



Rising to the Challenges



The background of the page is a photograph of an airplane wing in flight against a bright sunset sky. The sun is a large, glowing orb in the center, creating a lens flare effect. The sky transitions from a deep blue at the top to a warm orange and red near the horizon. The wing of the airplane is dark and silhouetted against the bright light of the sun. The ANA logo is visible on the upper surface of the wing.

Rising to the Challenges

In the more than 50 years since its founding in 1952, All Nippon Airways Co., Ltd. (ANA) has provided air transportation services with the highest priority on safe operations. As a result of the trust it has earned, ANA has had the good fortune to grow into a world-class airline, with more than 45 million passengers a year.

The ANA Group's operating environment is changing significantly, with the expansion of airports in the Tokyo area and intensifying global competition. We will rise to these various challenges and continue to strive in all fields as we work to achieve our corporate vision of being one of the leading corporate groups in Asia.

Forward-Looking Statements

This annual report contains statements based on ANA's current plans, estimates, strategies, and beliefs; all statements that are not statements of historical fact are forward-looking statements. These statements represent the judgments and hypotheses of the Company's management based on currently available information. Air transportation, the Company's core business, involves government-mandated costs that are beyond the Company's control, such as airport utilization fees and fuel taxes.

In addition, conditions in the markets served by the Company 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 Company'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.

Contents

- 2 ANA Snapshot
- 6 Consolidated Financial Highlights
- 8 To Our Shareholders

- 18 **Special Feature: We Fly 1st**
Taking on Challenges with the Strategic Boeing 787 Aircraft

- 26 **Business Overview**
- 28 ANA at a Glance
- 30 Review of Operations

- 42 **Management**
- 44 Management Members and Group Organization
- 46 Corporate Governance

- 52 **Relationship with Stakeholders**
- 54 **CSR Feature: Business Continuity**
Responsibilities and Responses Required as Part of the Social Infrastructure
- 56 The ANA Group's CSR
- 58 Safety Initiatives
- 61 Environmental Initiatives
- 67 Relationship with Society
- 68 Relationship with Customers
- 71 Relationship with Employees

- 73 **Financial Section**
- 74 Consolidated 11-Year Summary
- 76 Industry Trends
- 77 Management's Discussion and Analysis
- 86 Operating Risks
- 90 Consolidated Financial Statements

- 115 Glossary
- 116 ANA Route System
- 118 The ANA Group
- 119 Investor Information

ANA Fact Book 2011 (separate)
A data reference resource

Editorial Policy

The ANA Group aims to earn trust and provide peace of mind through communication with its stakeholders, thus increasing corporate value. Annual Report 2011 covers management strategies, a business overview and our management structure, along with a wide-ranging overview of the ANA Group's corporate social responsibility (CSR) activities.

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.

ANA's CSR/Environment Website:
<http://www.ana.co.jp/eng/aboutana/corporate/csr/>

ANA Snapshot

The ANA Group aims for growth by taking a global business perspective and delivers the value of ANA to customers around the world to achieve the Group corporate vision of being one of the leading corporate groups in Asia, providing passenger and cargo transportation around the world. The ANA Group consistently implements ongoing initiatives to be the leader in Asia in terms of quality, customer satisfaction and value creation.

Targeted Form of the ANA Group

ANA Group Corporate Philosophy

Our Commitments

On a foundation of security and reliability, the ANA Group will

- Create attractive surroundings for customers
- Continue to be a familiar presence
- Offer dreams and experiences to people around the world

ANA Group Safety Principles

Safety is our promise to the public and is the foundation of our business.

Safety is assured by an integrated management system and mutual respect.

Safety is enhanced through individual performance and dedication.

ANA Group Corporate Vision

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

Being the leader in Asia means that we will become:

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



Flights per Day

1,142

Number of Routes

126 62

(Domestic routes)

(International routes)

Operating Fleet

222

The ANA Group is working to expand its network while adjusting capacity to demand, and offers 1,012 flights per day on domestic routes and 130 flights per day on overseas routes (totals of passenger and cargo flights as of July 1, 2011).

The ANA Group balances Japan's largest domestic route network with international routes, operating on 126 routes in Japan and 62 routes internationally (as of July 1, 2011).

As of March 31, 2011, the ANA Group owns 222 aircraft. We operate using between 145 and 155 aircraft on domestic routes and between 65 and 70 aircraft (including freighters) on international routes.



Share of Domestic Passenger Operations

49.4%

By consistently working to improve its competitiveness, the ANA Group steadily increased its share of domestic passenger operations to 49.4% for the fiscal year ended March 2011.

Domestic Passenger Operations

9th

For the fiscal year ended March 2011, the ANA Group served 45 million passengers and ranked ninth among the world's airlines (first in Japan) in terms of domestic passenger operations, and thirteenth among the world's airlines in terms of total passenger operations.

Growth in Available Seat-Kilometers in International Passenger Operations

11.4%

The ANA Group is aggressively expanding its international routes, generating significant year-on-year growth in available seat-kilometers of 11.4% in international passenger operations during the fiscal year ended March 2011.



On-Time Arrival Rate
(Total of Domestic and International Routes)

90.7%

With safety as a premise, the ANA Group is totally committed to on-time operation. In the fiscal year ended March 2011, the on-time arrival rate for total domestic and international routes was 90.7%.

CO₂ Emissions per Revenue Ton Kilometer

-3.6%

A leader among airlines in environmental protection, the ANA Group has energetically implemented measures to conserve fuel in the air and on the ground. CO₂ emissions per revenue ton kilometer for the fiscal year ended March 2011 decreased 3.6%.

World Airline Awards
(World's Best Airport Services Award)
(Staff Service Excellence (Asia) Award)

No.1

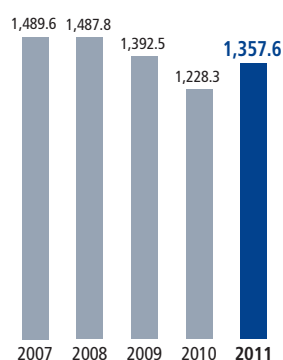
Skytrax judged ANA as having the World's Best Airport Services at the 2011 World Airline Awards. ANA also won the Staff Service Excellence Award in the Asia category.

Consolidated Financial Highlights

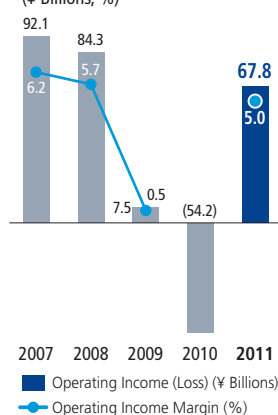
All Nippon Airways Co., Ltd. and its consolidated subsidiaries (Note 1)
Years ended March 31, 2011, 2010, 2010 and 2009

- ▶ Operating revenues increased 10.5% year on year to ¥1,357.6 billion despite the impact of the Great East Japan Earthquake because the ANA Group steadily adapted to the recovery in demand and changes in the operating environment due to the expansion of the airports in the Tokyo area.
- ▶ Operating expenses increased only 0.6% year on year to ¥1,289.8 billion as the ANA Group removed approximately ¥86.0 billion from its cost structure in accordance with its plan.
- ▶ Operating income was ¥67.8 billion, compared with an operating loss of ¥54.2 billion for the previous fiscal year, as the ANA Group's success at restraining operating expenses allowed the increase in operating revenues to support earnings growth more fully.

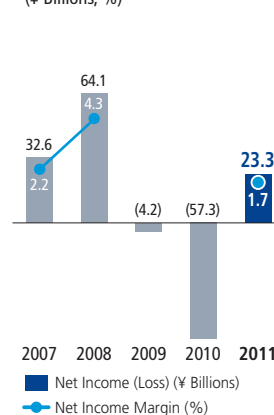
Operating Revenues
(¥ Billions)



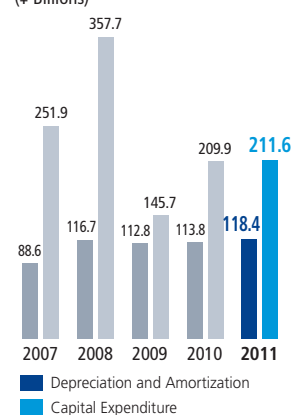
Operating Income (Loss) /
Operating Income Margin
(¥ Billions, %)



Net Income (Loss) /
Net Income Margin
(¥ Billions, %)



Depreciation and Amortization /
Capital Expenditure
(¥ Billions)

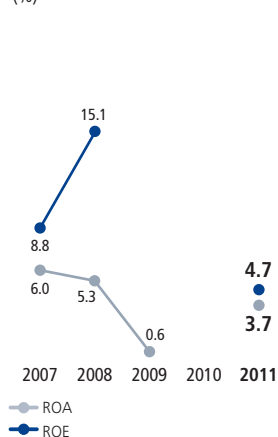


	Yen (Millions)			U.S. dollars (Note 2) (Thousands)
	2011	2010	2009	2011
For the Year				
Operating revenues	¥1,357,653	¥1,228,353	¥1,392,581	\$16,327,757
Operating expenses	1,289,845	1,282,600	1,384,992	15,512,266
Operating income (loss)	67,808	(54,247)	7,589	815,490
EBITDA (Note 3)	186,248	59,559	120,470	2,239,903
Net income (loss)	23,305	(57,387)	(4,260)	280,276
Cash flows from operating activities	203,889	82,991	(39,783)	2,452,062
Cash flows from investing activities	(139,619)	(251,893)	(111,139)	(1,679,122)
Cash flows from financing activities	(10,596)	173,791	114,504	(127,432)
Free cash flow	64,270	(168,902)	(150,922)	772,940
Depreciation and amortization	118,440	113,806	112,881	1,424,413
Capital expenditure	211,698	209,937	145,709	2,545,977
At Year-End				
Total assets	¥1,928,021	¥1,859,085	¥1,761,065	\$23,187,263
Interest-bearing debt	938,819	941,691	897,236	11,290,667
Total shareholders' equity (Note 4)	520,254	473,552	321,883	6,256,812
Yen				
U.S. dollars (Note 2)				
Per Share Data				
Net income (loss)	¥ 9.29	¥ (24.67)	¥ (2.19)	\$0.11
Net assets	207.35	188.93	166.50	2.49
Cash dividends	2.00	—	1.00	0.02

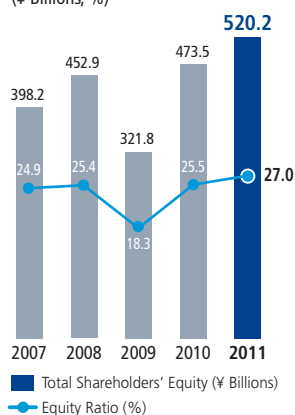
- ▶ Net income was ¥23.3 billion, compared with net loss of ¥57.3 billion for the previous fiscal year.
- ▶ The equity ratio increased 1.5 percentage points from the previous fiscal year-end to 27.0%, largely because of the return to net profitability.
- ▶ ANA reinstated payment of dividends, with a dividend of ¥2.00 per share for the fiscal year.

See pages 74 and 75 for a more detailed consolidated 11-year summary of financial data.

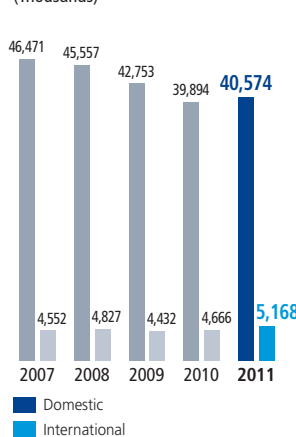
ROA / ROE (%)



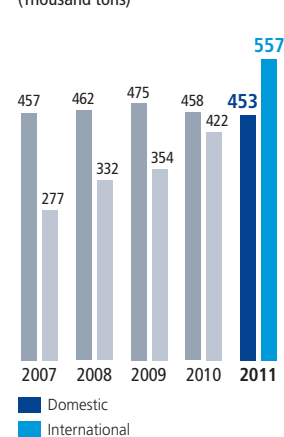
Total Shareholders' Equity / Equity Ratio (¥ Billions, %)



Number of Passengers (Thousands)



Cargo Volume (Thousand tons)




	2011	2010	2009
Management Indexes			
Operating income margin (%)	5.0	—	0.5
ROA (%) (Note 5)	3.7	—	0.6
ROE (%) (Note 6)	4.7	—	—
Equity ratio (%)	27.0	25.5	18.3
Debt/equity ratio (times) (Note 7)	1.8	2.0	2.8
Operating Data			
Domestic Passenger Operations			
Available seat-km (millions)	56,796	57,104	59,222
Revenue passenger-km (millions)	35,983	35,397	37,596
Number of passengers (thousands)	40,574	39,894	42,753
Load factor (%)	63.4	62.0	63.5
International Passenger Operations			
Available seat-km (millions)	29,768	26,723	27,905
Revenue passenger-km (millions)	22,430	20,220	19,360
Number of passengers (thousands)	5,168	4,666	4,432
Load factor (%)	75.3	75.7	69.4
Cargo Volume			
Domestic (thousand tons)	453	458	475
International (thousand tons)	557	422	354

Notes: 1. As of March 31, 2011, there were 64 consolidated subsidiaries and 25 equity-method subsidiaries and affiliates.
 2. U.S. dollar amounts in this report are translated, for convenience only, at the rate of ¥83.15=US\$1, the approximate exchange rate as of March 31, 2011.
 3. EBITDA = operating income + depreciation and amortization
 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.

* Yen amounts are rounded down to the nearest million. Percentages are rounded to the nearest number. U.S. dollar translations are rounded down beginning with the fiscal year ended March 2009.

To Our Shareholders



The ANA Group continues to innovate its business structure in order to succeed in the full-scale global competition of the future and advance to a phase of sustained growth. Look for us to prevail in this tough business environment and continue to take on challenges toward realizing our corporate vision of being one of the leading corporate groups in Asia.

Shinichiro Ito
President and Chief Executive Officer

Introduction

We pledge to implement management reforms as we overcome the major impact of the Great East Japan Earthquake.

I would like to discuss the ANA Group's current status before explaining its management strategy and future initiatives.

First, on behalf of the ANA Group I would like to extend our heartfelt condolences to everyone who was affected by the Great East Japan Earthquake of March 2011. This unparalleled disaster has had a major impact in many areas, and intense efforts are underway at every related location to support those affected and to restore supply chains. As a public transportation provider, the ANA Group is contributing to the quickest possible recovery by maintaining safe air transportation.

The earthquake has significantly affected the way the ANA Group operates, now and in the future. In February 2011, prior to the earthquake, we announced the ANA Group FY2011-2012 Corporate Strategy for the two years ending March 2013. Soon

after, however, the occurrence of the earthquake forced us to revise the short-term track of our management plan.

On the other hand, looking at current conditions, demand dropped substantially immediately after the earthquake, but is now recovering steadily, especially on international routes. As the current fiscal year began we quickly implemented a phased approach to accommodating the drop in demand by accurately adjusting capacity and meticulously controlling costs. Our targets for the fiscal year ending March 2012 are net income of ¥20.0 billion and cash dividends per share of ¥2.00.

We had to adjust our target for earnings from our initial plan, but the foundation of our corporate strategy has not changed. We see this crisis as an opportunity to reform management and accelerate further gains in productivity and efficiency.

Overview of the Fiscal Year Ended March 2011

We exceeded our initial plan in fulfilling our primary mission of returning to net profitability and restoring dividends.

