 2016	30,000	—	318,979
	125,000	95,000	1,329,080
Loans, principally from banks:			
Secured, bearing interest from 0.44% to 2.65% in 2013 and 0.44% to 2.70% in 2012, maturing in installments through 2027	344,641	377,859	3,664,444
Unsecured, bearing interest from 1.36% to 2.29% in 2013 and 1.09% to 2.29% in 2012, maturing in installments through 2021	387,754	454,766	4,122,849
	732,395	832,625	7,787,293
Finance lease obligations			
Finance lease agreements expiring through 2024	39,489	36,032	419,872
	896,884	963,657	9,536,246
Less current portion	142,351	127,405	1,513,567
	¥754,533	¥836,252	\$8,022,679

As is customary in Japan, short-term and long-term bank loans are made under general agreements which provide that security and guarantees for future and present indebtedness will be given upon request of the bank, and that the bank shall have the right, as the obligation becomes due, or in the event of default and certain other

specified events, to offset cash deposits against such obligations due to the bank.

Certain bonds and notes and foreign currency loans are guaranteed by domestic and foreign banks.

The following assets were pledged as collateral for short-term and long-term debt at March 31, 2013:

	Yen (Millions)	U.S. dollars (Thousands)
Property and equipment, at net book value:		
Flight equipment	¥662,054	\$7,039,383
Ground property and equipment	38,950	414,141
Leased assets	3,139	33,375
	¥704,143	\$7,486,900

The aggregate annual maturities of long-term debt after March 31, 2013 are as follows:

Year ending March 31,	Yen (Millions)	U.S. dollars (Thousands)
2014	¥142,351	\$1,513,567
2015	185,002	1,967,060
2016	191,555	2,036,735
2017 and thereafter	377,976	4,018,883
	¥896,884	\$9,536,246

7 Retirement benefit plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., welfare pension fund plans and lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or

annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service and the conditions under which termination occurs.

The following table sets out the funded and accrued status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2013 and 2012 for the Company and consolidated subsidiaries' defined benefit plans:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Retirement benefit obligation	¥(299,651)	¥(265,140)	\$(3,186,081)
Plan assets at fair value	108,418	96,072	1,152,769
Unfunded retirement benefit obligation	(191,233)	(169,068)	(2,033,312)
Unrecognized net transitional retirement benefit obligation	12,744	19,114	135,502
Unrecognized actuarial loss	55,729	36,812	592,546
Unrecognized prior service cost	(8,017)	(12,933)	(85,241)
	¥(130,777)	¥(126,075)	\$(1,390,505)
Prepaid pension cost	13	—	138
Accrued employees' retirement benefits	¥(130,790)	¥(126,075)	\$(1,390,643)

The government sponsored portion of the benefits under the welfare pension fund plans has been included in the amounts shown in the above table.

The components of retirement benefit expenses for the years ended March 31, 2013 and 2012 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Service cost.....	¥10,896	¥10,937	\$115,853
Interest cost	6,286	6,452	66,836
Expected return on plan assets	(3,425)	(3,347)	(36,416)
Amortization of net transitional retirement benefit obligation	6,369	6,396	67,719
Amortization of actuarial loss	6,926	6,717	73,641
Amortization of prior service cost	(3,757)	(3,824)	(39,946)
Net periodic pension and severance cost.....	¥23,295	¥23,331	\$247,687

Besides the above net periodic pension and severance cost, the costs for other retirement and pension plans such as a defined contribution plan and for supplemental retirement benefit were ¥1,260

million (\$13,397 thousand) and ¥146 million (\$1,552 thousand), respectively, for the year ended March 31, 2013, and ¥1,129 million and ¥2,442 million for the year ended March 31, 2012.

8 Asset retirement obligations

1. Asset retirement obligations recorded on the consolidated balance sheet

(a) Overview of asset retirement obligations

The Company and its subsidiaries enter into agreements with national government entities that allow for the use of Japanese government property and have entered into real estate lease contracts for the Head Office, sales branches, airport branches and some other offices. As the Company and its subsidiaries have restoration obligations for such properties at the end of each lease period, related legal obligations required by law and the contracts are recorded on the consolidated balance sheet as asset retirement obligations.

(b) Calculation of asset retirement obligations

The Company and its subsidiaries estimate the expected period of use as 1 to 30 years and calculate the amount of asset retirement obligations with a discount rate of 0% to 2.27%.

The following table indicates the changes in asset retirement obligations for the years ended March 31, 2013 and 2012:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Balance at beginning of year.....	¥ 2,173	¥2,591	\$ 23,104
Liabilities incurred due to the acquisition of property and equipment....	—	112	—
Accretion expense.....	408	392	4,338
Liabilities settled.....	(1,081)	(632)	(11,493)
Others.....	—	(290)	—
Balance at end of year.....	¥ 1,500	¥2,173	\$ 15,948

2. Asset retirement obligations not recorded on the consolidated balance sheet

The Company and its subsidiaries enter into agreements with national government entities that allow for the use of Japanese government property and have entered into real estate lease contracts for land and office at airport facilities including Tokyo International Airport, Narita International Airport, New Chitose Airport, Chubu Centrair International Airport, Osaka International Airport, Kansai International Airport, Fukuoka Airport and Naha Airport, and at training facilities in Shimojishima Airport. The Company and its subsidiaries have

restoration obligations when they vacate and clear such facilities. However, as the roles of the above airports are especially important in public transportation, it is beyond the control of the Company alone to determine when to vacate and clear such facilities, and it is also impossible to make reasonable estimates as there are currently no relocation plans for the above properties. Therefore, the Company and its subsidiaries do not record asset retirement obligations for the related liabilities.

9 Income taxes

The Company is subject to a number of taxes on income (corporation tax, inhabitants taxes and enterprise tax) which in aggregate resulted in a normal statutory tax rate of 37.42% in 2013 and 40.16% in 2012.

The Company is subject to the consolidated taxation system for consolidated taxation purposes, and has consolidated all qualified, wholly owned domestic subsidiaries.

The tax effect of temporary differences that give rise to a significant portion of the deferred tax assets and liabilities at March 31, 2013 and 2012 is as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Deferred tax assets:			
Accrued employees' retirement benefits	¥ 46,240	¥ 44,682	\$ 491,653
Tax loss carry-forward	16,136	34,897	171,568
Unrealized gain on inventories and property and equipment	12,694	12,451	134,971
Accrued bonuses to employees.....	9,139	12,080	97,172
Impairment loss.....	2,740	1,205	29,133
Valuation loss on investments in securities.....	2,258	2,188	24,009
Other.....	7,194	10,478	76,491
Total gross deferred tax assets	96,401	117,981	1,024,997
Less valuation allowance	(8,550)	(6,612)	(90,909)
Total net deferred tax assets	87,851	111,369	934,088
Deferred tax liabilities:			
Gain on evaluation for hedging exchange	(7,551)	(8,180)	(80,287)
Special depreciation reserve	(2,729)	(3,678)	(29,016)
Unrealized holding gain on securities	(2,669)	(1,193)	(28,379)
Other	(935)	(949)	(9,942)
Total gross deferred tax liabilities	(13,884)	(14,000)	(147,624)
Net deferred tax assets	¥ 73,967	¥ 97,369	\$ 786,465

A reconciliation of the difference between the statutory tax rate and the effective income tax rate for the years ended March 31, 2013 and 2012 is as follows:

	2013	2012
Statutory tax rate	37.42%	40.16%
Reconciliation:		
Entertainment expenses not qualifying for deduction	0.89	1.00
Inhabitants tax per capita levy.....	0.20	0.26
Decrease in deferred tax assets due to tax rate change.....	—	14.44
Change in valuation allowance and related adjustments.....	1.98	1.02
Other.....	0.53	(1.31)
Effective income tax rate.....	41.02%	55.57%

10 Other comprehensive income

The following table presents reclassification and tax effects allocated to each component of other comprehensive income for the years ended March 31, 2013 and 2012.

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Net unrealized holding gain on securities:			
Amount arising during the year	¥ 6,196	¥ 540	\$ 65,879
Reclassification adjustments for gains and losses realized	268	(1)	2,849
Amount of net unrealized holding gain on securities before tax effect ...	6,464	539	68,729
Tax effect	(1,650)	119	(17,543)
Net unrealized holding gain on securities	4,814	658	51,186
Deferred gain on hedging instruments:			
Amount arising during the year	16,578	(242)	176,267
Reclassification adjustments for gains and losses realized	(11,288)	6,795	(120,021)
Amount of deferred gain on hedging instruments before tax effect	5,290	6,553	56,246
Tax effect	(1,961)	(2,229)	(20,850)
Deferred gain on hedging instruments	3,329	4,324	35,396
Foreign currency translation adjustments:			
Amount arising during the year	633	(69)	6,730
Foreign currency translation adjustments	633	(69)	6,730
Share of other comprehensive income of affiliates accounted for by the equity-method:			
Amount arising during the year	77	8	818
Share of other comprehensive income of affiliates accounted for by the equity-method	77	8	818
Total other comprehensive income	¥ 8,853	¥ 4,921	\$ 94,130

11 Leases**As lessee****(a) Finance leases**

Finance lease transactions other than those that are expected to transfer ownership of the assets to the lessee are accounted for as assets.

Tangible fixed lease assets include mainly aircraft, flight equipment and host computers. Intangible fixed lease assets include software. The amortization method for leased assets is described in "2. Summary of significant accounting policies (m) Leased assets and amortization."

As lessee**(b) Operating leases**

The rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year at March 31, 2013 and 2012 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Current portion of operating lease obligations	¥ 32,238	¥ 30,297	\$ 342,775
Long-term operating lease obligations	159,900	144,896	1,700,159
	¥192,138	¥175,193	\$2,042,934

Note: No impairment loss was allocated to leased assets.

As lessor**(c) Operating leases**

The rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year at March 31, 2013 and 2012 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Current portion of operating lease obligations	¥1,090	¥ 883	\$11,589
Long-term operating lease obligations	1,716	1,907	18,245
	¥2,806	¥2,790	\$29,835

Note: No impairment loss was allocated to leased assets.

12 Supplementary information for consolidated statement of changes in net assets

Supplementary information for consolidated statement of changes in net assets for the year ended March 31, 2013 consisted of the following:

(a) Type and number of outstanding shares

Type of shares	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Number of shares (Thousands) Balance at end of year
Issued stock:				
Common stock (*1).....	2,524,959	991,466	—	3,516,425
Total.....	2,524,959	991,466	—	3,516,425
Treasury stock:				
Common stock (*2,*3,*4)	9,266	3,677	7,006	5,937
Total.....	9,266	3,677	7,006	5,937

(*1) Issued stock increased by 991,466 thousand shares due to the issuance of 914,000 thousand new shares by public offering and the third-party allotment of 77,466 thousand new shares.

(*2) Treasury stock increased by 93 thousand shares due to the repurchase of shares less than one unit and 329 thousand shares due to the purchase by an affiliate and 136 thousand shares due to merger and 3,117 thousand shares due to a dividend in kind in the fiscal year.

(*3) Treasury stock decreased by 52 thousand shares due to the sale of shares less than one unit and 5,708 thousand shares due to the sale by the ESOP Trust and 1,246 thousand shares due to a share exchange.

(*4) The ESOP Trust holding treasury stock was terminated during the fiscal year.

(b) Dividends

(1) Dividends paid to shareholders

Date of approval	Resolution approved by	Type of shares	Amount (Millions of yen)	Amount (Thousands of U.S. dollars)	Paid from	Amount per share (Yen)	Amount per share (U.S. dollars)	Shareholders' cut-off date	Effective date
June 19, 2012	Annual general meeting of shareholders	Common stock (*1)	¥10,062	\$106,985	Retained earnings	¥4.00	\$0.04	March 31, 2012	June 20, 2012

(*1) The ¥26 million (\$276 thousand) paid to the ESOP Trust and the affiliates is not included in the total dividends amount because the Company's shares owned by the ESOP Trust and the affiliates are recognized as treasury stock.

(2) Dividends with a shareholders' cut-off date during the current fiscal year but an effective date subsequent to the current fiscal year

Date of approval	Resolution approved by	Type of shares	Amount (Millions of yen)	Amount (Thousands of U.S. dollars)	Paid from	Amount per share (Yen)	Amount per share (U.S. dollars)	Shareholders' cut-off date	Effective date
June 27, 2013	Annual general meeting of shareholders	Common stock (*1)	¥14,041	\$149,292	Retained earnings	¥4.00	\$0.04	March 31, 2013	June 28, 2013

(*1) The ¥5 million (\$53 thousand) paid to the affiliates is not included in the total dividends amount because the Company's shares owned by the affiliates are recognized as treasury stock.

In accordance with the Law, the Company provides a legal reserve which is included in retained earnings. The Law provides that an amount equal to at least 10% of the amounts to be disbursed as distributions of earnings be appropriated to the legal reserve until the total of the legal reserve and the additional paid-in capital account equals 25% of the common stock account. The Law provides that neither additional paid-in capital nor the legal reserve is available for the payment of dividends, but both may be used to reduce or eliminate a deficit by resolution of the

shareholders or may be transferred to common stock by resolution of the Board of Directors. The Law also provides that, if the total amount of additional paid-in capital and the legal reserve exceeds 25% of the amount of common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders. Under the Law, however, such distributions can be made at anytime by resolution of the shareholders or by the Board of Directors if certain conditions are met.

13 Commitments and contingent liabilities

At March 31, 2013, commitments outstanding for the acquisition or construction of property and equipment amounted to ¥658,541 million (\$7,002,030 thousand).

The Company and consolidated subsidiaries were contingently liable as guarantor of loans, principally to affiliates, amounting to ¥941 million (\$10,005 thousand) at March 31, 2013.

At March 31, 2012, commitments outstanding for the acquisition or construction of property and equipment amounted to ¥603,434 million.

The Company and consolidated subsidiaries were contingently liable as guarantor of loans, principally to affiliates, amounting to ¥833 million at March 31, 2012.

14 Financial instruments

Overview

(a) Policy for financial instruments

The Company and its subsidiaries (collectively, the "Group") limit their fund management to short-term time deposits and raise funds through borrowings from financial institutions including banks. The Company and its subsidiaries use derivatives for the purpose of reducing risk described below and do not enter into derivatives for speculative or trading purposes.

(b) Types of financial instruments, related risk and risk management

Trade receivables – accounts receivable – are exposed to credit risk in relation to customers. In accordance with the internal policies of the Group for managing credit risk arising from receivables, the Group monitors credit worthiness of its main customers periodically and monitors due dates and outstanding balances by individual customer, whereby making efforts to identify and mitigate risks of bad debts from customers who are having financial difficulties.

Marketable securities and investments in securities are exposed to risk of market price fluctuations. Those securities are composed of mainly the shares of other companies with which the Group has business relationships. The Group periodically reviews the fair values of such financial instruments and the financial position of the issuers, whereby making efforts to identify and mitigate risks of impairment.

Substantially all trade payables – accounts and notes payable – have payment due dates within one year.