Next I would like to go over the fiscal year ended March 2011. During the fiscal year, the increase in arrival and departure slots at the two Tokyo-area airports of Haneda Airport and Narita Airport created a major business opportunity. The entire ANA Group steadily transformed these excellent opportunities into earnings while reforming its cost structure to build a business structure that is resilient to environmental change.

Operating revenues increased 10.5% year on year to ¥1,357.6 billion, with nearly all of the increase contributing to earnings because operating expenses rose less than 1% year on year to ¥1,289.8 billion. Consequently, operating income was ¥67.8 billion, and the ANA Group returned to bottom-line profitability with net income of ¥23.3 billion. We also paid cash dividends per share of ¥2.00, which was ¥1.00 higher than we forecast at the start of the fiscal year. The primary mission we set last year to return to net profitability and restore dividends was central to management during the fiscal year, with the result that we outperformed our initial plan and established the

foundation for further growth.

I will briefly explain the primary factors that drove higher earnings. In international passenger operations, we implemented a dual-hub strategy that raises the convenience of connecting flights through both Haneda Airport and Narita Airport. We were therefore able to generate a 31.1% increase in operating revenues by expanding capacity while precisely matching it with demand. In domestic passenger operations, our dominant market share supported an increase in operating revenues as competing airlines significantly reduced capacity. We also increased cargo and mail operating revenues as operations at the Okinawa Cargo Hub & Network have begun generating growth.

Our ability to restrain operating expenses as we expand the scale of operations, especially on international routes, was largely the result of the plan I spearheaded to reduce expenses by ¥86.0 billion for the full year. Step by step, we patiently eliminated costs throughout the ANA Group with a focus on the three pillars of marketing expenses, personnel expenses, and our operating and

cost structure. Cost reductions exceeded our plan, which was a key factor driving the substantial increase in earnings.

Aside from the unexpected negative impact of the Great East Japan Earthquake on operating revenues, during the fiscal

year ended March 2011 we made steady progress under the ANA Group FY2010-2011 Corporate Strategy we formulated in March 2010.

Initiatives under the ANA Group FY2011-2012 Corporate Strategy and Strategic Direction from the Fiscal Year Ending March 2012 Onward

We aim to deepen our management strategy toward the next step and transition our business model to prevail in full-scale global competition.

Thus we achieved a V-shaped recovery in the fiscal year ended March 2011, but over the coming five years the advent of full-scale competition will certainly shape our operating environment. The ANA Group will prevail in this competition and enter a phase of sustained expansion primarily driven by growth on international routes based on the dual-hub strategy for the Tokyo area. We also need to innovate our operating and earnings structure. Therefore, we formulated the ANA Group FY2011-2012 Corporate Strategy in February 2011 based on our perception that the fiscal years ending March 2012 and 2013 are a time to respond to our changing operating environment and transition to an even more powerful operating structure to achieve further growth. However, we had to revise our corporate strategy because the earthquake occurred soon after we had formulated it.

Our first initiative was to objectively analyze the impact of the earthquake in revising our annual budget for the fiscal year ending March 2012 to achieve our primary mission of securing net profitability and sustained dividends. Consequently, we delayed the announcement of our full-year forecast until we disclosed first-quarter results at the end of July 2011. Our forecast incorporates a number of measures to improve revenues and reduce costs, targeting

net income of ¥20.0 billion and cash dividends per share of ¥2.00.

A core theme of the ANA Group FY2011-2012 Corporate Strategy is enhancing managerial efficiency and our ability to withstand the risks of our changing operating environment. We put this theme into action by deciding to form a joint venture with AirAsia Bhd. to build our low-cost carrier (LCC) business, and announced the establishment of AirAsia Japan Co., Ltd. in July 2011.

The earthquake brought the management strategies of Japanese corporations including the ANA Group to an unexpected and unavoidable standstill, but the global changes in the operating environment are not waiting for us. We intend to generate good results for the fiscal year ending March 2012 while also preparing our future management strategies with the same speed at which our operating environment is changing.

We expect the new mid-term corporate strategy to make the most of the pillars of the ANA Group FY2011-2012 Corporate Strategy, which are to “enhance managerial efficiency through maximum utilization of management resources” and “establish solid revenue foundations resistant to volatility,” while focusing on our transition to a business model that incorporates our new LCC business.

Overview of the Business Plan and Budget for the Fiscal Year Ending March 2012

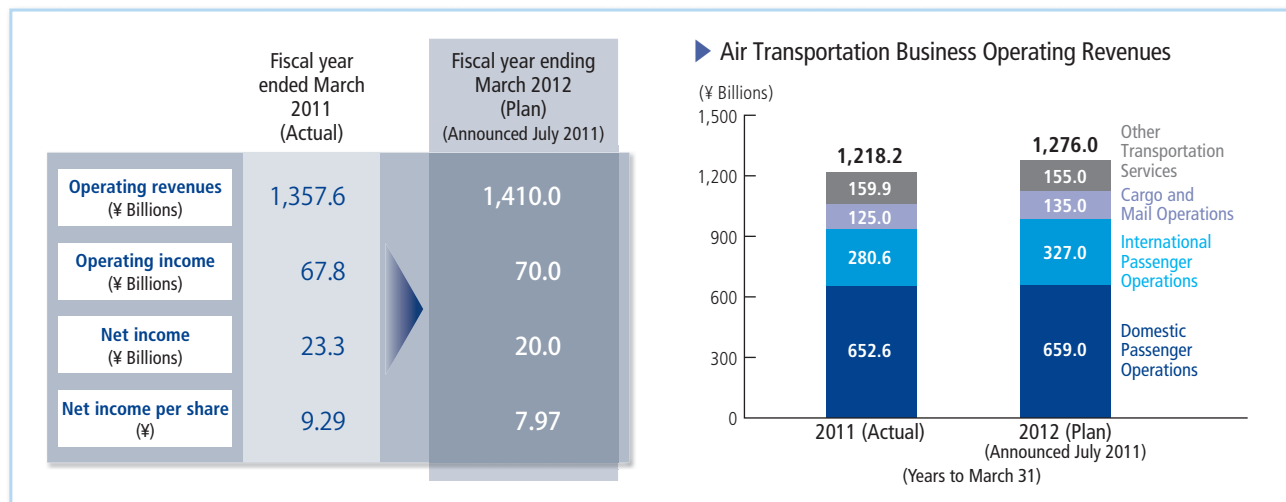
We will overcome the impact of the earthquake and secure net profitability and sustained dividends.

We have revised our business plan and our budget to deal with the impact of reduced revenue during the fiscal year ending March 2012 due to the lingering effect of the post-earthquake drop in air transportation demand, which I will discuss along with the strategies in each of our businesses.

First, I will discuss our business plan. Demand has recovered quickly, with growth in the number of passengers on international

routes in May 2011 compared with the same month a year earlier. We plan to minimize the scope of capacity revisions on international routes with a 15.3% full-year increase in available seat-kilometers. We are assuming that the number of passengers will increase 12.0% year on year, and that we will maintain high load factors on Haneda routes while steadily capturing demand with a focus on our many new Asian routes.

◆ Targets for the Fiscal Year Ending March 2012

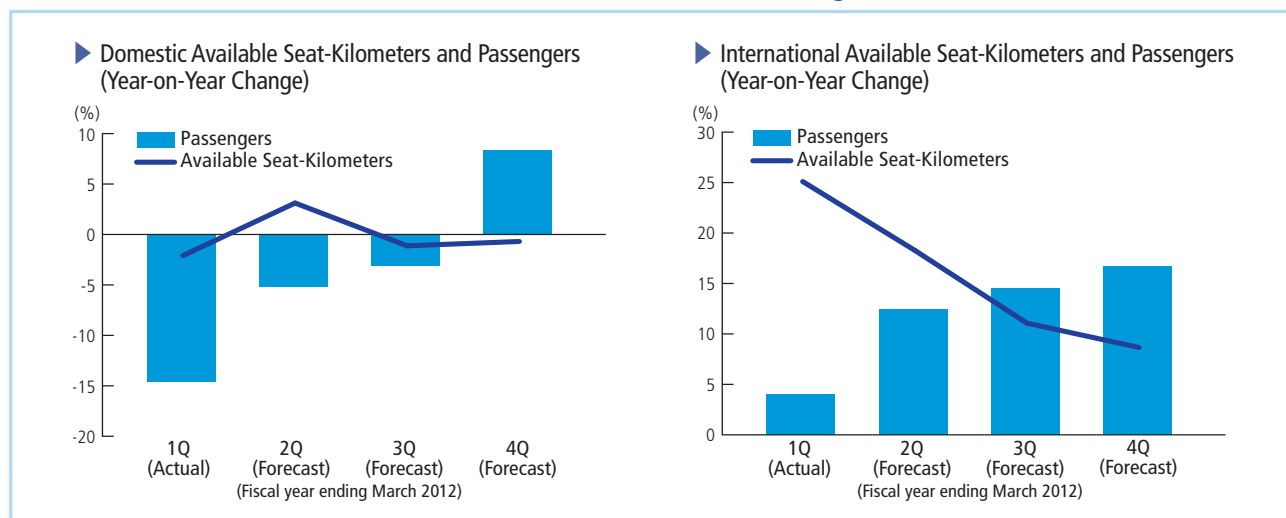


The number of passengers on domestic routes in April 2011 decreased approximately 20.0% compared with the same month a year earlier. However, the year-on-year decrease narrowed to single digits in the second quarter. We expect year-on-year growth in passenger numbers from the fourth quarter, but a 3.9% year-on-year decrease for the full fiscal year. We therefore adjusted capacity to match demand in the first quarter, and have revised capacity for the second half compared with our initial plan, with a forecast for a year-on-year decrease of 0.1% in available seat-kilometers for the full fiscal year.

Consequently, we forecast operating revenues of ¥1,410.0 billion for the fiscal year ending March 2012. This is a downward revision of ¥90.0 billion from our initial plan of February 2011, with ¥84.0 billion of the decrease coming from the air transportation business.

After the earthquake, we formulated emergency budget measures in April 2011 to increase revenue and reduce costs by ¥30.0 billion. This consisted of ¥10.0 billion from reduction of capacity costs by matching demand and capacity and ¥20.0 billion from cost reductions and cutbacks involving all divisions. We achieved reductions of approximately ¥10.0 billion in the first quarter, and intend to achieve the remaining reductions of approximately ¥20.0 billion by the end of the fiscal year. We also plan to reduce revenue-related expenses such as sales commissions while lowering operating expenses, including a downward revision of personnel expenses in conjunction with the revision of performance targets. As a result, we will absorb the reduction in revenue stemming from the earthquake as much as possible under our plan to achieve operating income of ¥70.0 billion, with ¥67.0 billion from the air transportation business, and net income of ¥20.0 billion.

◆ Assumed Conditions of Forecast of Results for the Fiscal Year Ending March 2012



Strategies by Business: International Passenger Operations

We will deepen our network and marketing strategies to drive growth by capturing new global demand.



I would like to explain our strategies by business, beginning with the international passenger operations that are driving the ANA Group's growth.

Global air transportation demand is expected to continue growing solidly, with particularly strong growth in demand on routes serving China and other Asian countries where GDP expansion is forecast to remain high. With the increase in arrival and departure slots at Tokyo-area airports, the ANA Group enhanced international passenger operations by substantially increasing capacity on routes serving China and other Asian countries. We initiated service on the Narita-Jakarta route in January 2011 and the Narita-Manila route in February 2011, and also began serving destinations in the interior of China by

initiating service on the Narita-Chengdu route in June 2011. Moreover, we will complement the full-year operation of expanded international service at Haneda Airport in the fiscal year ending March 2012 by introducing the Boeing 787 from the second half of the fiscal year, which we plan to deploy on late-night and early-morning slots for routes from Haneda to Europe.

The Tokyo-area dual-hub strategy will allow us to maintain our current high load factors on inbound and outbound routes at Haneda Airport and Narita Airport. Other factors, including our ability to capture connecting flights at Haneda Airport, indicate that we are on track to achieve our targets.

We initiated a joint venture with United Airlines and Continental Airlines from April 2011, and are now expanding our global catchment area in ways such as setting joint fares and reconciling schedules to shorten connection times. We also received antitrust immunity (ATI) approval for a joint venture on Japan-Europe routes and are making preparations with Deutsche Lufthansa AG that include setting certain joint fares from the winter 2011 schedule onward. We plan to fully implement this joint venture from 2012. These initiatives have enabled a competitive framework for cooperation on high-volume, long-haul Europe and North America routes.

We expect these initiatives to result in growth in the number of passengers during the fiscal year ending March 2012, which we forecast will generate an increase of 16.5% in revenues from international passenger operations to ¥327.0 billion.

Strategies by Business: Domestic Passenger Operations

We will leverage our dominant market share and ensure profitability by accurately matching capacity with demand.

We forecast steady earnings in the key business of serving passenger demand on domestic routes because of the significant scale of the market and the competitive advantages the ANA Group has obtained in that market. The competitive environment involves competition with Shinkansen bullet trains and route expansion among new airline companies. However,

capacity reduction by the other major competitor in the domestic airline industry allowed the ANA Group to increase its passenger share to 50.4% as of June 2011, thus maintaining a share of more than half of the market.

While we forecast that the end of the downturn in demand stemming from the earthquake will take until the end of the

fiscal year, we are seeing positive evidence that the pace of recovery in business and other individual demand is faster than for leisure demand. In autumn we will take delivery of the long-awaited Boeing 787 and put it to work starting with domestic routes. While making the most of our dominant market share, we will increase earnings by flexibly setting fares

and precisely managing yield in accurately matching capacity with demand.

For the fiscal year ending March 2012, we plan to increase revenues from domestic passenger operations 1.0% year on year to ¥659.0 billion.

Strategies by Business: Cargo and Mail Operations

We will capture robust intra-Asia cargo demand as we quickly adopt an “integrator business model.”

The key growth driver in mail and cargo operations will be gains in the international freight business supported by demand in China and other Asian countries.

Increased flights on international routes will raise our supply capacity using aircraft belly space, which accounts for more than 60% of cargo revenues. This will allow us to increase shipping volume on Asia routes as well as on long-haul Europe and North America routes.

In the freighter business, we will continue to focus on the Okinawa Cargo Hub & Network in deploying a fleet of nine low-cost, highly efficient medium-body freighters. We will expand the daytime flight schedule using Narita Airport to

follow late-night and early-morning operations at the Okinawa Cargo Hub & Network, which will increase freighter capacity utilization. The ANA Group will quickly adopt an integrator business model that encompasses cargo with high unit prices in the express business and corporate contracts, while aiming to enhance profitability through meticulous yield control and the introduction of new rates that match capacity with demand within our rate structure.

We expect these initiatives to support a year-on-year increase of 7.9% in revenues from cargo operations to ¥135.0 billion for the fiscal year ending March 2012.

Cost Structure Reforms to Improve Profitability

We will bring our costs to global standards as we build a potent earnings structure.

The management theme of the ANA Group FY2011-2012 Corporate Strategy is structural reform of costs to enhance managerial efficiency and strengthen resistance to risks from environmental change. This is an enduring management task that will not change and must be dealt with, even though it has become necessary to revise our corporate strategy in light of the impact of the earthquake.

The ANA Group has regularly implemented cost reductions and cost structure reforms. However, we now need even greater cost competitiveness against the overseas airlines with which we compete. We will need to further reform our cost structure as the share of operating revenues from comparatively volatile international passenger operations increases.

Our target over the medium-to-long term is to decrease unit costs by the equivalent of ¥1.0 per ¥100.0 billion in operating expenses, and we were able to cut unit costs by ¥0.2 through the emergency budget measures we implemented after the earthquake. We intend to dramatically restructure our costs to achieve further reductions, bringing them in line with global standards through a comprehensive program that includes examining ANA Group regulations, standards and operation manuals to wring out additional costs. Under the key points of raising the productivity of operating units without exception and streamlining back office operations, we will continuously promote cost structure reforms for ANA.

Investment Plan and Cash Flow Management

We will continue to invest in the Boeing 787 and other strategic aircraft while ensuring free cash flow.

Aircraft account for a majority of the ANA Group's capital expenditure. We believe that we need to continue enhancing competitiveness through the planned introduction of highly economical aircraft and renovations.

Our fleet strategy is predicated on the phased expansion of arrival and departure slots at Narita Airport and the second phase of expansion planned to begin in the fiscal year ending March 2014 at Haneda Airport that will increase arrival and departure slots. We are concentrating on raising productivity by aggressively introducing fuel-efficient aircraft ahead of competitors, increasing the proportion of narrow- and medium-body aircraft in our fleet, and integrating models. In autumn 2011, we will finally begin introducing the long-anticipated Boeing 787 and plan to put 12 of them into service in the fiscal year ending March 2012 and eight during the fiscal year ending March 2013, for a total of 20 over the coming two fiscal years. By March 31, 2012, we plan to increase our fleet to approximately 230 aircraft from 222 as of March 31, 2011 through aggressive introduction of this new aircraft in tandem with aircraft retirement.

Based on the above, our investment plan for the fiscal year ending March 2012 totals ¥198.0 billion, including non-aircraft investment. This is ¥29.0 billion less than the initial investment plan we formulated in February 2011. While steadily generating cash from operations, we will appropriately control the use of cash for investments with the plan of securing free cash flow totaling ¥19.0 billion for the fiscal year ending March 2012.

◆ Planned Introduction of Aircraft

(Years to March 31)	2011 (Actual)	2012 (Plan)	Ordered Aircraft Outstanding
Boeing 777-300ER	5	–	0
Boeing 777-200ER	–	–	5
Boeing 787	–	12	55
Boeing 767-300ER	5	4	4
Boeing 737-800	7	2	12
Bombardier DHC-8-400	1	3	6
Mitsubishi Regional Jet (MRJ)	0	0	15
Total	18	21	97
Retired Aircraft	5	13	

LCC Business Strategy: A Management Strategy Linked to a New Business Model

LCC are creating new air transportation demand in regions worldwide, and will soon be participating in the Japanese air transportation market.

As we announced in July 2011, we have invested jointly with AirAsia Bhd. in a new LCC, AirAsia Japan Co., Ltd. I would like to go over the background to this decision and our strategy going forward.

The number of revenue passengers on all network carriers including the ANA Group has trended downward during the ongoing global recession since the collapse of Lehman Brothers. On the other hand, during the same period LCCs from Europe and the United States have consistently performed well and increased the number of revenue passengers. In the Asian market, the ANA Group's partner AirAsia Bhd. and other carriers such as Jetstar Airways Pty Limited have been creating

new demand and increasing the number of revenue passengers.

We foresee the following changes in the ANA Group's operating environment over the coming five years.

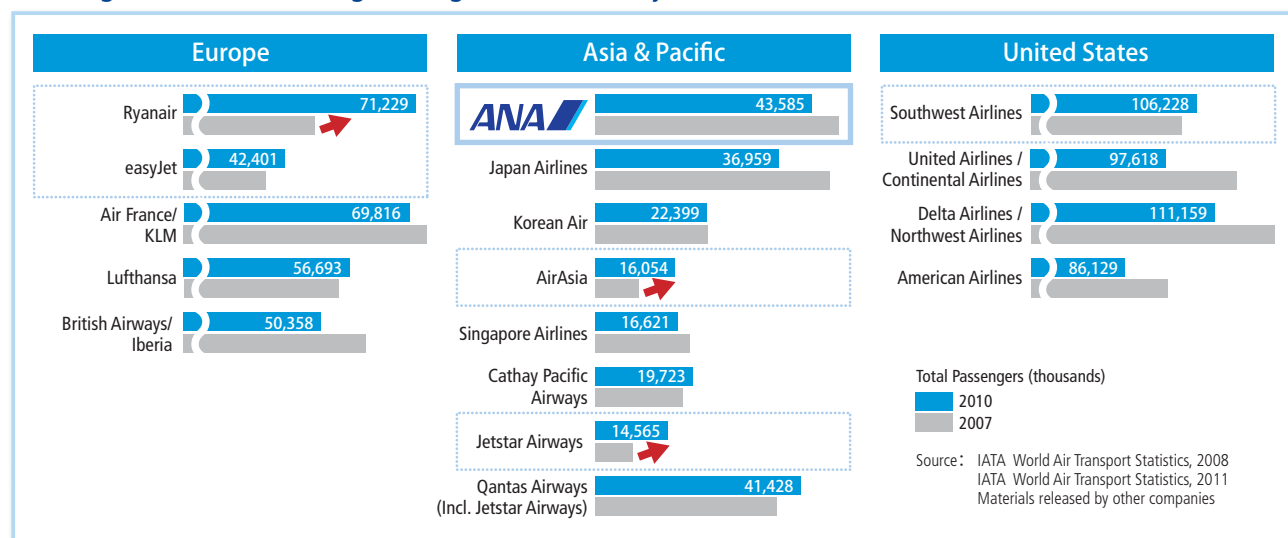
An aging society will weaken demand growth in Japan, while competition with providers of other forms of transportation such as the Shinkansen is forecast to intensify further. In addition, the competitive landscape of the domestic airline industry is changing significantly. Specifically, our major domestic competitor is emerging from corporate rehabilitation with enhanced cost competitiveness, while a start-up airline has announced a strategy of launching Airbus A380 aircraft on Europe and North America routes and developing operations on international routes.

Looking at the international air transportation market, continued strong economic growth in Asia is creating increased passenger volume. Also, Incheon International Airport in Korea is among the international hubs in countries near Japan that have gained attention as bases fueling intensifying competition among Asian airlines. We see a trend toward an increased number of direct flights between rapidly growing China and the

U.S. mainland that bypass Japan.

On the other hand, case studies of how the entry of LCCs generated new passenger demand that expanded the overall air transportation market are worth examining. With the expansion of arrival and departure slots at Narita Airport to 300,000 annually in sight, Asian LCCs are accelerating their entry into the strategically positioned Tokyo area.

◆ Rising LCC Presence among Existing Airlines Globally



The ANA Group is proactively moving into the growing Japanese LCC market by launching a responsive, high-volume LCC based in the Tokyo area.

Given these conditions, the ANA Group is making a major shift to the LCC business in transitioning its business model to further increase earnings. We have decided to enter the Tokyo-area LCC market because of the potential for growth resulting from the increase in arrival and departure slots at Narita Airport. We believe it is important to responsively enter this market and build an LCC with a defined scale and passenger volume as quickly as possible with Narita Airport as a base. The ANA Group will capture advantages as the first mover in responding quickly to LCC demand in the Tokyo-area market.

Growth continues in Asia, which is a marketplace that requires a high level of cost competitiveness. We forecast that passenger demand will become polarized, with demand for full service that is the ANA Group's strength as a network carrier, and conversely, demand for low price instead of high-end service. We intend to implement a dual-brand strategy that serves both types of demand. Implementing this strategy

requires a strong partner with a well-established brand in Asia that enables us to operate in the low-price market, which we did not previously serve.

The joint venture with AirAsia Bhd. satisfies all of our requirements. The establishment of AirAsia Japan based at Narita Airport is an optimum strategic alliance as it creates a new business model for the ANA Group swiftly and soundly.

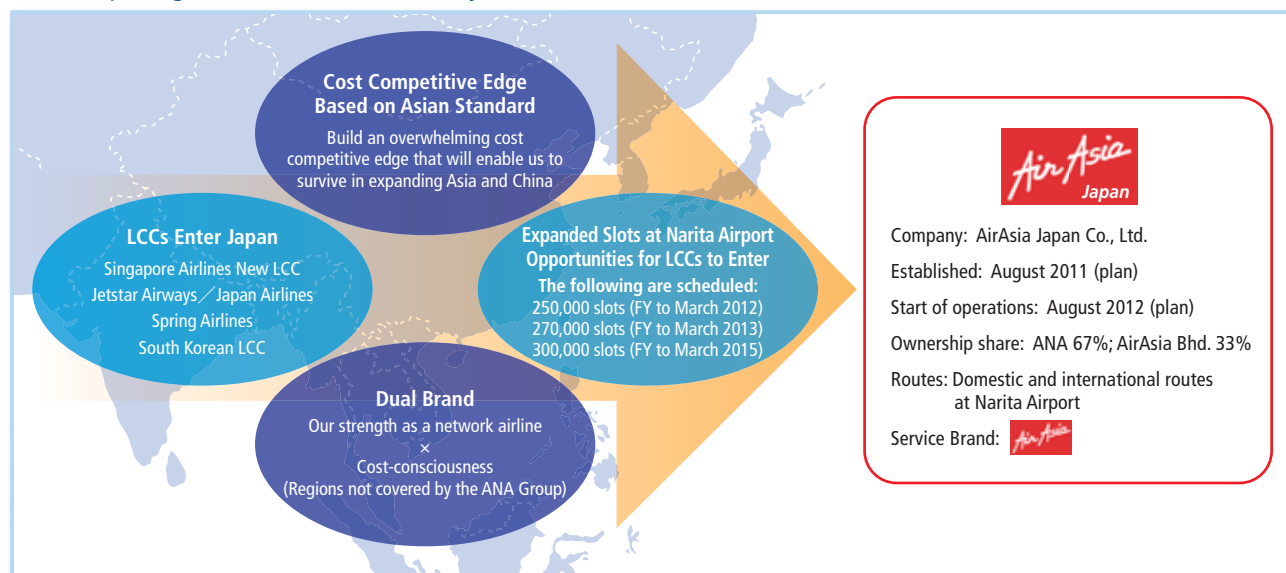
AirAsia Japan will primarily develop domestic routes and short- and medium-haul international routes based at Narita Airport. It will become an ANA Group airline as a consolidated subsidiary that will contribute to Group growth by unearthing and expanding new demand in the Tokyo-area market. Moreover, the alliance discussion gave the ANA Group the opportunity to learn about the cost and operating structure of AirAsia Bhd. This learning experience will be a valuable source of reference.

We have already established a company called Peach Aviation Limited with the intent of creating demand for low-

cost air transportation in the Kinki region, which is the economic block centered on Osaka, Japan's second largest city. Based at Kansai Airport, it is preparing to provide service on domestic routes and short-haul international routes. Narita

Airport-based AirAsia Japan and Kansai Airport-based Peach Aviation Limited will operate in the LCC business in Japan's two main economic zones, and we look forward to their contribution to ANA Group earnings.

◆ Anticipating LCC Demand in the Tokyo-Area Market



ANA Group Corporate Social Responsibility (CSR)

The ANA Group fulfills its duties as a corporate citizen. We focus on initiatives that we are uniquely qualified to implement in contributing to a sustainable society.

CSR is the basis for corporate activities that fulfill the ANA Group's corporate philosophy. We will meet society's expectations and demands for the ANA Group through our operating activities in order to grow together with society. That is the ANA Group's CSR, and is the only route for us to achieve sustained growth.

We are deeply aware that our CSR includes meticulous attention to safe air transportation, which is our most important mission as a public transportation provider. As the ANA Group Safety Principles state, "Safety is our promise to the public and is the foundation of our business." This commitment to placing the highest priority on safety in all of our operations is shared throughout the Group. During the fiscal year ended March 2011 we implemented our Medium-Term Safety Promotion Plan, under which we are promoting safety activities even more methodically and intensely with the focused efforts of all

divisions. We believe our duty as a public transportation provider is to continuously operate and provide safe air transportation even when disasters such as earthquakes strike. When the Great East Japan Earthquake occurred, we responded with the crisis response rules we had previously formulated, quickly prepared an emergency response organization, and implemented measures to maintain safe air transportation and support recovery in the disaster area. We will estimate the various risks relevant to business continuity management in constructing a framework for responding even more soundly in order to ensure continuous operations and maintain safe air transportation.

We also emphasize our environmental responsibilities with a view to creating a sustainable society. In November 2008, the ANA Group became the first company in the airline and transport industry to be certified as an Eco-First company by Japan's Ministry of the Environment. This initiative represents our promise

to society and our aim of being a leading global airline in terms of the environment. The ANA Group is reducing environmental load through means such as measures to combat global warming in steadily implementing the ANA Group Ecology Plan (2008-2011) while also working energetically to share our commitment to the Earth with people around the world.

Moreover, the ANA Group's responsibilities as a corporate

citizen continue to increase. We recognize the necessity of continuously contributing to post-earthquake reconstruction through both business activities and corporate citizenship activities. ANA Group employees are also proactively volunteering. With all our employees working as one with a shared spirit, we will earnestly consider and do what we can to vitalize Japanese society.

The ANA Group's Challenge

We continue to take the challenge of evolving further to achieve our corporate vision of being one of the leading corporate groups in Asia.

With the establishment of AirAsia Japan, we have decided on full-scale development of the LCC business. Nevertheless, there will be no change in our framework, in which the ANA brand forms the core of the Group's air transportation business and supports the foundation of our revenue and earnings. We will fully leverage the ANA brand and the AirAsia Japan brand, with sustained growth in our businesses enabling the Group to maximize earnings. Amid the changes in the structure of Japan's air transportation market, the ANA Group will continue to grow as a network carrier. I want our next mid-term corporate strategy to provide a business plan that effectively balances this business with the growth opportunities of the LCC business through AirAsia Japan.

The ANA Group will not simply serve its conventional demand, but will also target new demand as we work to turn businesses opportunities into successes. We will not take a passive stance toward changes in our operating environment, but will proactively change our conventional business model as we work to expand earnings and increase corporate value.

The ANA Group's corporate vision is to be one of the leading corporate groups in Asia in terms of quality, customer satisfaction and value creation. We will continue to take on the challenges in each of our businesses to achieve our corporate vision, meet our medium-to-long-term targets of operating income of ¥150.0 billion or more and an operating income margin of 10% or higher, and prevail in global competition.

In doing so, we see enhanced shareholder returns as a primary management responsibility. We will balance it with the need to enhance the internal capital resources that support stable operations while allowing the ANA Group to strengthen



its finances and make the capital investments that ensure growth and profitability over the medium-to-long term.

The impact of the earthquake persists and our operating environment remains difficult. However, we have the strength and flexibility that come from overcoming such difficulties time and again. I will take the lead at the forefront of our management, and I am confident that the ANA Group will evolve further by working in concert to overcome the latest crisis.

I sincerely hope that our stakeholders share our expectations as we continue to take on challenges.

July 2011

Shinichiro Ito
President and Chief Executive Officer

Special Feature: We Fly 1st

Taking on Challenges with the Strategic Boeing 787 Aircraft

In the fiscal year ending March 2012, the ANA Group will be first in the world to put the Boeing 787 aircraft into service.

The Boeing 787 combines advanced operating performance with high economic efficiency. The ANA Group will operate this new generation of strategic aircraft globally. This section introduces the features of the Boeing 787 and explains how the ANA Group will use it as part of its growth strategy.