Borrowings are taken out principally for the purpose of making capital investments and certain long-term debt with variable interest rates is exposed to interest rate fluctuation risk. However, to reduce such risk for long-term debt bearing interest at variable rates, the Group utilizes interest rate swap transactions as a hedging instrument. Interest rate swaps that qualify for hedge accounting are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expenses or income.

For derivatives, in order to reduce the foreign currency exchange risk arising from the receivables and payables denominated in foreign currencies, the Group enters into forward foreign exchange contracts for specific receivables and payables denominated in foreign currencies mainly for aircraft purchase commitments. In addition, to reduce the interest rate fluctuation risk associated with financial assets and liabilities, the Group uses interest rate swap transactions for specific financial assets and liabilities. Furthermore, the Group enters into commodity derivative transactions such as swaps and options to mitigate the fluctuation risk of commodity price of fuel and stabilize operating profit.

① Management of Credit Risks (risks such as breach of contract by customers)

The Group, with respect to trade receivables, exercises the due date management and the outstanding balance management in accordance with internal policies. The Group makes best efforts to identify and mitigate risks of bad debts from major customers with financial difficulties by periodically monitoring their creditworthiness.

As for derivatives, the Group believes that the credit risks are extremely low, as it enters into derivative transactions only with reputable financial institutions with a sound credit profile.

② Management of Market Risks (fluctuation risks such as exchange rate and interest rate)

In order to reduce the foreign currency exchange risks, the Group, in principle, utilizes forward foreign exchange contracts for receivables and payables in foreign currencies. In order to mitigate the interest rate fluctuation risks of the debts, the Company utilizes interest rate swap transactions.

As for marketable securities and investment securities, the Group periodically reviews the fair values and the financial conditions of the issuers to identify and mitigate risks of impairment.

There are internal policies for derivative transactions which set forth authorization levels and maximum upper limit on transaction volumes and the Group enters into the derivative transactions in accordance with such policies. Moreover, meetings are held principally on a monthly basis with attendance of board members responsible for derivatives to determine methods and ratios for offsetting risks as well as to report and confirm results of derivative transactions.

③ Management of Liquidity Risks Related to Financing (risks that the Group cannot meet the due date of payables)

The Group manages the liquidity risks by setting a financial plan in order to procure and invest funds, which are necessary for the operation of the Group for a certain period of time, in accordance with the business operating plan and the budget.

(c) Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value. In addition, the notional amounts of derivatives in Note 15 *Derivatives and hedging activities* are not necessarily indicative of the actual market risk involved in derivative transactions.

Estimated fair value of financial instruments

Carrying value of financial instruments on the consolidated balance sheet as of March 31, 2013 and estimated fair value are shown in the

following table. The following table does not include financial instruments for which it is extremely difficult to determine the fair value (Please refer to Note 2 below).

As of March 31, 2013

	Yen (Millions)		
	Carrying value	Estimated fair value	Difference
Assets:			
Cash on hand and in banks.....	¥ 86,459	¥ 86,459	¥ —
Accounts receivable (**).....	120,536	120,536	—
Marketable securities and investments in securities (**).....	373,757	372,600	(1,157)
Total assets.....	580,752	579,595	(1,157)
Liabilities:			
Trade notes and accounts payable (**).....	¥ 158,226	¥ 158,226	¥ —
Short-term bank loans.....	250	250	—
Bonds and notes.....	125,000	130,335	5,335
Long-term loans.....	732,395	758,555	26,160
Total liabilities.....	1,015,871	1,047,366	31,495
Derivatives (*).....	¥ 20,214	¥ 20,214	¥ —

As of March 31, 2013

	U.S. dollars (Thousands)		
	Carrying value	Estimated fair value	Difference
Assets:			
Cash on hand and in banks.....	\$ 919,287	\$ 919,287	\$ —
Accounts receivable (**).....	1,281,616	1,281,616	—
Marketable securities and investments in securities (**).....	3,974,024	3,961,722	(12,301)
Total assets.....	6,174,928	6,162,626	(12,301)
Liabilities:			
Trade notes and accounts payable (**).....	\$ 1,682,360	\$ 1,682,360	\$ —
Short-term bank loans.....	2,658	2,658	—
Bonds and notes.....	1,329,080	1,385,805	56,725
Long-term loans.....	7,787,293	8,065,443	278,149
Total liabilities.....	10,801,392	11,136,267	334,875
Derivatives (*).....	\$ 214,928	\$ 214,928	\$ —

(*) The value of assets and liabilities arising from derivatives is shown at net value, and with the amount in parentheses representing net liability position.

(**) Accounts receivable, marketable securities and investments in securities, and trade notes and accounts payable in the above table are not reconciled to those accounts indicated in the accompanying consolidated balance sheet and notes since certain reclassifications have been made to those accounts while the above table represents amounts that are directly compiled from the notes to consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Notes:

1. Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

Assets

1) Cash on hand and in banks and 2) accounts receivable

Since these items are settled in a short period of time, their carrying value approximates fair value.

3) Marketable securities and investments in securities

The fair value of stocks is based on quoted market prices. The fair value of debt securities is based on either quoted market prices or prices provided by the financial institutions making markets in these securities. For information on securities classified by holding purpose, refer to Note 4. *Marketable securities and investments in securities* of the notes to the consolidated financial statements.

Liabilities

1) Trade notes and accounts payable and 2) short-term bank loans

Since these items are settled in a short period of time, their carrying value approximates fair value.

3) Bonds and notes

The fair value of bonds issued by the Company is present value of the total of principal and interest discounted by an interest rate determined taking into account the remaining period of each bond and current credit risk.

4) Long-term loans

The fair value of long-term loans is based on the present value of the total of principal and interest discounted by the interest rate to be applied to similar new borrowings.

2. Financial instruments for which it is extremely difficult to determine the fair value

As of March 31, 2013	Yen (Millions)	U.S. dollars (Thousands)
Unlisted stocks.....	¥27,860	\$296,225

Because no quoted market price is available and it is extremely difficult to determine the fair value, the above financial instruments are not included in the above table.

3. Redemption schedule for receivables and marketable securities with maturities at March 31, 2013 is summarized as follows.

As of March 31, 2013

	Yen (Millions)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash in banks.....	¥ 85,466	¥ —	¥ —	¥ —
Accounts receivable	120,536	—	—	—
Held-to-maturity bonds.....	—	1	—	—
Other marketable securities with maturities	333,134	—	—	866
Total.....	¥539,136	¥ 1	¥ —	¥866

As of March 31, 2013

	U.S. dollars (Thousands)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash in banks.....	\$ 908,729	\$ —	\$ —	\$ —
Accounts receivable	1,281,616	—	—	—
Held-to-maturity bonds.....	—	10	—	—
Other marketable securities with maturities	3,542,094	—	—	9,207
Total.....	\$5,732,440	\$10	\$ —	\$9,207

4. Redemption schedule for bonds, long-term debt and other interest-bearing liabilities is summarized as follows.

As of March 31, 2013

	Yen (Millions)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Short-term bank loans	¥ 250	¥ —	¥ —	¥ —
Bonds and notes	20,000	95,000	10,000	—
Long-term loans	110,589	416,783	179,445	25,578
Total.....	¥130,839	¥511,783	¥189,445	¥25,578

As of March 31, 2013

	U.S. dollars (Thousands)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Short-term bank loans	\$ 2,658	\$ —	\$ —	\$ —
Bonds and notes	212,652	1,010,101	106,326	—
Long-term loans	1,175,853	4,431,504	1,907,974	271,961
Total.....	\$1,391,164	\$5,441,605	\$2,014,300	\$271,961

15 Derivatives and hedging activities

The Company and certain of its subsidiaries operate internationally and are exposed to the risk of changes in foreign exchange rates, interest rates and commodity prices of fuel. In order to manage these risks, the Company and its subsidiaries utilize forward exchange contracts to hedge certain foreign currency transactions related to purchase commitments, principally of flight equipment, and foreign currency receivables and payables. Also, the Company and its subsidiaries utilize interest rate swaps to minimize the impact of interest rate fluctuations related to their outstanding debt. In addition, the Company also enters into a variety of swaps and options in its management of risk exposure related to the commodity prices of fuel. The Company and its subsidiaries do not use derivatives for speculative or trading purposes.