- 20 Innovative Aircraft**
ANA will finally achieve its dream fleet with the new-generation Boeing 787 aircraft.
- 22 Leading Performance**
The new-generation aircraft has outstanding economic efficiency that will contribute to both revenue and cost performance.
- 24 Evolving Strategies**
Network enhancement and the Boeing 787 will drive ANA's strategic evolution.

Innovative Aircraft

The Launch Customer

Background to the Introduction of the Boeing 787

As of March 31, 2011, the ANA Group operates a fleet of 222 aircraft, of which approximately 30% are medium-body Boeing 767s. The Boeing 767 has played the role of the core aircraft supporting the growth of the ANA Group since the Group acquired its first one in 1983, taking advantage of the aircraft's excellent performance and high economic efficiency on domestic routes and short- and medium-haul international routes.

Aircraft operate for many years and deteriorate with age. This causes fuel efficiency to decline and maintenance and other operating costs to increase. Planned aircraft replacement is a crucial aspect of a business strategy for maintaining stable operations and stabilizing profitability in the air transportation business. Since the lead time from the development of new aircraft to their introduction is about five years, the ANA Group began studying a replacement for the Boeing 767 in the latter half of the 1990s.

But at that time air transportation industry participants worldwide were focusing on providing the value of spaciousness with ultra-wide-body aircraft (the Airbus A380 of today) and

providing the value of saving time by traveling at nearly the speed of sound (the Boeing Sonic Cruiser concept). The ANA Group wanted a medium-body aircraft that combined performance and high economic efficiency to cover everything from domestic to long-haul international routes. Such a requirement was unable to attract much support, which was a formidable barrier in the search for a new aircraft.

However, the emergence of profound changes in demand in the airline industry following the multiple terrorist attacks in the United States in 2001 made an economically efficient medium-body aircraft a top priority of new aircraft development. The ANA Group, which had long wanted this type of aircraft, took the initiative in The Boeing Company's development.

In April 2004, the ANA Group decided to be the world's first airline to place an order for this new medium-body aircraft, initially ordering 50 and subsequently increasing it to 55. As the launch customer for this new-generation aircraft, dubbed the Boeing 787, the ANA Group has participated in its development.

ANA Group Leadership in the Development of the New Aircraft

Flights on domestic routes and short- and medium-haul international routes to China and elsewhere in Asia account for a

◆ Flight Range Comparison

▶ Boeing 787

▶ Boeing 767

+52%

With significantly lighter weight due to the use of carbon fiber composite material and innovative engine performance, the Boeing 787's flight range extends 52% further than the Boeing 767. Although it is a medium-body aircraft, it offers a cruising range comparable to a wide-body aircraft.

ANA will finally achieve its dream fleet with the new-generation Boeing 787 aircraft.

significant proportion of the ANA Group's network, which means its aircraft repeatedly operate for short periods of time and take off and land frequently. These network characteristics inherently stress aircraft, requiring additional options to further strengthen the airframe structure.

Success in incorporating the necessary additional options into the standard model of conventional aircraft provides outstanding economic advantages. With this as a primary objective, the ANA Group worked proactively in the development of a medium-body aircraft that embodied the desired performance and economic efficiency.

Features of the New-Generation Medium-Body Aircraft

Innovations for Range and Fuel Volume

The Boeing 787 has many innovative features. Only parts of conventional aircraft used carbon fiber composite material, but using it for the main structures including the airframe achieved significant reductions in weight. Moreover, innovative advances in engine technology have dramatically improved operating performance by increasing range and reducing fuel consumption.

Operational Advances

Befitting the nickname "Dreamliner," the Boeing 787 introduces a wide array of innovative functions. It features improved riding comfort because it has a system that detects turbulence and controls the wings accordingly, which allows the airframe to maintain a stable position.

Moreover, the new "e-Enabling" system has significantly changed the methods for sharing information between the aircraft and the ground. For example, various digitized aircraft manuals and various computer software can be updated electronically over this network. The cockpit features displays that are one size larger than the wide-body Boeing 777, with improved visibility. Other standard features to improve safety and reduce workload include a head-up display (HUD) that allows users to check instrument data while maintaining a fixed forward line of sight.

Focus on → The Working Together Project

As the Boeing 787 launch customer, the ANA Group participated in the Working Together Project. This was a win-win development technique that allowed manufacturer and user to mutually employ their strengths to directly reflect extensive airline operating experience and specific requests in the aircraft design.

For example, conventional aircraft have cockpit windows that can be opened for wiping, but the new aircraft does not. The ANA Group based persistent negotiations on Japan's unique weather and natural conditions such as the amount of precipitation, yellow sand and number of insects, and as a result were able to make a

cockpit windshield wiper and washer standard equipment.

The ANA Group proposed numerous other specifications for standard equipment, including oxygen masks shaped to fit customers better and the installation of mirrors that show the interior of the overhead storage bins in the passenger cabin. The project involved multiple thorny issues, but we are proud that the airlines worldwide that will use the Boeing 787 will benefit substantially in areas such as safety, economics, efficiency and convenience because of our results.

Leading Performance

The Performance of the New-Generation Aircraft

An Aircraft That Will Strengthen Competitiveness and Contribute to Growth

Now that the Boeing 787 has been developed with these numerous features for performance, how will it benefit the ANA Group's results?

The Boeing 787 is precisely the ideal aircraft the ANA Group has been seeking. This strategic aircraft will display its value in a number of areas, enhancing the ANA Group's competitiveness and contributing to growth.

In considering the degree of the Boeing 787's effect on the ANA Group's profitability, the most important point is that the Group can expect to further innovate its network strategy because it offers performance nearly equal to a wide-body in a medium-body aircraft. The details of the ANA Group's future strategy using the Boeing 787 are on the following pages. This section takes a look at the direct economic and environmental benefits that the features of the Boeing 787's airframe provide.

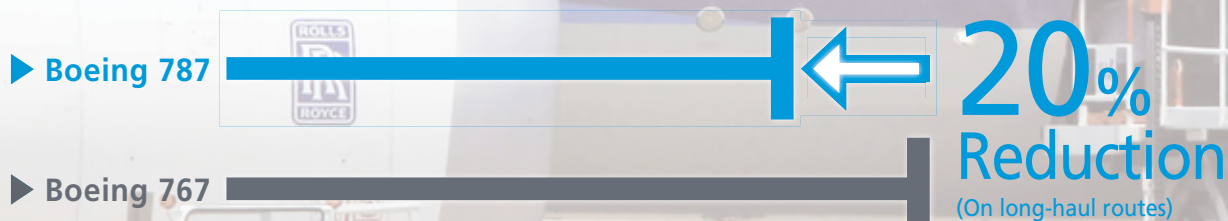
The Economic Advantages of the Boeing 787

Toward Lower Operating Costs

The Boeing 787 effectively lowers costs, beginning with operating costs. It offers enhanced fuel efficiency, which reduces consumption, along with significantly improved performance. As mentioned earlier, the lighter carbon fiber composite material airframe and engine performance innovations can significantly reduce fuel consumption compared with the Boeing 767, by approximately 20% on long-haul routes and about 10% on short-haul routes.

In the air transportation business, fuel expenses account for more than 20% of operating expenses. Restraining and reducing fuel expenses therefore provide substantial advantages for stable corporate performance. We have been working to restrain usage under our current Fuel Efficiency Project, but we expect that the introduction of all 55 Boeing 787s we ordered will substantially improve the fuel efficiency of the ANA Group's fleet. Moreover, the lighter airframe will also decrease weight-based airport usage charges such as landing fees.

◆ Reduced Fuel Consumption



The Boeing 787 achieves a substantial reduction in fuel consumption compared with the Boeing 767 (approximately 20% on long-haul routes). Its improved fuel efficiency will result in major gains in performance for the ANA Group, including lower operating costs and reduced environmental load.

The new-generation aircraft has outstanding economic efficiency that will contribute to both revenues and cost performance.

In addition, we expect major reductions in maintenance costs. Composite materials are not subject to problems such as metal fatigue and corrosion. This not only lengthens airframe service life, but also enables a 30% reduction in maintenance items without adversely affecting safety. Cutting back on inspection frequency and extending the interval between maintenance can reduce the number of times scheduled maintenance is carried out, enabling reductions in maintenance costs and component repair costs.

Objective: Optimize Customer and Cargo Revenue

The introduction of the Boeing 787 will not only reduce costs. It will also make a substantial contribution to the ANA Group's revenues.

The Boeing 787 will increase the number of seats available on aircraft used on domestic routes by more than 20% compared with the 270 seats available on Boeing 767s used on domestic routes. This will allow us to capture additional demand we are currently unable to handle using the Boeing 767 for high-demand routes and time slots.

For aircraft used on international routes, we will install ANA

BUSINESS STAGGERED, which is not available on the conventional Boeing 767. The additional space available will also allow us to configure seating to provide a premium feeling in both the business and economy cabins. We expect this to enhance competitiveness and improve earnings by supporting higher unit prices.

In addition, the Boeing 787 has 1.6 times the cargo space of the Boeing 767, which will have a strongly positive impact on the cargo business. Revenue from cargo carried in the belly space, or the internal cargo space, of aircraft on the ANA Group's extensive passenger flight network accounts for a high percentage of Group cargo revenues. This makes capturing cargo demand a key point alongside matching capacity to passenger demand, particularly in the international cargo business. The ANA Group will promote revenue management that efficiently structures passenger and cargo revenues with the aim of maximizing total revenues per aircraft. The Boeing 787 has the optimum performance for executing these initiatives.

Focus on → Reduced Environmental Load and Greater Passenger Comfort

A lighter airframe that uses composite material and improvement in engine performance raise the fuel efficiency of Boeing 787 aircraft. This enables reduction of CO₂ emissions by approximately 20% and nitrogen oxide emissions by approximately 15% compared with the Boeing 767. It also reduces takeoff noise by approximately 40% and the development of a durable paint that can be used on composite materials reduces repainting frequency. These are among the standout features that reduce the environmental load of the Boeing 787.

The airframe uses composite material that is strong, corrosion resistant and easy to mold. This enables cabin pressure control with higher humidity to create a comfortable cabin environment similar to

being on the ground, which helps reduce the headaches, dizziness and fatigue passengers may experience. Improved passenger comfort will contribute significantly to increasing the product value the ANA Group provides with a network that uses the Boeing 787.

◆ Comparison of CO₂ Emissions per Seat on Tokyo-Sapporo Route



Special Feature: **We Fly 1st** Evolving **Strategies**

Further Network Development Deepening Network Strategies

The increase in the number of arrival and departure slots at Tokyo-area airports has allowed the ANA Group to implement a dual-hub strategy using both Haneda Airport and Narita Airport, which offers opportunities to enhance network competitiveness because of the ANA Group's strengths on domestic and Asian routes. The introduction of the Boeing 787 is the key to this network strategy because of its extended range and superior economic efficiency.

Enhanced Ability to Match Capacity and Demand

Matching capacity and demand, which is central to the ANA Group's network strategy, involves realizing the optimal balance between revenues and operating costs by deploying aircraft of different sizes to accommodate changes in passenger demand. In this regard, the Boeing 787 will display tremendous power.

We can use the Boeing 787 not only on domestic and short-haul international routes, but also on long-haul international routes to Europe and North America that formerly were predicated on the use of wide-body aircraft. The air transportation business,

particularly international passenger operations, is volatile because passenger and cargo demand trends are easily affected by factors such as economic conditions and geopolitical risks. Our ability to choose between the wide-body Boeing 777 and the medium-body Boeing 787 for flights on long-haul international routes according to demand will provide a broader range of options in matching capacity and demand while enabling stable earnings.

More Ways to Increase Flights

The Boeing 787 will allow the ANA Group to flexibly increase flights on existing routes. For example, consider cases where we are increasing available seating capacity when demand is strong on routes to Europe and North America that we currently serve with one flight daily. Rather than doubling seating capacity by adding another Boeing 777 flight on routes where we are already using this aircraft, the option of using the medium-body Boeing 787 allows us to control the risk of overcapacity when enhancing convenience by increasing the number of flights as we move to capture additional demand.

Late-night and early-morning international arrivals and departures at Haneda Airport are complementing daytime arrivals and departures at Narita Airport for flights to Europe and North America. Building on the October 2010 start of service on the

◆ Potential Service Area

Service on the Boeing 767 was limited to flights from Japan to East Asia. The Boeing 787 enables service not only to Asia and Oceania, but also to cities in North and Central America, the Middle East and Europe. The ANA Group's network strategy will further expand.

Potential Service Area
of the Boeing 787

Note: Maximum flight range at
maximum capacity

Network enhancement and the Boeing 787 will drive ANA's strategic evolution.

Haneda-Los Angeles route, during the fiscal year ending March 2012 we plan to initiate service on U.S. and European routes. The introduction of the Boeing 787 will help to realize the formation of an effective network that matches capacity and demand.

Enabling the Start of Service on a Wider Array of Long-Haul Routes

We will also have more options in initiating service on new long-haul routes. Until now, we avoided direct flights on long-haul routes, even when we expected definite latent demand, if forecast demand did not reach the level required for wide-body service to be profitable. Instead, we chose to expand our connecting flight network. In other words, we routed our flights through partner carrier hub airports and accommodated demand using partner connecting flights.

The Boeing 787 medium-body aircraft will allow us to assume we can match capacity to demand, enabling us to expand our lineup of direct flights and strengthen our network covering cities in Europe and North America as well as to capture new customer demand that is likely to increase for destinations including India and the Middle East.

The standout feature of the Boeing 787 is that it gives the ANA Group versatility in covering a wide array of the world's major cities.

Future Operations

Integrating Strategic Aircraft with Global Marketing

The ANA Group will speed up the pace at which it takes possession of Boeing 787s during the first two years, taking delivery of 12 during the fiscal year ending March 2012 and eight during the fiscal year ending March 2013, for a total of 20 aircraft. During the first year we will operate them on domestic routes, then use the superb performance of the Boeing 787 to maximize the competitiveness of our international route network by introducing it in stages on short-haul and long-haul international routes. The Boeing 787 will be the core aircraft in the ANA Group's network, and we plan to take delivery of 55 of them through the fiscal year ending March 2018. We will also renovate our Boeing 767s to maximize the benefits of our investment in strategic aircraft.

In addition to strengthening the competitiveness of its domestic network, the ANA Group will accelerate its initiatives to strengthen global marketing through its alliance strategy and the Japan-U.S. and Japan-Europe joint ventures that have evolved from it with the granting of antitrust immunity, the Haneda Airport and Narita Airport dual-hub strategy, and now the deployment of the strategic Boeing 787.

Focus on → The Future that the Boeing 787 Enables for the ANA Group

The Boeing 787 will be the core aircraft supporting the ANA Group's future growth. This new-generation medium-body aircraft will enable the effective integration of direct flights centering on the dual hubs of Haneda Airport and Narita Airport into the Group's existing network, thus further deepening the ANA Group's network strategy.

These developments reaffirm for me the importance of returning to our origins, of adopting the perspective of the customer, accurately understanding customer desires, and thinking about how we can meet them as we set our strategies. The introduction of the Boeing 787 is one of our responses to customer desire for saving time, comfortable flights and value with quality.

As the launch customer, the ANA Group consciously and responsibly participated in the development of the Boeing 787. We will use this aircraft as our primary weapon as we further deepen our network strategy to prevail against intensifying global competition.



Iwao Kawai
Director
Network Planning

Business Overview

Moving Ahead

As it overcomes the ongoing intense changes in its operating environment, the ANA Group continues to make progress toward its goal of being one of the leading corporate groups in Asia.





28 ANA at a Glance

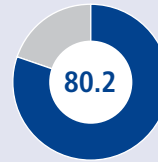
30 Review of Operations

ANA at a Glance

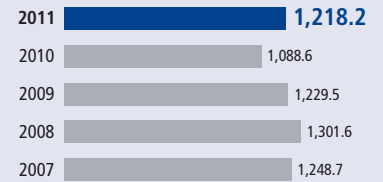
Air Transportation



Segment Operating Revenues as a % of Total Operating Revenues

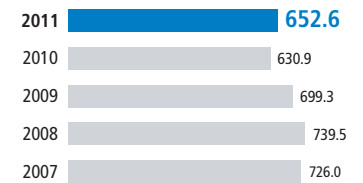
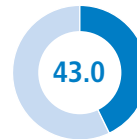


Segment Operating Revenues (¥ Billions)



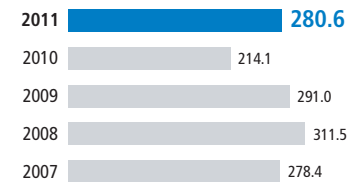
Domestic Passenger Operations

▶ Page 32



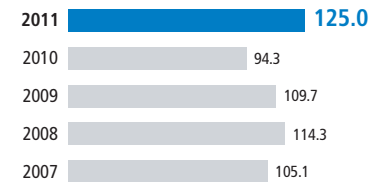
International Passenger Operations

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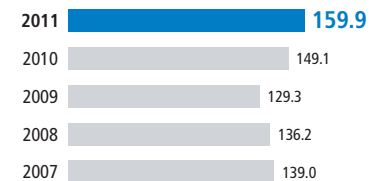
Cargo and Mail Operations

▶ Page 39



Other Transportation Services

▶ Page 40



Notes: 1. Segment operating revenues are before eliminations.

2. Effective the fiscal year ended March 2011, the ANA Group changed its reportable segments to air transportation, travel services and other business. Figures for the fiscal year ended March 2010 have been restated accordingly.

Business Activities

The ANA Group ranks ninth among the world's airlines on its domestic routes and thirteenth overall in terms of revenue passengers.

ANA and three Group airline companies (as of July 1, 2011) meet a broad range of customer needs and provide a highly convenient air transportation business with passenger and cargo flights. Group companies also provide services related to the air transportation business as well as aircraft maintenance and airport handling.

With 1,002 flights on 124 routes daily (as of July 1, 2011), the ANA Group serves approximately 40.57 million passengers annually and is a leader on domestic routes with a 49.4% share of Japan's domestic passenger operations market.

Our substantial domestic network centers on Haneda Airport. We are working to enhance customer satisfaction throughout operations, from aggressively introducing sophisticated IT systems for reservations and boarding to raise convenience and simplicity, to providing high-quality in-flight services.

With 764 flights on 46 routes from Japan weekly (as of July 1, 2011), the ANA Group serves approximately 5.16 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.

We offer international passengers high-quality, highly convenient air transportation services, including the new service brand *Inspiration of Japan*.

The ANA Group provides cargo services through nine medium-body cargo freighters and belly space on passenger planes. We offer ten domestic air cargo flights on seven routes daily, and 148 international air cargo flights on 20 routes weekly (as of July 1, 2011).

With the development of the Okinawa Cargo Hub & Network, we are working to capture express cargo demand in Asia, where growth is forecast over the medium-to-long term, as we continue to build a foundation for operations and earnings.

International Airport Utility Co., Ltd., ANA Aircraft Maintenance Co., Ltd., ANA Telemart Co., Ltd. and other Group companies provide required air transportation services such as ground support at airports, aircraft maintenance and reservation confirmation. 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.

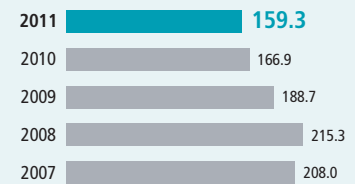
Travel Services



Segment Operating Revenues as a % of Total Operating Revenues



Segment Operating Revenues (¥ Billions)



Business Activities

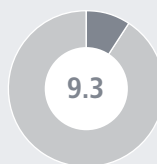
Centered on ANA Sales Co., Ltd., operations in this business involve planning and sales of branded travel packages that include air transportation and lodging, such as *ANA Sky Holiday* and *ANA Hallo Tours*.

Overseas, it provides local services to customers who purchased travel packages in Japan. Inbound and outbound air tickets and travel products are also sold abroad.

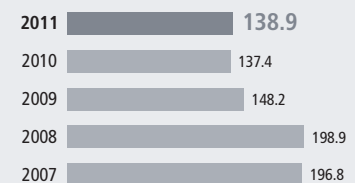
Other Businesses



Segment Operating Revenues as a % of Total Operating Revenues



Segment Operating Revenues (¥ Billions)



Business Activities

These air transportation-related services encompass information systems, product sales, building management, logistics and internal aircraft parts and repair.

In information systems, the ANA Group mainly develops and manages airline information terminals and software. The ANA Group is also involved in import and export of aircraft-related products, retail sales at airport stores and mail-order sales.

Review of Operations

Impact of the Great East Japan Earthquake on Business Results and Demand Trends

Forward together as one *Japan*

The Great East Japan Earthquake of March 11, 2011 caused unprecedented damage, mainly in the Tohoku region. The Fukushima Daiichi Nuclear Power Station of Tokyo Electric Power Co., Ltd. remains in critical condition after the accident that occurred in tandem with the earthquake. These factors have had a pronounced impact on economic activity in Japan, and in the immediate aftermath of the earthquake were also cause for concern about a serious impact on demand for air travel, with a sharp drop in demand for travel to Japan from foreign countries.

The cancellation and voluntary curtailment of business and leisure travel following the earthquake impacted ANA's results for the fiscal year ended March 2011, as did the decrease in foreign travelers to Japan. The decline in leisure travel demand was particularly pronounced. Consequently, the earthquake reduced operating revenues from domestic passenger operations by approximately ¥12.0 billion, and operating revenues from international passenger operations by approximately ¥3.0 billion. In addition, suspension of operations and import handling restrictions immediately following the earthquake caused operating revenues from cargo and mail operations to decrease by approximately ¥1.0 billion. In total, the Great East Japan Earthquake reduced operating revenues by about ¥19.0 billion after intercompany eliminations of approximately ¥2.0 billion.

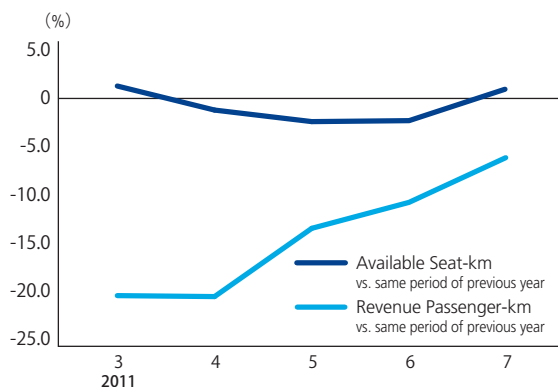
Operationally, the ANA Group did not experience major damage to its facilities or aircraft. ANA canceled all regular inbound and outbound service at Sendai Airport because of damage to the facility from the earthquake, but enabled transportation access to the Tohoku region by establishing relief service using Fukushima Airport from March 12, 2011 and Yamagata Airport from March 29, 2011. ANA also supported reconstruction in ways such as

cooperating in shipping relief supplies and providing transportation for rescue and medical support personnel. The restoration of Sendai Airport progressed steadily, enabling relief service to begin from April 13, 2011 and the return to pre-earthquake regular service from July 25, 2011.

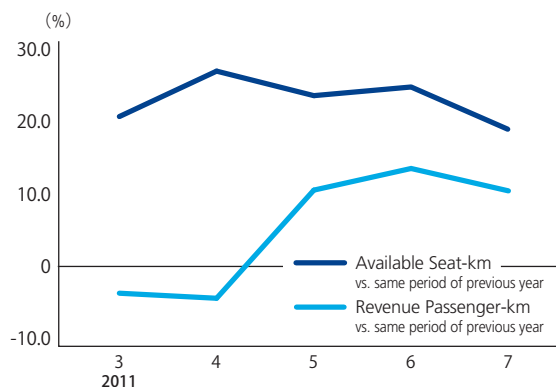
Regarding the impact of the earthquake on results for the fiscal year ending March 2012, the decrease in demand that had initially been a concern quickly bottomed out, and demand started to recover from April 2011, particularly on international routes. Revenue passenger-kilometers on international routes in May 2011 increased 10.5% compared with May 2010, and continued to grow at a rate above 10% in June 2011 and thereafter. While revenue passenger-kilometers on domestic routes dropped by about 20% in March and April compared with the same months a year earlier, the year-on-year decrease gradually narrowed from May 2011. Revenue passenger-kilometers in June 2011 decreased 10.9% compared with June 2010, and the year-on-year decrease narrowed to single digits from July 2011. ANA therefore anticipates that the number of passengers will be higher compared with the same month a year earlier for the rest of the current fiscal year.

The decrease in demand following the Great East Japan Earthquake is different than the drop resulting from the extended global recession after the collapse of Lehman Brothers. International business remains robust and domestic industries are recovering from the earthquake more quickly than expected, supporting rapid recovery in demand for air transportation. The ANA Group is flexibly matching capacity with demand while implementing measures to control costs in moving to minimize the impact of the earthquake on results.

◆ Post-Earthquake Impact on Domestic Routes



◆ Post-Earthquake Impact on International Routes



Note: July 2011 data for both domestic and international routes are from a preliminary report.

Air Transportation

Highlights

	(¥ Billions)		
	2011	2010	2009
Air transportation operating revenues	¥1,218.2 (+11.9%)	¥1,088.6	¥1,229.5
Operating expenses	¥1,157.7 (+1.0%)	¥1,146.6	¥1,224.7
Segment profit (loss)	¥ 60.5 (—)	¥ (57.9)	¥ 4.7

Note: Percentages in parentheses are comparisons with the previous fiscal year.
The Air Transportation segment accounted for 80.2% of total operating revenues before eliminations.

During the fiscal year ended March 2011, expansion of the airports in the Tokyo area increased capacity amid an ongoing recovery in demand for air transportation. ANA implemented network strategies to flexibly respond to demand trends, with the result that revenues increased substantially in Domestic Passenger Operations, International Passenger Operations and Cargo and Mail Operations. Despite the impact of the Great East Japan Earthquake at the end of the fiscal year, air transportation operating revenues increased 11.9% year on year to ¥1,218.2 billion.

Operating expenses only increased 1.0% year on year to ¥1,157.7 billion because ANA exceeded the targets at the start of the fiscal year for its plan to improve its cost and operating structure and reduce sales commissions and personnel costs.

As a result, segment profit was ¥60.5 billion, compared with segment loss of ¥57.9 billion for the previous fiscal year.

As part of the ANA Group FY2010-2011 Corporate Strategy, the ANA Group restructured its Group airlines with the objective of optimizing its cost structure and raising efficiency. Two consolidated subsidiaries, Air Japan Co., Ltd. (the surviving company) and ANA & JP Express Co., Ltd., merged in July 2010, and three other consolidated subsidiaries — Air Nippon Network Co., Ltd. (the surviving company, name changed to ANA WINGS CO., LTD.), Air Next Co., Ltd. and Air Central Co., Ltd. — merged in October 2010.

During the fiscal year ending March 2012, ANA will work to further strengthen competitiveness to compensate for the estimated impact of the Great East Japan Earthquake on results. This will involve flexibly matching capacity to demand and developing effective network strategies revolving around the introduction of the Boeing 787 scheduled for autumn 2011 to capture gradually recovering demand.

Note: Effective the fiscal year ended March 2011, the ANA Group changed its reportable segments to air transportation, travel services and other businesses. Figures for the fiscal year ended March 2010 have been restated accordingly.



Air Transportation

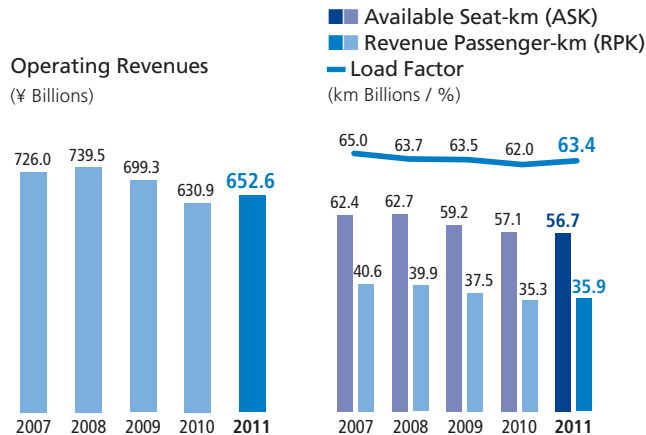
Domestic Passenger Operations



Highlights

Passenger revenues	¥652.6 billion (+3.4%)
Passenger numbers.....	40.57 million (+1.7%)
Available seat-kilometers.....	56.7 billion (−0.5%)
Revenue passenger-kilometers.....	35.9 billion (+1.7%)
Load factor	63.4% (+1.4 pts)
Unit revenues.....	¥11.5 (+¥0.5)
Yield.....	¥18.1 (+¥0.3)
Unit price	¥16,084 (+1.7%)

Note: Figures in parentheses are comparisons with the previous fiscal year.



Overview of the Fiscal Year Ended March 2011

ANA strengthened competitiveness and matched capacity and demand in response to its operating environment.

Demand on domestic routes was solid despite the impact of the Great East Japan Earthquake at the end of the fiscal year as it continued to recover from the beginning of the fiscal year, without the impact of recession and the H1N1 influenza pandemic that significantly reduced demand in the previous fiscal year. Business demand rebounded with particular vigor, and drove the recovery in air transportation demand on domestic routes.

Moves to strengthen ANA's route network included adding flights on the Haneda-Hiroshima/Takamatsu route, the Osaka (Itami)-Fukuoka/Matsuyama route, the Osaka (Kansai)-Sapporo (Chitose) route, and the Nagoya (Chubu)-Sapporo (Chitose)/Sendai route, in addition to resuming the Haneda-Tokushima route in October 2010 in conjunction with the opening of Runway D at Haneda Airport. ANA also expanded code sharing with IBEX Airlines Co., Ltd., Hokkaido International Airlines Co., Ltd., and Skynet Asia Airways Co., Ltd. to maintain and improve customer convenience.

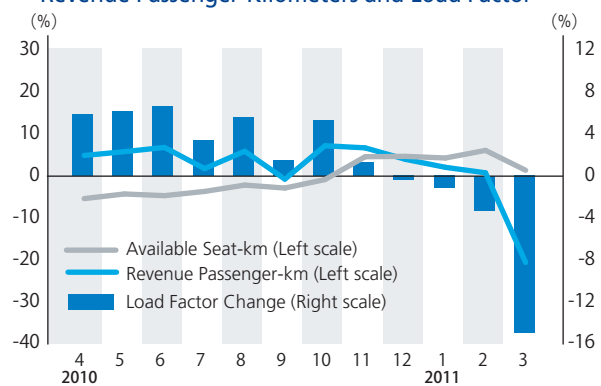
ANA added flights and upgauged aircraft when demand was brisk, including on Fukuoka and Okinawa routes, but discontinued the Nagoya (Chubu)-Yonago/Tokushima route and the Osaka (Itami)-Odatenoshiro/Iwami/Saga route from January 2011 in its continuing efforts to optimize aircraft deployment and precisely match capacity to demand in line with trends in reservations by adjusting available seat-kilometers. Above all, ANA quickly determined changing conditions in the demand structure of the domestic passenger market when competitors adjusted capacity in the second half, and successfully raised competitiveness by upgauging aircraft and flexibly matching capacity to demand. Revenues from key routes such as the Haneda-Sapporo (Chitose) route and the Haneda-Fukuoka route were particularly strong as a result.