The Company has developed internal hedging guidelines to control various aspects of derivative transactions, including authorization levels and transaction volumes. The Company enters into derivative

transactions in accordance with these internal guidelines. Derivative and hedging transactions initiated by respective operational departments have been examined by the accounting department and these transactions, including their measures and ratios, have been monitored by management generally on a monthly basis. Assessment of hedge effectiveness is examined at inception and, on an ongoing basis, periodically. The consolidated subsidiaries have adopted the same procedures for hedging activities as the Company.

The Company and its subsidiaries are also exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments, but it is not expected that any counterparties will fail to meet their obligations, because most of the counterparties are internationally recognized financial institutions.

Summarized below are the notional amounts and the estimated fair value of the derivative instruments outstanding at March 31, 2013, for which hedged accounting has been applied.

(a) Currency-related transactions

As of March 31, 2013

	Yen (Millions)		
	Notional amount		Fair value
	Total	Maturing after one year	
Forward foreign exchange contracts for accounts payable, accounted for by deferral method:			
Sell:			
USD	¥ 569	¥ —	¥ 4
Buy:			
USD	105,275	26,657	9,957
EUR.....	21	—	(0)
Others	10	—	1
Currency option contracts for accounts payable, accounted for by deferral method:			
Sell:			
USD (Put)	45,357	18,176	2,338
Buy:			
USD (Call)	49,866	19,890	4,334
Currency swap contracts for accounts payable, accounted for by deferral method:			
Receive/USD and pay/JPY	6,460	950	902
Forward foreign exchange contracts, accounted for as part of accounts payable:			
Sell:			
USD	204	—	(*)
EUR.....	53	—	(*)
Buy:			
USD	12,700	—	(*)
EUR.....	653	—	(*)
Others	46	—	(*)
Total	¥221,214	¥65,673	¥17,536

As of March 31, 2013

	U.S. dollars (Thousands)		
	Notional amount		Fair value
	Total	Maturing after one year	
Forward foreign exchange contracts for accounts payable, accounted for by deferral method:			
Sell:			
USD	\$ 6,047	\$ —	\$ 41
Buy:			
USD	1,119,345	283,433	105,871
EUR.....	225	—	(3)
Others	108	—	5
Currency option contracts for accounts payable, accounted for by deferral method:			
Sell:			
USD (Put)	482,263	193,263	24,860
Buy:			
USD (Call).....	530,208	211,483	46,090
Currency swap contracts for accounts payable, accounted for by deferral method:			
Receive/USD and pay/JPY	68,686	10,101	9,595
Forward foreign exchange contracts, accounted for as part of accounts payable:			
Sell:			
USD	2,172	—	(*)
EUR.....	565	—	(*)
Buy:			
USD	135,033	—	(*)
EUR.....	6,944	—	(*)
Others	486	—	(*)
Total	\$2,352,087	\$698,280	\$186,460

Note: Calculation of fair value is based on the data obtained from financial institutions.

(*) The estimated fair value of forward foreign exchange contracts is included in the estimated fair value of accounts payable since the amounts in such derivative contracts accounted for as part of accounts payable are handled together with payables denominated in foreign currencies that are subject to hedge accounting. See Note 14.

(b) Interest-related transactions

As of March 31, 2013

	Yen (Millions)		
	Notional amount		Fair value
	Total	Maturing after one year	
Interest rate swap hedging long-term loans, accounted for by short-cut method:			
Receive/floating and pay/fixed	¥381,449	¥318,719	(*)

As of March 31, 2013

	U.S. dollars (Thousands)		
	Notional amount		Fair value
	Total	Maturing after one year	
Interest rate swap hedging long-term loans, accounted for by short-cut method:			
Receive/floating and pay/fixed	\$4,055,805	\$3,388,819	(*)

(*) The estimated fair value of interest rate swap contracts is included in the estimated fair value of long-term loans since amounts in such derivative contracts accounted for by the short-cut method are handled together with the long-term loans that are subject to hedge accounting. See Note 14.

(c) Commodity-related transactions

As of March 31, 2013

	Yen (Millions)		
	Notional amount		Fair value
	Total	Maturing after one year	
Commodity (crude oil) swap contracts, accounted for by deferral method:			
Receive/floating and pay/fixed	¥ 60,011	¥12,190	¥2,971
Commodity (crude oil) option contracts, accounted for by deferral method:			
Sell:			
Crude oil (Put)	44,047	21,395	(630)
Buy:			
Crude oil (Call)	57,678	28,793	337
Total	¥161,736	¥62,378	¥2,678

As of March 31, 2013

	U.S. dollars (Thousands)		
	Notional amount		Fair value
	Total	Maturing after one year	
Commodity (crude oil) swap contracts, accounted for by deferral method:			
Receive/floating and pay/fixed	\$ 638,072	\$129,615	\$31,589
Commodity (crude oil) option contracts, accounted for by deferral method:			
Sell:			
Crude oil (Put)	468,336	227,481	(6,702)
Buy:			
Crude oil (Call)	613,275	306,150	3,581
Total	\$1,719,683	\$663,246	\$28,467

Note: Calculation of fair value is based on the data obtained from financial institutions.

16 Segment information

The reportable segments of the Company and its consolidated subsidiaries are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decisions about resource allocation and to assess performance.

Air transportation has a business in Domestic and International passenger operations, cargo and mail operations and other

transportation services. Travel services encompass sales of tickets, planning and sales of branded travel packages using "Air transportation".

The accounting policies of the segments are substantially the same as those described in the significant accounting policies in Note 2.

Segment performance is evaluated based on operating income or loss. Intra-group sales are recorded at the same prices used in transactions with third parties.

Segment information for the years ended March 31, 2013 and 2012 are as follows:

As of and for the year ended March 31, 2013	Yen (Millions)						
	Reportable Segments			Other	Total	Adjustments	Consolidated
	Air transportation	Travel services	Subtotal				
Sales, profits or losses and assets by reportable segments							
Operating revenues	¥1,234,827	¥152,390	¥1,387,217	¥ 96,364	¥1,483,581	¥ —	¥1,483,581
Intra-group sales and transfers	88,678	8,611	97,289	52,462	149,751	(149,751)	—
Total	¥1,323,505	¥161,001	¥1,484,506	¥148,826	¥1,633,332	¥(149,751)	¥1,483,581
Segment profit	¥ 94,087	¥4,480	¥ 98,567	¥ 5,420	¥ 103,987	¥ (160)	¥ 103,827
Segment assets	¥2,032,251	¥ 49,679	¥2,081,930	¥136,295	¥2,218,225	¥ (80,983)	¥2,137,242
Other items:							
Depreciation and amortization	¥ 121,903	¥ 94	¥ 121,997	¥ 1,919	¥ 123,916	¥ —	¥ 123,916
Increase in tangible and intangible fixed assets	¥ 160,757	¥ 39	¥ 160,796	¥ 4,395	¥ 165,191	¥ (2,439)	¥ 162,752