ANA's focus on meticulously matching capacity to demand increased the load factor by 1.4 percentage points compared with the previous fiscal year to 63.4%.

◆ Revenues on Key Routes Compared with the Same Period in the Previous Fiscal Year (Second Half of the Fiscal Year Ended March 2011)

Haneda-Sapporo (Chitose)	+ 4%
Haneda-Osaka (Itami)/Osaka (Kansai)/Kobe	+ 5%
Haneda-Fukuoka	+11%
Haneda-Okinawa	+ 8%

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

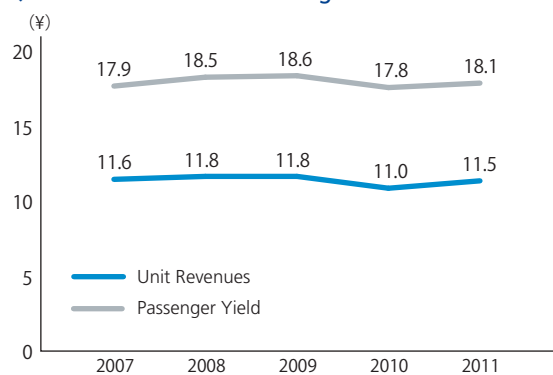


The newly opened Runway D at Haneda Airport (Haneda Airport Expansion Project JV)

◆ Domestic Network Changes

New Service	July 2010	Sapporo (Chitose)-Hakodate/Kushiro/Nakashibetsu/Memanbetsu/Wakkanai
	October 2010	Haneda-Tokushima (Resumed)
Increased Flights	July 2010	Haneda-Okinawa, Osaka (Kansai)-Okinawa
	August 2010	Osaka (Kansai)-Sapporo (Chitose), Hiroshima-Okinawa
	October 2010	Haneda-Hiroshima/Takamatsu, Osaka (Itami)-Fukuoka/Matsuyama, Osaka (Kansai)-Sapporo (Chitose), Nagoya (Chubu)-Sapporo (Chitose)/Sendai
	January 2011	Nagoya (Chubu)-Matsuyama, Osaka (Itami)-Fukuoka/Matsuyama, Fukuoka-Sapporo (Chitose)
Reduced Flights	October 2010	Haneda-Oita
Suspended	January 2011	Nagoya (Chubu)-Yonago/ Tokushima, Osaka (Itami)-Odatenoshiro/Iwami/Saga
Code Share	July 2010	Initiated code sharing with IBEX Airlines Co., Ltd. for Sendai-Sapporo (Chitose), Osaka (Itami)-Fukuoka and Osaka (Itami)-Oita
	October 2010	Initiated code sharing with Skynet Asia Airways Co., Ltd. for Haneda-Oita
	March 2011	Initiated code sharing with Hokkaido International Airlines for Obihiro-Haneda

◆ Unit Revenues and Passenger Yield



Number of passengers and unit price improved because of initiatives to capture business demand.

In sales and marketing, ANA took steps to strengthen competitiveness and stimulate latent demand such as enhancing its discount *Super Tabi-Wari* fares and setting new *Noritsugi Toku-Wari* fares. ANA also enhanced competitiveness with the opening of the new ANA SUITE LOUNGE, a premium service exclusively for ANA Diamond Service members, at the expanded Terminal 2 of Haneda Airport in October 2010. Service improvements included the April 2010 start of ANA Card Family Miles, a program that allows family members to combine earned miles for free flights.

Consequently, the number of passengers increased 1.7% to 40.57 million. Unit price increased 1.7% year on year due to factors including

Air Transportation



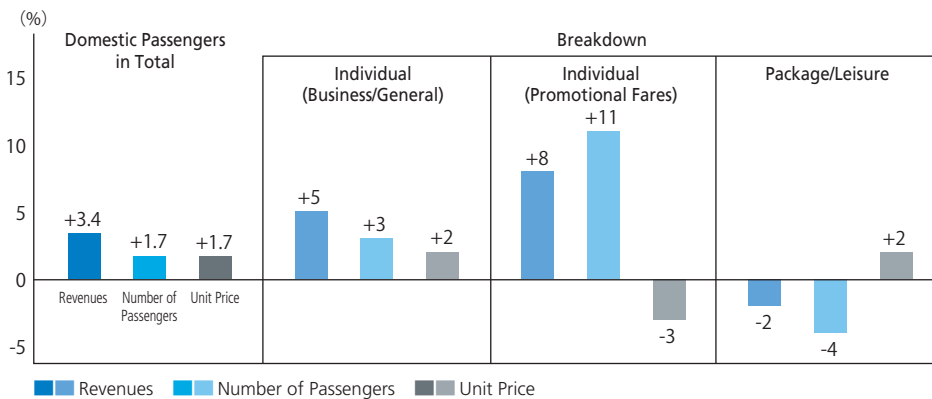
ANA SUITE LOUNGE

increases in business and other fares against a background of enhanced competitiveness. In addition, customer mix was favorable because the number and unit prices of individual passengers, including business pas-

sengers, remained solid throughout the year.

As a result of the above, operating revenues from domestic passenger operations increased 3.4% year on year to ¥652.6 billion.

◆ Year-on-Year Comparison of Revenues, Number of Passengers and Unit Price by Passenger Type



Initiatives in the Fiscal Year Ending March 2012

ANA will strengthen competitiveness by quickly responding to changes in the demand and competitive environments.

While the impact of the Great East Japan Earthquake continues, ANA will further reinforce its business base by optimizing aircraft deployment according to the demand and competitive environments. By using the opportunities created by the introduction of the Boeing 787 scheduled for autumn 2011, ANA will maintain and improve network competitiveness.

In managing the route network, ANA temporarily downgauged aircraft and cancelled flights on certain routes at the beginning of the fiscal year. Nevertheless, ANA will remain alert for recovery in demand and will respond accurately when demand surges by meticulously managing the number of flights and the deployment of aircraft. ANA will also flexibly manage capacity to maximize earnings. In sales and marketing, ANA will energetically work to maximize operating revenues by using the Boeing 787 in promotions while setting fares and implementing sales promotions to stimulate demand.

International Passenger Operations

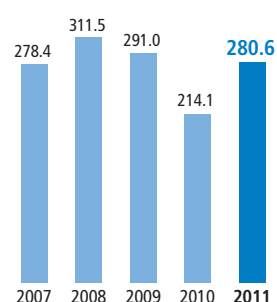


Highlights

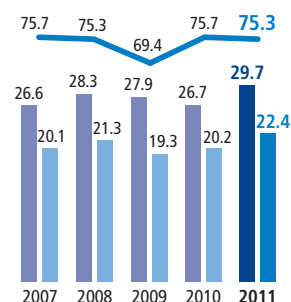
Passenger revenues	¥280.6 billion (+31.1%)
Passenger numbers.....	5.16 million (+10.8%)
Available seat-kilometers.....	29.7 billion (+11.4%)
Revenue passenger-kilometers.....	22.4 billion (+10.9%)
Load factor.....	75.3% (-0.3 pts)
Unit revenues.....	¥9.4 (+¥1.4)
Yield	¥12.5 (+¥1.9)
Unit price.....	¥54,296 (+18.3%)

Note: Figures in parentheses are comparisons with the previous fiscal year.

Operating Revenues
(¥ Billions)



Available Seat-km (ASK)
Revenue Passenger-km (RPK)
Load Factor
(km Billions / %)



Overview of the Fiscal Year Ended March 2011

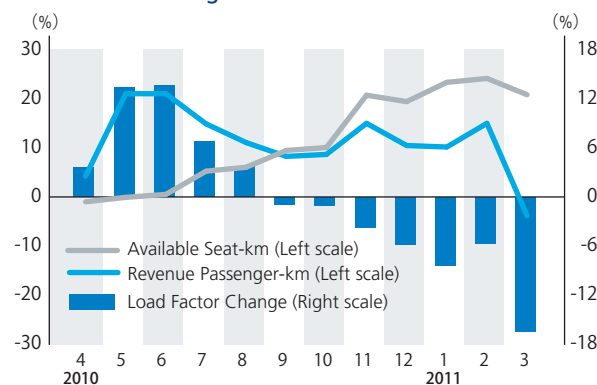
The expansion of airports in the Tokyo area has created opportunities for growth.

Air transport demand on international routes grew steadily, as the expansion of international service at Haneda Airport and a broadly based recovery in business demand more than compensated for factors including the decline in tourist travel on China routes due to the Senkaku Islands dispute and the impact of the Great East Japan Earthquake.

In managing the route network, ANA has increased flights in conjunction with the expansion of international service at Haneda Airport. In October 2010, ANA launched service on the Haneda-Los Angeles/Honolulu/Bangkok/Singapore/Taipei (Songshang) route, and increased flights on the Haneda-Seoul (Gimpo)/Beijing/Shanghai (Hongqiao) route. ANA complemented new routes and increased flights using Haneda by launching service on the Narita-Munich route in July 2010 and the Narita-Manila route from February 2011, and by resuming service on the Narita-Jakarta route in January 2011. Continuing to match capacity with demand, ANA increased capacity where it expects strong demand by upgauging aircraft on routes including the Narita-Shanghai (Pudong)/Qingdao route and the Haneda-Seoul (Gimpo)/Shanghai (Hongqiao) route.

Load factor has benefited from ANA's steady efforts to capture connecting flight demand in line with its plan at the start of the fiscal year ended March 2011. For example, load factors on new inbound and outbound routes at Haneda were strong from the start of service, with approximately one-quarter of the passengers coming from domestic connections. Prior to the Great East Japan Earthquake, load factor by destination remained high at around 80%, excluding the Haneda-Beijing route that was adversely affected by the Senkaku Islands dispute. As a result, overall load factor was 75.3% for the fiscal year ended March 2011, essentially unchanged from 75.7% for the previous fiscal year even though ANA added capacity.

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



Air Transportation

◆ International Network Changes

New Service	July 2010	Narita-Munich
	October 2010	Haneda-Los Angeles/Honolulu/Bangkok/Singapore/Taipei (Songshang)
	January 2011	Narita-Jakarta (Resumed)
	February 2011	Narita-Manila
	March 2011	Nagoya (Chubu)-Shanghai (Pudong)(Resumed)
Increased Flights	August 2010	Narita-Seoul (Incheon)
	October 2010	Haneda-Seoul (Gimpo)/Beijing/Shanghai (Hongqiao)
	January 2011	Narita-New York (limited time)
Decreased Flights	October 2010	Narita-Shenyang/Taipei (Taoyuan)
Suspended	October 2010	Nagoya (Chubu)-Shanghai (Pudong) (temporarily suspended)
Code Share	July 2010	Code sharing initiated with Air Macau for its Narita/Osaka (Kansai)-Macao route and for ANA's Haneda-Osaka (Kansai), Fukuoka-Osaka (Kansai) and Sapporo (Chitose)-Osaka (Kansai) routes
	October 2010	Code sharing initiated with TAM Airlines for its Sao Paulo-London route and for ANA's Narita-London route
	December 2010	Code sharing initiated with Egypt Airlines for its Narita/Osaka (Kansai)-Cairo route and for ANA's Osaka (Kansai)-Sapporo (Chitose)/Fukuoka/Haneda and Narita-Osaka (Itami) routes

Revenues have increased substantially as ANA has steadily taken advantage of the opportunities to capture business demand.

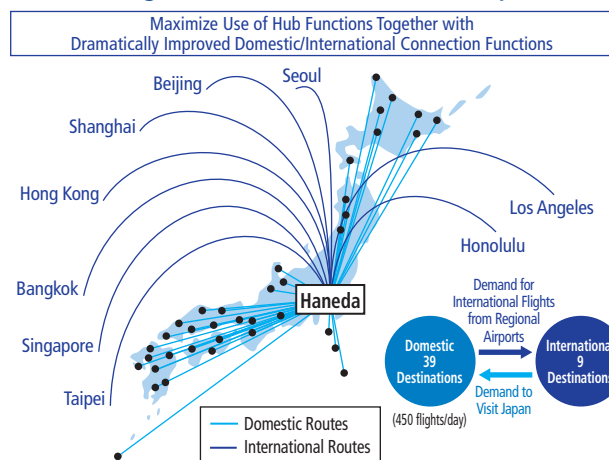
In sales and marketing, passengers on Chinese routes increased substantially in the first half of the year because ANA provided travel products in conjunction with the Shanghai World Expo that began in May 2010 and continued the Visit Japan promotional campaign for Chinese travelers launched in the fiscal year ended March 2010. Moreover, in July 2010 ANA moved to enhance the convenience of its website and its competitiveness in Europe, China and Asia by adding the ability to purchase airline tickets in the passenger's local currency. Further, ANA, United Airlines and Continental Airlines spearheaded a joint venture on Pacific routes that commenced in April 2011 by jointly conducting fare sales for flights from February 2011.

On New York, Frankfurt and London routes, ANA introduced facilities under the *Inspiration of Japan* brand for new products and services launched in the fiscal year ended March 2011. Load factors have been strong.

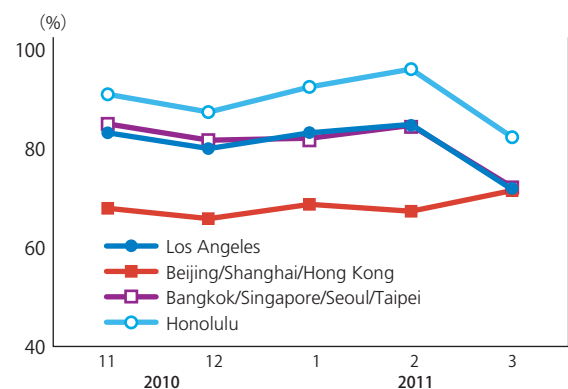
These initiatives and recovery in demand supported a substantial 10.8% year-on-year increase in the number of passengers on international routes to 5.16 million for the fiscal year ended March 2011.

Unit price increased significantly by 18.3% compared with the previous fiscal year due to an improved passenger mix from growth in business demand and an increase in fuel surcharges. In particular, routes into and out of Haneda Airport served a comparatively higher ratio of business demand than flights to the same destination into and out of Narita Airport, which supported a higher unit price. Flights into

◆ Enhancing Our Network from Haneda Airport



◆ Load Factor of Haneda Routes (November 2010-March 2011)





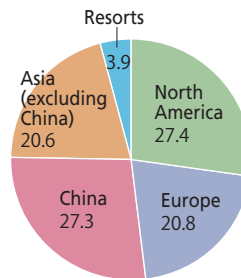
Inspiration of Japan

and out of Haneda Airport in the late night and early morning were expected to be less convenient, but served about the same level of business demand as those into and out of Narita. The unit price of flights into and out of Haneda Airport during the day, the time band that Narita serves, further demonstrated Haneda Airport's strong competitiveness.

As a result of the above, operating revenues from international passenger operations increased 31.1% compared with the previous fiscal year to ¥280.6 billion. ANA has steadily taken advantage of the opportunities resulting from the expansion of Tokyo-area airports to generate significant growth in operating revenues from capacity expansion, recovery in demand and improvement in unit price.