As of and for the year ended March 31, 2013	U.S. dollars (Thousands)						
	Reportable Segments			Other	Total	Adjustments	Consolidated
	Air transportation	Travel services	Subtotal				
Sales, profits or losses and assets by reportable segments							
Operating revenues	\$13,129,473	\$1,620,308	\$14,749,782	\$1,024,603	\$15,774,385	\$ —	\$15,774,385
Intra-group sales and transfers	942,881	91,557	1,034,439	557,809	1,592,248	(1,592,248)	—
Total	\$14,072,355	\$1,711,866	\$15,784,221	\$1,582,413	\$17,366,634	\$(1,592,248)	\$15,774,385
Segment profit	\$ 1,000,393	\$ 47,634	\$ 1,048,027	\$ 57,628	\$ 1,105,656	\$ (1,701)	\$ 1,103,955
Segment assets	\$21,608,197	\$ 528,219	\$22,136,416	\$1,449,175	\$23,585,592	\$ (861,063)	\$22,724,529
Other items:							
Depreciation and amortization	\$ 1,296,150	\$ 999	\$ 1,297,150	\$ 20,404	\$ 1,317,554	\$ —	\$ 1,317,554
Increase in tangible and intangible fixed assets	\$ 1,709,271	\$ 414	\$ 1,709,686	\$ 46,730	\$ 1,756,416	\$ (25,933)	\$ 1,730,483

As of and for the year ended March 31, 2012	Yen (Millions)						
	Reportable Segments			Other	Total	Adjustments	Consolidated
	Air transportation	Travel services	Subtotal				
Sales, profits or losses and assets by reportable segments							
Operating revenues	¥1,173,596	¥150,180	¥1,323,776	¥ 87,728	¥1,411,504	¥ —	¥1,411,504
Intra-group sales and transfers	88,985	8,772	97,757	50,724	148,481	(148,481)	—
Total	¥1,262,581	¥158,952	¥1,421,533	¥138,452	¥1,559,985	¥(148,481)	¥1,411,504
Segment profit	¥ 88,499	¥ 3,907	¥ 92,406	¥ 4,124	¥ 96,530	¥ 492	¥ 97,022
Segment assets	¥1,911,248	¥ 45,922	¥1,957,170	¥129,200	¥2,086,370	¥ (83,800)	¥2,002,570
Other items:							
Depreciation and amortization	¥ 117,234	¥ 161	¥ 117,395	¥ 1,873	¥ 119,268	¥ —	¥ 119,268
Increase in tangible and intangible fixed assets	¥ 194,521	¥ 33	¥ 194,554	¥ 5,169	¥ 199,723	¥ (2,842)	¥ 196,881

Geographical information

Net sales to third parties by countries or areas grouped according to geographical classification for the years ended March 31, 2013 and 2012 are summarized as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Japan	¥1,310,475	¥1,251,572	\$13,933,811
Overseas	173,106	159,932	1,840,574
	¥1,483,581	¥1,411,504	\$15,774,385

Notes: 1. Overseas consists substantially of America, Europe, China and Asia.

2. Net sales of overseas indicate sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.

17 Supplementary cash flow information

A reconciliation of the difference between cash on hand and in banks stated in the consolidated balance sheet as of March 31, 2013 and 2012 and cash and cash equivalents in the statement of cash flows is as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2013	2012	2013
Cash on hand and in banks	¥ 86,459	¥ 41,867	\$ 919,287
Time deposits with maturities of more than three months	(834)	(575)	(8,867)
Marketable securities	333,134	237,104	3,542,094
Marketable securities with maturities of more than three months.....	(227,462)	(12,562)	(2,418,522)
Cash and cash equivalents	¥ 191,297	¥265,834	\$ 2,033,992

18 Impairment loss

Due to slumping performance of business assets, falling prices of estate assets and assets expected to be sold and idle assets, the net book values of assets whose profitability and market prices dropped notably were written down to their recoverable amounts and impairment losses of ¥5,496 million (\$58,437 thousand) were recognized in the year ended March 31, 2013.

For the year ended March 31, 2013			Yen (Millions)	U.S. dollars (Thousands)
Application	Location	Category	Impairment loss	
Business assets	in Hyogo	Building	¥ 481	\$ 5,114
Assets expected to be sold	in Kanagawa and Osaka	Land, buildings and structures	¥4,797	\$51,004
Idle assets	in Okinawa	Building	¥ 218	\$ 2,317
		Total	¥5,496	\$58,437

Note: The recoverable value of the assets is calculated by value in use, real estate appraisal, or fair value less costs to sell, with future cash flows discounted at a rate of 3.5%

For the year ended March 31, 2012			Yen (Millions)
Application	Location	Category	Impairment loss
Business assets	in Saitama	Building, structures, machinery and equipment	¥ 189
Assets expected to be sold		Aircraft	¥1,551
Idle assets		Software	¥ 6
		Total	¥1,746

Note: The recoverable value of the assets is calculated by value in use, real estate appraisal, or fair value less costs to sell, with future cash flows discounted at a rate of 3.5%

19 Subsequent event

Transactions under common control, etc.

1. Summary of transactions

At the Board of Directors meeting on May 15, 2012, it was resolved that all businesses in which the Company is engaged (excluding businesses related to control or supervision of the companies in which shares are held by the Company and businesses related to group management; hereinafter referred to as the "Business") should be transferred by means of a company split to ANA HOLDINGS INC. (the corporate name was changed to ALL NIPPON AIRWAYS CO., LTD. on April 1, 2013; hereinafter referred to as the "Successor Company"), which is a wholly owned subsidiary of the Company, and on the same day an absorption-type company split agreement was executed with the Successor Company. The absorption-type company split and related motions were approved at the 67th Ordinary General Meeting of Shareholders on June 19, 2012 and took effect on April 1, 2013.

Subsequent to the absorption-type company split, as of April 1, 2013, the corporate name of the Company was changed to ANA HOLDINGS INC., and its business purpose was revised to be in line with the move to a holding company structure.

2. Objectives of the absorption-type company split

Note: Includes provisional use of notes from last fiscal year.

In order to respond speedily to the changes surrounding Japan's airline sector, to achieve the goals set forth in FY2012-2013 ANA Group Corporate Strategy, to be "the airline group that emerges victorious from the era of major competition, and that continues to be chosen by passengers," and to build an optimal organizational structure for a multi-brand strategy between the existing ANA brand and the new LCC brand, the Company has decided to shift to a holding company structure, transferring its Business to the Successor Company through an absorption-type company split. The objectives of the shift are to strengthen group management and to achieve greater efficiency through more disciplined management in each operating company.

3. Details of business, date of company split, legal form of absorption-type split, company name after the absorption-type split and rights and responsibilities of the Successor Company.

(1) Details of business

Scheduled air transportation business, etc.

(2) Date of company split

April 1, 2013

(3) Legal form of absorption-type split

The method employed was an absorption-type company split and all shares of the Successor Company issued at the time of the absorption-type company split were allotted to the Company (referred to as "butteki-kyusyu-bunkatsu" in Japanese).

(4) Company name after the absorption-type split

ANA HOLDINGS INC.

(5) Rights and responsibilities of the Successor Company

Based on the absorption-type company agreement approved at the 67th Ordinary General Meeting of Shareholders on June 19, 2012, the Successor Company accepted the transfer of all assets, liabilities, employment contracts and other rights and obligations of the Company related to the Business as of April 1, 2013 (excluding those relevant to aircraft, aircraft spare parts and aircraft fuel or such other items as otherwise provided for in the absorption-type company split agreement signed on May 15, 2012). However, the Successor Company accepted transfer of items related to aircraft spare parts and aircraft fuel under a separate agreement as of April 1, 2013.

4. Summary of accounting treatments

Based on the "Accounting Standard for Business Combinations" (ASBJ, Statement No. 21 of December 26, 2008), and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, revision issued December 26, 2008), this was treated as transactions under common control.

The table below shows the amounts of the assets and liabilities in the split and the succession.

As of April 1, 2013		Yen (Millions)	
Item	Amount	Item	Amount
Current assets.....	¥222,132	Current liabilities.....	¥240,796
Fixed assets.....	¥160,854	Long term liabilities ..	¥122,394
Total	¥382,987	Total	¥363,190



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Independent Auditor's Report

The Board of Directors
ANA HOLDINGS INC.

We have audited the accompanying consolidated financial statements of ANA HOLDINGS INC. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ANA HOLDINGS INC. and its consolidated subsidiaries as at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.

Ernst & Young Shinnihon LLC

June 27, 2013
Tokyo, Japan

Glossary

Passenger Operation Terms

Available Seat-Kilometers

A unit of passenger transport capacity. Total number of seats x transport distance (kilometers).

Revenue Passenger-Kilometers

Total distance flown by revenue-paying passengers aboard aircraft. Revenue-paying passengers x transport distance (kilometers).

Load Factor

Indicates the status of seat sales by showing the relationship between the total number of seats available and the number of paying passengers who occupy them. Revenue passenger-kilometers ÷ available seat-kilometers. Differs from seat utilization rate, which includes non-paying passengers.

Yield

Unit revenue per revenue-paying passenger per kilometer (or mile). Calculated as revenue ÷ revenue passenger-kilometers.

Unit Revenues

Quantitatively measures revenue management performance by showing unit revenue per available seat-kilometer (revenues ÷ available seat-kilometers). Calculated as yield (revenue ÷ revenue passenger-kilometers) x load factor (revenue passenger-kilometers ÷ available seat-kilometers).

Unit Cost

Indicates cost per unit in the airline industry. Calculated as cost per available seat-kilometer.

Revenue Management

This management technique maximizes revenue by enabling the best mix of revenue-paying passengers through yield management that involves optimum seat sales in terms of optimum timing and price based on network and fare strategy.

Matching Capacity with Demand

Involves flexibly adjusting capacity (available seat-kilometers) according to demand trends in ways such as increasing or decreasing the number of flights on routes and optimizing aircraft deployment through downgauging and other measures.

Passenger Composition

Component ratio of multiple passenger groups including businesses, individual and leisure travelers. Also refers to management of this ratio.

Cargo Operation Terms

Available Ton-Kilometers

A unit of cargo transport capacity. Total cargo capacity (tons) x transport distance (kilometers).

Revenue Ton-Kilometers

Total distance flown by revenue-paying cargo aboard aircraft. Revenue-paying cargo (tons) x transport distance (kilometers).

Freighter

Dedicated cargo aircraft. Seats are removed from the cabin space where passengers would normally sit, and the space is filled with containers or palletized cargo.

Belly Space

The space below the cabin on passenger aircraft that is used to transport cargo.

Airline Industry and Company Terms

IATA

The International Air Transport Association. Founded in 1945 by airlines operating flights primarily on international routes. Functions include managing arrival and departure slots at airports and settling receivables and payables among airline companies. As of June 2013, more than 241 airlines were IATA members.

ICAO

The International Civil Aviation Organization. A specialized agency of the United Nations created in 1944 to promote the safe and orderly development of international civil aviation. As of June 2013, 191 countries including Japan were ICAO members.

Star Alliance

Established in 1997, Star Alliance was the first and is the largest airline alliance. ANA became a member in October 1999. As of June 2013, 28 airlines from around the world, including regional airlines, were members. Star Alliance had a 37% share of available seat-kilometers worldwide in 2012.

Code-Sharing

A system in which airline alliance partners allow each other to add their own flight numbers on other partners' scheduled flights. The frequent result is that multiple companies sell seats on one flight. Also known as jointly operated flights.

Anti-trust Immunity (ATI)

Granting of advance approval for immunity from competition laws when airlines operating international routes cooperate on planning routes, setting fares, conducting marketing activities or other areas, so that the airlines are not in violation of the competition laws of such countries. In Japan, the United States and South Korea, the relevant department of transportation grants ATI based on an application (in countries other than these three, it is common for a bureau of competition such as a fair trade commission to be in charge), but in the European Union the business itself performs a self-assessment based on the law. ATI approval is generally based on the two conditions that the parties do not have the power to control the market and approval will increase user convenience.

Full-Service Carrier (FSC)

An airline company that serves a wide range of markets based on a route network that includes connecting flights. FSCs offer multiple classes of seats and provide in-flight food and beverages that are included in advance in the fare paid. FSCs are also called network carriers or legacy carriers when compared with a low-cost carrier (LCC).

Low-Cost Carrier (LCC)

An airline that provides air transportation services at low fares based on a low-cost system that includes using a single type of aircraft, charging for in-flight services, and simplifying sales. Fundamentally, LCCs operate frequent short- and medium-haul point-to-point flights (flights between two locations).

Other Air Transportation Terms

Hub and Spoke System

A network modeled on a wheel that consists of a network of routes radiating outward from central hub airports like spokes to peripheral airports. Airlines can use the hub and spoke model to raise operating efficiency by connecting small spoke airports in small cities where demand is lower to hub airports in large cities.

Express Business

An integrated delivery business that provides door-to-door service between sender and recipient. With the operation of the Okinawa Cargo Hub & Network since October 2009, the ANA Group has been developing the international express business targeting business-to-business logistics.

Okinawa Cargo Hub & Network

The ANA Group's unique cargo network. With Naha (Okinawa) Airport as an international cargo hub, the network uses late-night connecting flights in a hub and spoke system servicing major Asian cities.

ANA Route System

(As of July 1, 2013)

International Network

Passengers

Number of routes: 49

Number of flights: 828 per week

(ANA Group flights only)

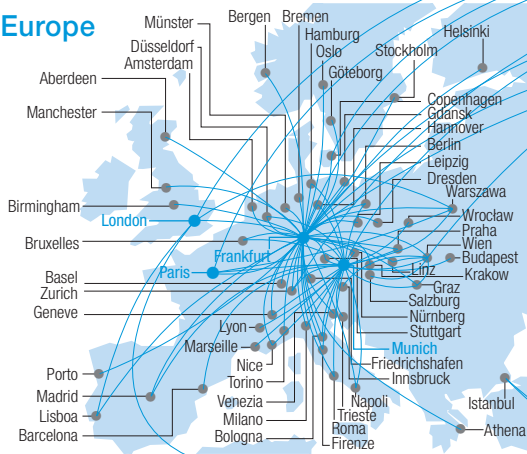
Cargo

Number of routes: 18

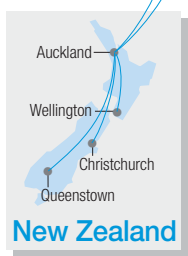
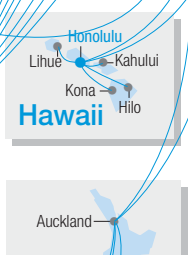
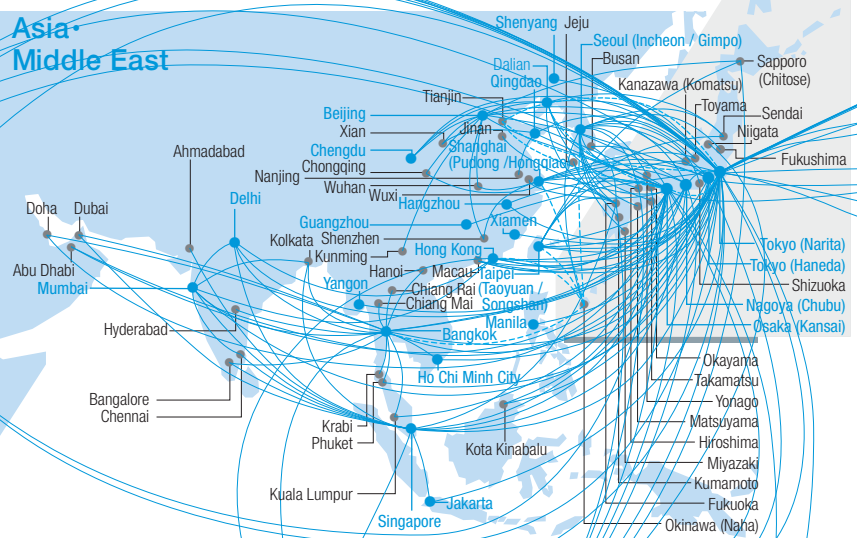
Number of flights: 162 per week