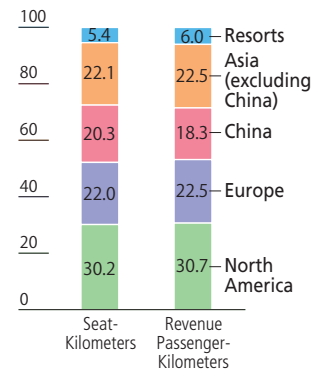
◆ Operating Revenues by Area

(Fiscal year ended March 2011)
(%)

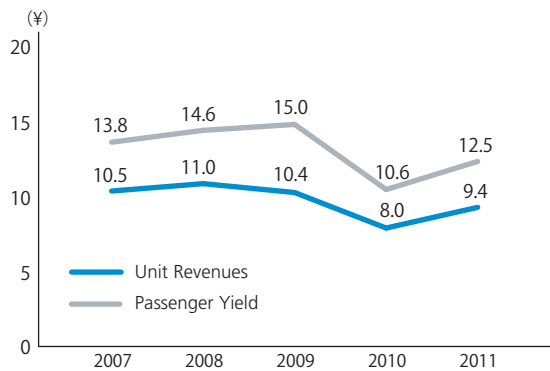


◆ Seat-Kilometers and Revenue Passenger-Kilometers by Area

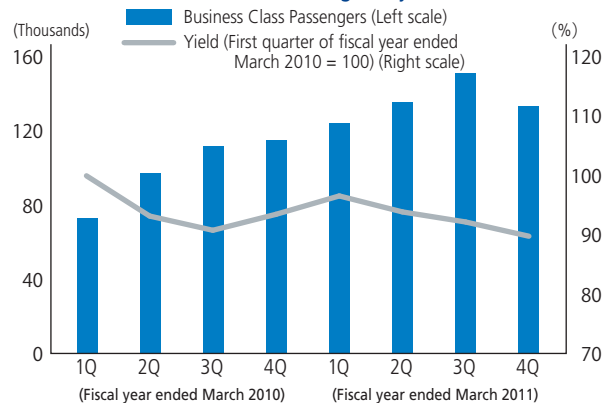
(Fiscal year ended March 2011)
(%)



◆ Unit Revenues and Passenger Yield



◆ Number of Business Class Passengers by Quarter and Yield



Air Transportation

Initiatives in the Fiscal Year Ending March 2012

ANA will take full advantage of the unique features of Haneda Airport and Narita Airport to accurately capture demand.

During the fiscal year ending March 2012, ANA will continue to make the most of the unique advantages of Narita Airport and Haneda Airport to enhance initiatives to capture demand at Tokyo-area airports, demand for Asian and North American connecting flights at Narita Airport, and demand for domestic connecting flights at Haneda Airport. ANA will also strengthen network competitiveness by introducing the Boeing 787 in stages up to the end of the fiscal year.

Regarding the route network, demand is recovering relatively quickly from the drop following the Great East Japan Earthquake. ANA will therefore take demand conditions into account in implementing a policy of aggressively generating growth in Asia that will entail expanding capacity, primarily on China routes. In June 2011, ANA gained access to inland regions of China by establishing a new Narita-Chengdu route, which is anticipated to increase economic development and mobility over the medium-to-long term. In the second half, ANA will suspend the Nagoya (Chubu)-Shanghai (Pudong) route but begin service on the Nagoya (Chubu)-Hong Kong route, and will also upgauge aircraft on the Narita-Amoy route and the Narita-Guangzhou route, with the aim of increasing earnings by expanding passenger and cargo revenues.



Haneda International Terminal

ANA will introduce the Boeing 787 for short-haul routes and then use it on long-haul late-night routes from Haneda scheduled to begin during the fiscal year. ANA looks forward to maximizing the benefits of this state-of-the-art aircraft, which enables service to cities in Europe using medium-body aircraft.

A joint venture with United Airlines and Continental Airlines commenced in April 2011, and ANA is also preparing for the start of a joint venture with Deutsche Lufthansa AG that will partially begin with the winter schedule and go full-scale from the summer 2012 schedule. These joint ventures create opportunities for ANA to collaboratively restructure networks and schedules to further expand catchment areas and enhance efforts to capture demand globally. ANA will also flexibly set prices according to the competitive environment at each destination to increase operating revenues.

Note: These route plans are subject to the approval of the relevant authorities.



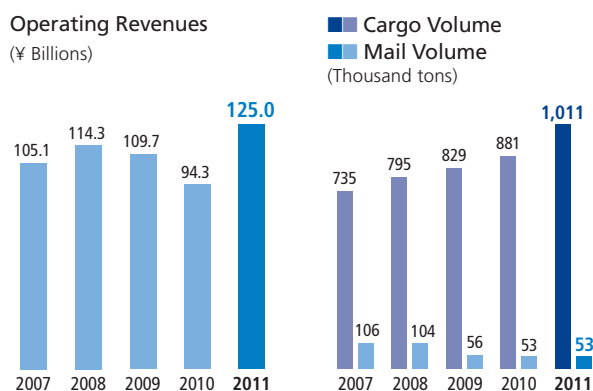
Cargo and Mail Operations



Highlights

Cargo and mail operating revenues ...	¥125.0 billion (+32.5%)
Cargo volume	1,011 thousand tons (+14.7%)
Cargo revenues	¥118.4 billion (+35.3%)
Mail volume	53 thousand tons (-0.2%)
Mail revenues	¥6.5 billion (-3.2%)

Note: Figures in parentheses are comparisons with the previous fiscal year.



◆ Cargo Operating Revenues and Volume

(Fiscal years ended March 31)		2011		2010		2009	
		Actual	Percentage increase (decrease) from previous year	Actual	Percentage increase (decrease) from previous year	Actual	Percentage increase (decrease) from previous year
Cargo operating revenues (¥ Billions)	Domestic	32.4	1.8%	31.8	(3.8)%	33.0	8.3%
	International	86.0	54.4%	55.7	(19.3)%	69.0	(4.3)%
	Total	118.4	35.3%	87.5	(14.3)%	102.1	(0.6)%
Cargo volume (Thousand tons)	Domestic	453	(1.1)%	458	(3.4)%	475	2.7%
	International	557	32.0%	422	19.3%	354	6.5%
	Total	1,011	14.7%	881	6.3%	829	4.3%

Overview of the Fiscal Year Ended March 2011

ANA increased domestic cargo revenues by adjusting rates and using cargo space effectively.

In domestic cargo services, ANA aggressively captured regional demand in Japan for cargo connections to overseas routes as well as seasonal demand for cargo such as flowers from Okinawa. However, aircraft downgauging on domestic routes in the first half of the fiscal year reduced space available for cargo. As a result, domestic cargo traffic volume for the fiscal year ended March 2011 decreased 1.1% compared with the previous fiscal year to 453 thousand tons.

However, in October 2010 ANA adjusted some of its domestic cargo rates and introduced systems to use available space more effectively. As a result, operating revenues increased 1.8% compared with the previous fiscal year to ¥32.4 billion. Domestic mail volume decreased 5.8% year on year to 30 thousand tons, and operating revenues decreased 3.9% year on year to ¥3.4 billion.

Operating revenues from international cargo services increased substantially due to efforts to capture solid intra-Asia demand.

In international cargo services, volume handled was solid as ANA moved to capture demand from North America and Europe for auto parts; intra-Asia demand centered on components for LCDs, semiconductors and smartphones; and demand for cargo to Japan emanating from North America and Europe due to the continued strength of the yen.

Under these conditions, in managing its cargo flight network ANA offered chartered cargo flights to flexibly respond to localized demand in places and time slots. In addition, in October 2010 ANA moved to capture business on high-demand routes to Shanghai (Pudong), Hong Kong and Taipei by increasing daytime cargo flights.

The Okinawa Cargo Hub & Network, a hub-and-spoke system servicing major Asian cities that uses connecting flights to proactively capture demand in Asia, is performing well. Further, ANA captured new

Air Transportation

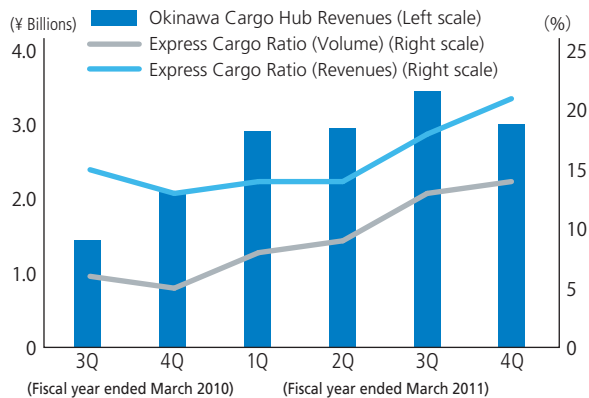
cargo demand by increasing space for cargo, including third-country cargo between North America and Asia, on international passenger flights in conjunction with the expansion of international flights at Haneda Airport in October 2010. In addition, ANA complemented its existing Okinawa Cargo Hub & Network by using the increasingly international Haneda Airport as a transshipment point to enhance its international network for express services.

The strong yen has been a factor reducing operating revenues, but unit price increased 17.0% compared with the previous fiscal year as ANA raised cargo rates because of solid demand and flexibly revised fuel surcharges on a monthly basis.

Consequently, cargo volume on international routes increased 32.0% year on year to 557 thousand tons. Operating revenues increased 54.4% year on year to ¥86.0 billion.

Moreover, international mail traffic volume increased 8.6% year on year to 22 thousand tons, while operating revenues decreased 2.5% to ¥3.1 billion.

◆ Okinawa Cargo Hub & Network Operating Revenues by Quarter



The Okinawa Cargo Hub & Network

Initiatives in the Fiscal Year Ending March 2012

ANA will maximize operating revenues by using belly space on international passenger flights effectively and raising network efficiency.

With a limited impact from environmental changes on demand compared with passenger operations, ANA will transform its business model for the cargo business to steadily increase operating revenues.

ANA will work to improve profitability by using the additional belly space made available by increased passenger flights while continuing to use nine medium-body freighters. At the same time, ANA will use the Okinawa Cargo Hub & Network and Haneda Airport as transshipment points for rapid domestic-to-international and international-to-international connections, with a network strategy that fully utilizes late-night and early-morning transportation to accurately capture international cargo demand with emphasis on China and Asia.

Moreover, ANA initiated internet reservations in February 2011 and will develop the market for unique ANA Group logistics solutions in implementing a strategy to differentiate ANA from other companies.

Other Transportation Services

Highlights

Other transportation services operating revenues..... ¥159.9 billion (+7.2%)

Note: The figure in parentheses is a comparison with the previous fiscal year.

In other transportation services, revenues from operations such as aircraft maintenance for other airlines and international home delivery services decreased, while revenues from ground handling services provided to other airlines such as passenger check-in and baggage handling increased.

Consequently, for the fiscal year ended March 2011 operating revenues from other transportation services increased 7.2% year on year to ¥159.9 billion.



Travel Services

Highlights

	(¥ Billions)		
	2011	2010	2009
Operating revenues	¥159.3 (-4.5%)	¥166.9	¥188.7
Operating expenses	¥156.7 (-6.1%)	¥166.9	¥189.4
Segment profit (loss)	¥ 2.6 (—)	¥ (0.01)	¥ (0.6)

Note: Percentages in parentheses are comparisons with the previous fiscal year.
The Travel Services segment accounted for 10.5% of total operating revenues before eliminations.

In domestic travel services, sales of products for visiting Tokyo from regional areas were robust. However, lower sales for travel to key destinations including Hokkaido, Okinawa and Kyushu during the first half of the fiscal year and the Great East Japan Earthquake at the end of the fiscal year caused revenues from domestic travel services to decrease year on year.

In international travel services, the eruption of a volcano in Iceland, the Senkaku Islands dispute, the Great East Japan Earthquake and other developments caused demand for international travel to decrease. However, revenues from international travel services increased year on year because of robust sales of charter products during the summer on the Haneda-Honolulu route and sales of regularly scheduled package tours inbound and outbound at Haneda Airport from the end of October 2010.

Consequently, travel services operating revenues decreased 4.5% year on year to ¥159.3 billion. However, cost reduction and other initiatives resulted in segment profit of ¥2.6 billion, compared with segment loss of ¥18 million for the previous fiscal year.

As part of the ANA Group FY2010-2011 Corporate Strategy, the four consolidated subsidiaries ANA Sales Co., Ltd. (the surviving company), ANA Sales Hokkaido Co., Ltd., ANA Sales Kyushu Co., Ltd. and ANA Sales Okinawa Co., Ltd. merged in October 2010 to improve the efficiency of travel service operations.

In the fiscal year ending March 2012, ANA aims to recover quickly from lower demand due to the effects of the earthquake. However, ANA is enhancing profitability with a dynamic shift to direct sales centered on the internet that will enable quick response to diverse customer needs.

Other Businesses

Highlights

	(¥ Billions)		
	2011	2010	2009
Operating revenues	¥138.9 (+1.1%)	¥137.4	¥148.2
Operating expenses	¥134.1 (+0.0%)	¥134.1	¥144.8
Segment profit	¥ 4.8 (+44.0%)	¥ 3.3	¥ 3.3

Note: Percentages in parentheses are comparisons with the previous fiscal year.
The Other Businesses segment accounted for 9.3% of total operating revenues before eliminations.

Revenues increased year on year at All Nippon Airways Trading Co., Ltd, which handles trading and sales operations. This increase resulted from recovery in retail sales at airport stores and in its aircraft and machinery operations.

Revenues increased at INFINI Travel Information Inc., which provides an international flight reservation and ticketing system for airlines and travel agencies. The increase primarily resulted from increased usage of its international flight reservation and ticketing system as economic recovery in Japan and the strong yen supported growth in demand for overseas travel to Asia.

Due to a decrease in development projects, revenues decreased at ANA Information Systems Planning Co., Ltd., which develops and maintains systems for ANA and Group companies,

despite work involving the development of next-generation shared infrastructure, cargo export-related systems, and the development of a domestic passenger system for the next fiscal year.

Consequently, operating revenues in other businesses increased 1.1% year on year to ¥138.9 billion, and segment profit increased a substantial 44.0% year on year to ¥4.8 billion as a result of cost reduction and other initiatives.

In the fiscal year ending March 2012, ANA aims to leverage the comprehensive strengths of the Group and contribute to increased earnings Group-wide by improving the cost structure of existing operations in the other businesses segment and broadening the segment's operating base by expanding business with external customers.

Note: Effective the fiscal year ended March 2011, the ANA Group changed its reportable segments to air transportation, travel services and other businesses. Figures for the fiscal year ended March 2010 have been restated accordingly.

Management

Building Trust

The ANA Group is further strengthening governance because it places top priority on maintaining transparent management and its responsibility to keep stakeholders informed.