- Cities served by the ANA Group
- Cities served by code-sharing
- Routes for cargo flights only

Europe



Asia-Middle East



Domestic Network

Passengers

Number of routes: 132

Number of flights: 1,068 per day

Cargo

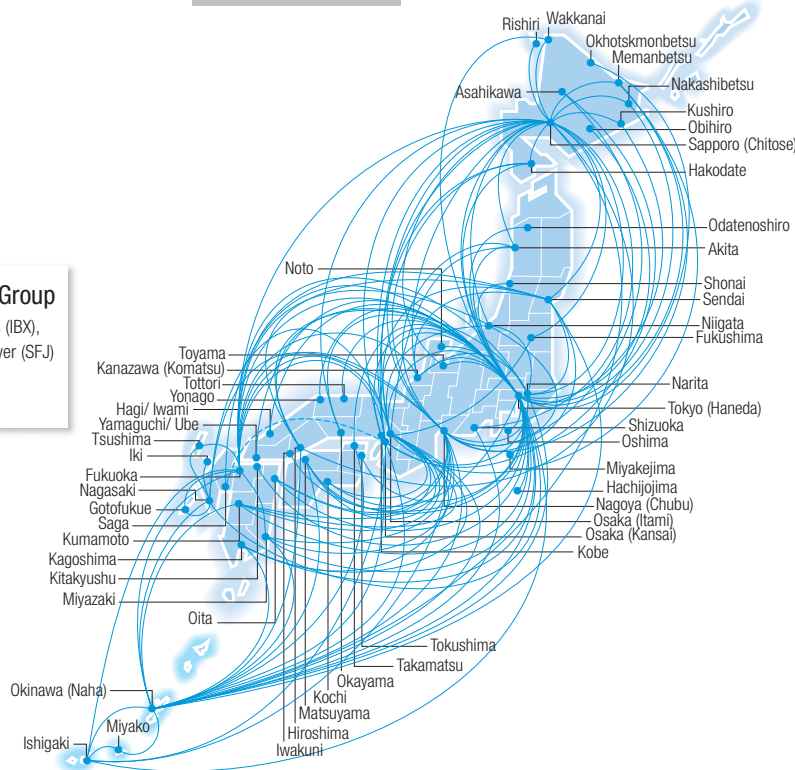
Number of routes: 7

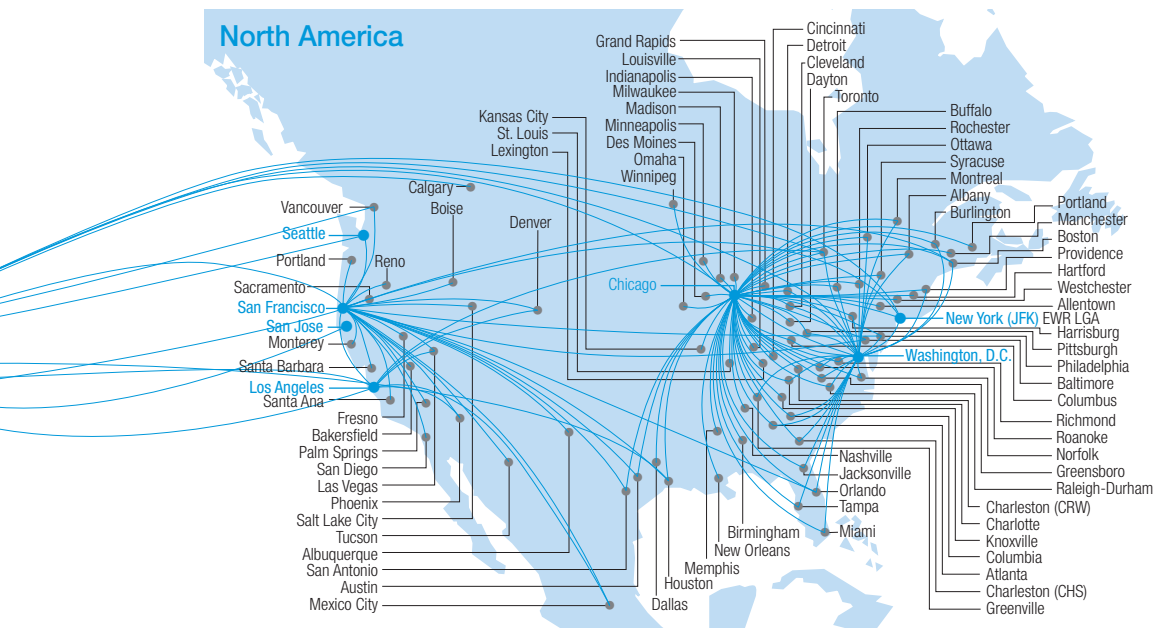
Number of flights: 11 per day

- Cities served by the ANA Group

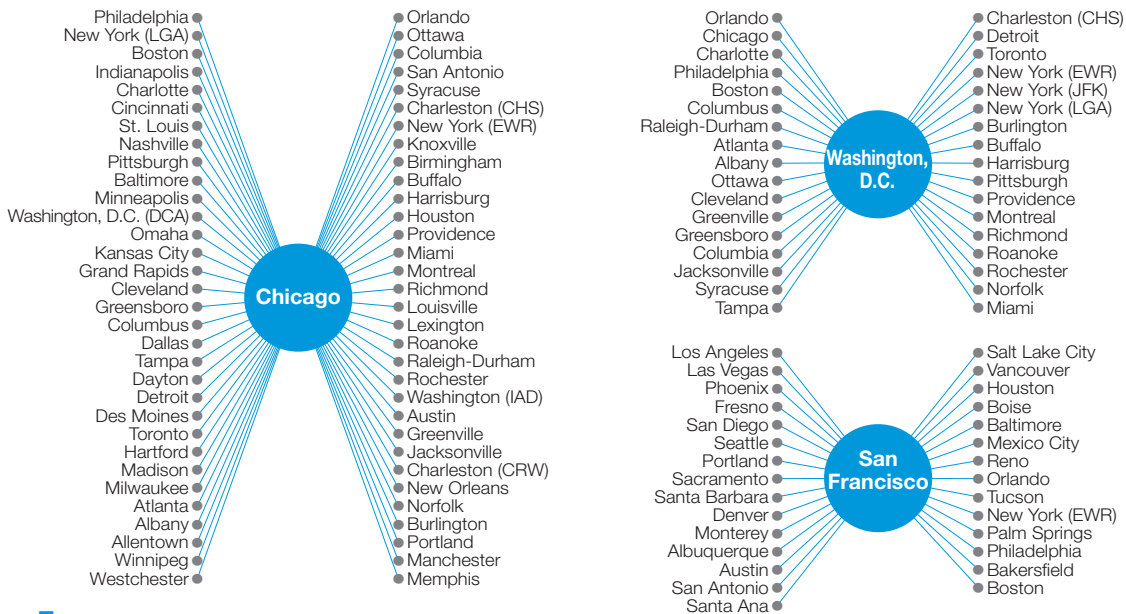
Includes code-sharing with IBEX Airlines (IBX), Air Do (ADO), Skynet Asia (SNA), Star Flyer (SFJ) and Oriental Air Bridge (ORC)

- Routes for cargo flights only





North America

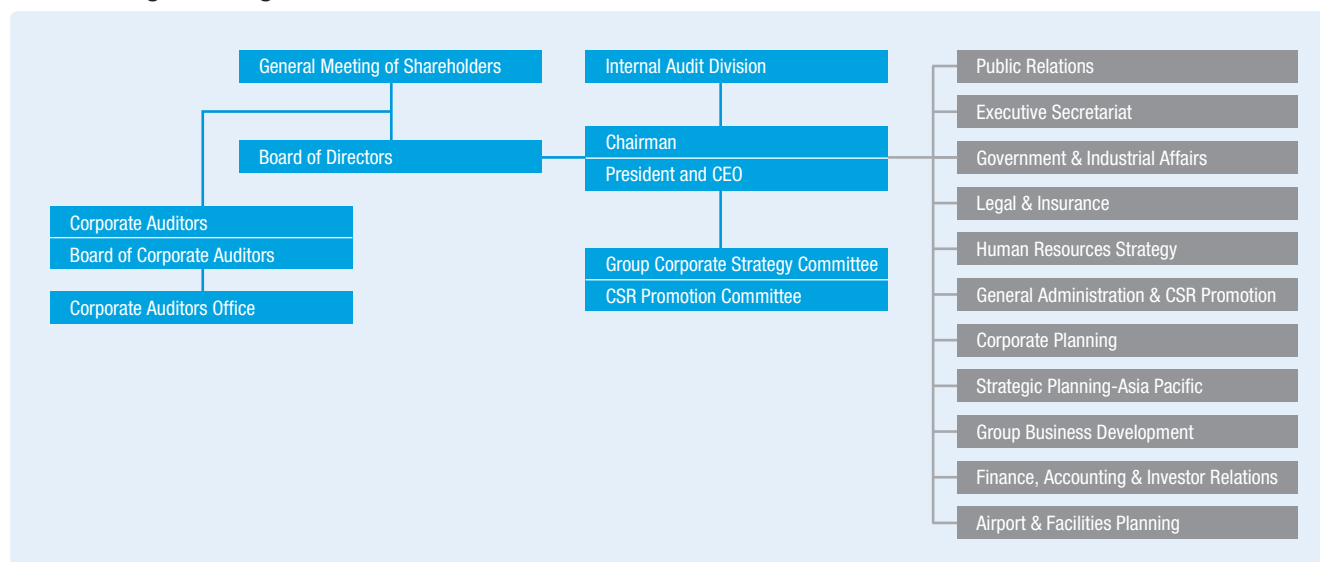


Europe



The ANA Group

ANA Holdings Inc. Organization (As of April 30, 2013)



Number of Subsidiaries and Affiliates (As of March 31, 2013)

Operating Segment	Total of Subsidiaries	of which, consolidated	of which, equity method	Total of Affiliates	of which, equity method
Air Transportation	45	29	–	8	5
Travel Services	5	5	–	1	1
Other Businesses	49	23	1	33	12
Total	99	57	1	42	18

Major Subsidiaries (As of March 31, 2013)

Principal Subsidiaries and Affiliates	Principal Businesses/Relationship with the Company	Paid-in Capital ¹	Percentage Owned by the Parent
Air Transportation			
ANA WINGS CO., LTD. (AKX)	Joint transportation services, leasing of ANA aircraft and other assets, maintenance for other airlines	¥ 50 million	100.0%
Air Japan Co., Ltd. (AJX)	Joint transportation services, leasing of ANA aircraft and other assets, maintenance for other airlines	50	100.0
ANA Catering Service Co., Ltd.	In-flight food purchasing	100	100.0
ANA Airport Handling Co., LTD.	ANA aircraft ground handling, airport customer services for other airlines, leasing of ANA offices and warehouses	100	100.0
New Tokyo Airport Service Co., Ltd.	Outsourcing of ANA aircraft ground handling, leasing of ANA offices	60	100.0
ANA TELEMART CO., LTD.	Outsourcing of reservation and information services for ANA airline customers, leasing of ANA offices	50	100.0
Overseas Courier Service Co., Ltd.	Express shipping	120	73.4
Travel Services			
ANA Sales Co., Ltd.	Sales of airlines tickets, etc., leasing of ANA offices	1,000	100.0
Other Businesses			
INFINI TRAVEL INFORMATION, INC.	ANA Computer Reservation System terminal development, facility leasing	4,000	60.0
ANA Information Systems Planning Co., Ltd. ²	Software purchasing, outsourcing of ANA information systems maintenance and administration, leasing of ANA offices	52	100.0
All Nippon Airways Trading Co., Ltd.	Purchasing of aircraft-related products	1,000	100.0
Sky Building Service Co., Ltd.	Outsourcing of ANA facility management, leasing of ANA offices	80	93.6

Notes: 1. Figures for paid-in capital of each company are stated before intercompany eliminations.

2. Merged with ANA Communications Co., Ltd. and changed its corporate name to ANA Systems Co., Ltd. as of April 1, 2013.

Corporate Data

As of March 31, 2013

Corporate Data

Trade Name

ANA HOLDINGS INC.

In connection with the transition to a holding company system, the trade name changed from All Nippon Airways Co., Ltd. to ANA HOLDINGS INC. (as of April 1, 2013)

Date of Foundation

December 27, 1952

Head Office

Shiodome City Center, 1-5-2 Higashi-Shimbashi,
Minato-ku, Tokyo 105-7133, Japan
Tel: 81-3-6735-5555

Number of Employees

32,634 (Consolidated)

Paid-in Capital

¥318,789 million

Fiscal Year-End

March 31

Number of Shares of Common Stock

Authorized: 5,100,000,000 shares
Issued: 3,516,425,257 shares

Number of Shareholders

539,007

Stock Listings

Tokyo, Osaka and London

Ticker Code

9202

Administrator of Register of Shareholders (As of April 1, 2013)

Sumitomo Mitsui Trust Bank, Limited
(Stock Transfer Agency Department)
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Independent Auditor

Ernst & Young ShinNihon LLC

American Depository Receipts

Ratio (ADR:ORD): 1:2

Exchange: OTC (Over-the-Counter)

Symbol: ALNPY

CUSIP: 016630303

Depository: The Bank of New York Mellon

101 Barclay Street, 22 West, New York, NY 10286, U.S.A.
TEL: 1-201-680-6825

U.S. Toll Free: 1-888-269-2377 (888-BNY-ADRS)

URL: <http://www.adrbnymellon.com>

Websites

Investor Relations Website:

<http://www.anahd.co.jp/en/investors/>

CSR Website:

<http://www.anahd.co.jp/en/csr/>

Contact:

ANA HOLDINGS INC.

Shiodome City Center, 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo 105-7133, Japan
Finance, Accounting & Investor Relations E-mail: ir@anahd.co.jp
General Administration & CSR Promotion E-mail: csr@anahd.co.jp

Our People

We will enhance our



value and fly high.



ANA