- 44 Management Members and Group Organization
- 46 Corporate Governance

Management Members and Group Organization

(As of June 20, 2011)



Front row, from left: Y. Ohashi and S. Ito, Back row, from left: M. Morimoto, S. Nagase and H. Hora

Board of Directors

Yoji Ohashi

Chairman of the Board

1993: Executive Vice President
2001: President & Chief Executive Officer
2005: Chairman of the Board

Shinichiro Ito

President & Chief Executive Officer,
Chairman of Group Strategy Committee,
Head of Safety Promotion Committee
and CSR Promotion Committee

2003: Executive Vice President
2007: Senior Executive Vice President

Shin Nagase

Senior Executive Vice President,
Public Relations, CSR Promotion,
General Administration,
Legal & Insurance,
Chairman of CSR Promotion Committee,
Environment Committee,
Risk Management Committee and
Compliance Committee

2001: Senior Vice President
2004: Executive Vice President

Mitsuo Morimoto

Senior Executive Vice President,
Operations & Airport Services,
Corporate Safety and Audit,
Chairman of Safety Promotion Committee,
Operations Report Committee & Review

2004: Senior Vice President
2005: Executive Vice President

Hayao Hora

Senior Executive Vice President,
International & Regulatory Affairs, Facilities

1971: Joined Ministry of Land, Infrastructure,
Transport and Tourism
2003: Road Transport Bureau,
Vice-Minister for Transport
2007: Full-time Advisor
2008: Executive Vice President

Tomohiro Hidema

Executive Vice President,
Investor Relations,
Group Business Development,
Finance & Accounting, Purchasing

2003: Senior Vice President
2004: Executive Vice President

Keisuke Okada

Executive Vice President,
Alliance & International Affairs,
Information Technology Services,
Chairman of Information Technology Strategy

2003: Senior Vice President
2004: Executive Vice President

Osamu Shinobe

Executive Vice President,
Corporate Planning, B787 Launch Project

2004: Senior Vice President
2007: Executive Vice President

Katsumi Nakamura

Executive Vice President,
Flight Operations

2005: Senior Vice President
2007: Executive Vice President

Shigeyuki Takemura

Executive Vice President,
Executive Office, Government & Industrial Affairs,
Strategic Planning-Asia Pacific

2005: Senior Vice President
2008: Executive Vice President

Hiroyuki Ito

Executive Vice President,
Engineering & Maintenance

2003: Senior Vice President
2006: Executive Vice President
2008: Corporate Auditor

Yoshinori Maruyama

Executive Vice President,
Personnel, ANA JINZAI University,
Employee Relations, Business Support

2006: Senior Vice President
2009: Executive Vice President

Kiyoshi Tonomoto

Executive Vice President,
Cargo Marketing & Services

2006: Senior Vice President
2009: Executive Vice President

Shinya Katanozaka

Executive Vice President,
Marketing & Sales, CS Promotion,
Products & Services Innovations,
Chairman of CS Promotion Committee

2007: Senior Vice President
2009: Executive Vice President

Akira Okada

Executive Vice President,
Operations & Airport Services,
Chairman of Operations Committee

2007: Senior Vice President

Misao Kimura

External Director,
Director & Adviser of Nagoya Railroad Co., Ltd.

2004: External Director

Shosuke Mori

External Director,
Chairman of the Board of Directors of
The Kansai Electric Power Co., Inc.

2006: External Director

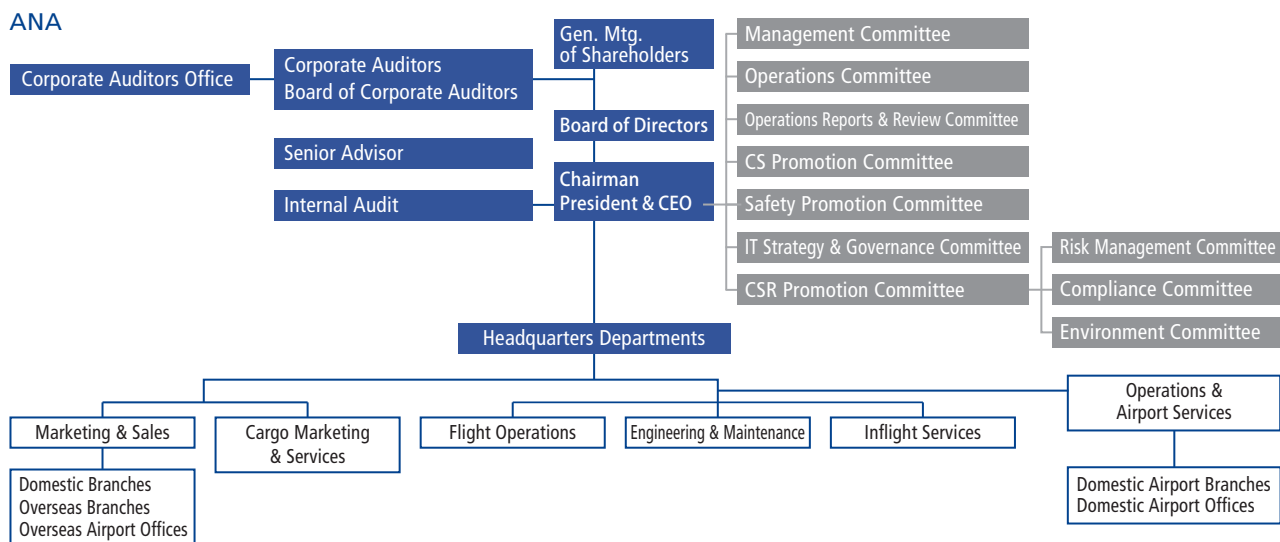
Corporate Auditors

- Minoru Aimono**
Corporate Auditor
- Shinichi Inoue**
Corporate Auditor
- Sumihito Okawa**
External Corporate Auditor
- Shingo Matsuo**
External Corporate Auditor,
Chairperson of Kyushu Electric
Power Co., Inc.
- Tatsuo Kondo**
External Corporate Auditor,
Chairman of the Board of Directors of
Hokkaido Electric Power Co., Inc.

Corporate Executive Officers

- Eiji Kanazawa**
Senior Vice President,
Finance & Accounting
- Ken Nishimura**
Senior Vice President,
General Manager,
Regional Headquarters for
Japan, Tokyo Sales Office
- Katsumi Kobayashi**
Senior Vice President,
General Manager,
Osaka Airport,
President of ANA AIRPORT
SERVICE CO., LTD. &
ANA SKYPAL CO., LTD.
- Koichi Uchizono**
Senior Vice President,
President of Air Nippon Co.,
Ltd.
- Hideo Yaguchi**
Senior Vice President,
Engineering & Maintenance
- Akihiko Hasegawa**
Senior Vice President,
President of ANA WINGS
CO., LTD.
- Takashi Shiki**
Senior Vice President,
Personnel, President,
ANA JINZAI University
- Hiroko Kawamoto**
Senior Vice President,
Inflight Services
- Hideyuki Shibuichi**
Senior Vice President,
Flight Operations,
General Manager,
Senior Captain's office &
B787 Pre-operations Planning
- Masato Ogawa**
Senior Vice President,
General Manager,
Nagoya Sales Office
- Takanori Yukishige**
Senior Vice President,
Information Technology
- Satoru Fujiki**
Senior Vice President,
The Americas, General
Manager, New York
- Kenji Inaoka**
Senior Vice President,
Marketing & Sales,
President of ANA Sales
Co., Ltd.
- Miyoshi Ozawa**
Senior Vice President,
Operations & Airport
Services, General Manager,
Tokyo Airport
- Toyoyuki Nagamine**
Senior Vice President,
Director, Employee Relations
- Kenya Inada**
Senior Vice President,
General Manager, China
General Manager,
Beijing • Tianjin
- Tomoyuki Kotsuji**
Senior Vice President,
General Manager,
Fukuoka Sales Office
- Kenji Kimura**
Senior Vice President,
General Manager,
Osaka Sales Office
- Haruo Ezuka**
Senior Vice President,
General Manager,
Narita Airport,
President of ANA AIR
SERVICE TOKYO CO., LTD
- Shinzo Shimizu**
Senior Vice President,
Corporate Planning
- Shuichi Fujimura**
Senior Vice President,
Europe, Middle East & Africa
General Manager, London
- Tetsuo Fukuda**
Senior Vice President,
CS Promotion, Products &
Services Innovations
- Yuji Hirako**
Senior Vice President,
Marketing & Sales
- Toshitaka Watanabe**
Senior Vice President,
General Manager, Sapporo
Sales Office

◆ ANA Group Organization



ANA GROUP

Subsidiaries: 107
Affiliates: 48

Air Transportation

Air Nippon Co., Ltd.
ANA WINGS CO., LTD.*
Air Japan Co., Ltd.
ANA Catering Service Co., Ltd.
International Airport Utility Co., Ltd.

New Tokyo Airport Service Co., Ltd.
ANA Aircraft Maintenance Co., Ltd.
ANA Logistic Service Co., Ltd.
Overseas Courier Service Co., Ltd.

Travel Services

ANA Sales Co., Ltd.

Other Businesses

ANA Business Create Co., Ltd.
ANA Information Systems Planning Co., Ltd.
All Nippon Airways Trading Co., Ltd.
Sky Building Service Co., Ltd.

* During the fiscal year ended March 2011, Air Nippon Network Co., Ltd. changed its corporate name to ANA WINGS CO., LTD.

(As of March 31, 2011)

Corporate Governance

(As of June 2011)

Fundamental Approach to Corporate Governance

All Nippon Airways Co., Ltd. ("ANA" or "the Company") 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 ANA's corporate value.

Governing Bodies of the Company

ANA's management system comprises 17 directors, five corporate auditors, and 37 corporate executive officers (including those who are both directors and corporate executive officers). ANA's Articles of Incorporation stipulate that the number of directors shall not exceed 20.

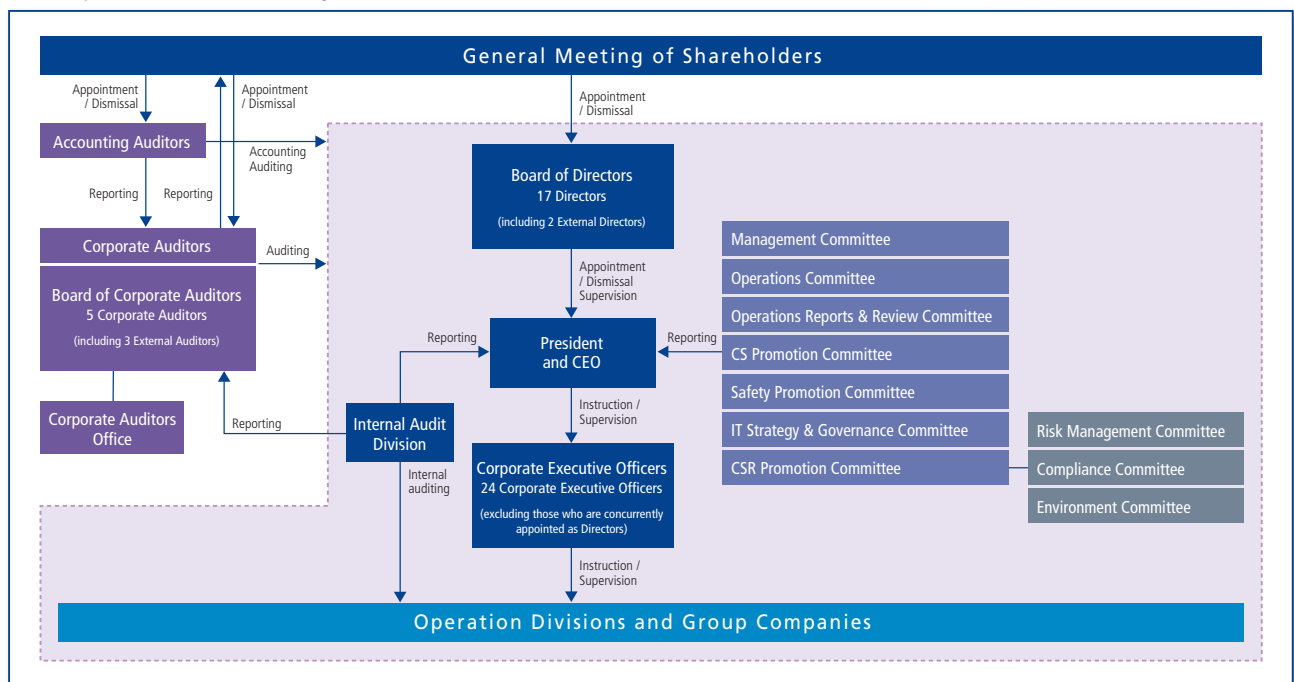
Based on its belief that a competitive management structure is indispensable in a severe operating environment, ANA appoints persons fully knowledgeable about the business and well-versed in management as directors, and posts personnel with abundant experience and highly specialized knowledge in the various divisions as corporate executive officers, who are given the authority to oversee divisional operations, to conduct functional and effective execution of management activities. In addition, ANA has adopted an auditing system comprising the Board of Directors and corporate auditors, to supervise and audit the execution of

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

Under the Corporation Law of Japan, important issues must be considered by the Board of Directors, which makes the final decision on such issues. All directors including the two 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.

For important administrative issues, the Management Committee, which is chaired by the president and includes directors who are also corporate executive officers, corporate auditors and others as members, makes drafts and proposals, and decides on specific management activities. In addition, the executive vice president of Operations & Airport Services chairs the Operations Committee, which handles structural issues related to ANA Group operations. Its perspective covers organization, cultivation of personnel, systems, regulations and authority in investigating and deciding on interdivisional solutions among the relevant Group airlines. The CSR Promotion Committee, the supreme decision-making body for CSR promotion, is supervised by the president and is composed of board members. The Risk Management Committee, the Compliance Committee and the Environment Committee are

◆ Corporate Governance System



subordinate organizations under the CSR Promotion Committee. In February 2011, ANA also established a Remuneration Advisory Committee, with a majority employed outside ANA including 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, ANA 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 defines its internal control system as a framework built internally by management, and the processes using that framework carried out by everyone in the Group, 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, considering risk management, compliance and internal audits to be instrumental in achieving these objectives, ANA founded its internal control system, which comprises the Risk Management Committee, the Compliance Committee, 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 internal control of financial reporting, ANA maintains and operates internal controls and conducts ongoing evaluations, and it confirmed their effectiveness throughout the entire Group in the fiscal year ended March 2011.

Risk Management

The ANA Group Total Risk Management Regulations set out the basic terms of the Group's risk management. Under these regulations, CSR Promotion, which is a committee secretariat, and CSR Promotion Leaders assigned to major divisions and Group companies facilitate risk management activities based on the Risk Management Committee's policies. 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 committee and secretariat in the event of a crisis. Moreover, in addition to the Risk Management Subcommittee, the Risk Management Committee 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, ANA has structured a system with two approaches to managing the various risks it faces 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, ANA 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 risk management activities. As initiatives in the fiscal year ended March 2011, 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 identified by them 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 result at the management committees including CSR Promotion Committee and Risk Management Committee. In the field of information security, the Group expanded the scope of Control Self Assessment (CSA) to bring more departments under its purview than in the previous fiscal year to strengthen the information security measures at all departments within the Group handling important information. Moreover, e-learning lectures targeting all ANA Group executives and employees were conducted a total of six times to firmly establish awareness regarding the rules on information security.

Under the crisis control approach of preparation for emergencies, ANA 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 accidents or hijacking 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.

During the fiscal year ended March 2011, ANA responded to the Great East Japan Earthquake that occurred on March 11, 2011

by immediately confirming the safety of all Group employees and setting up a crisis headquarters in accordance with the CMM to handle the situation. By concentrating all information at headquarters, ANA was not only able to swiftly decide matters such as additional flights, transportation assistance and collection of donations, but also to share the information within the Group using a specialized information website set up on the Intranet. The disaster necessitated responses to unforeseen events besides the earthquake and tsunami, and ANA intends to review its assumed disaster scenarios after taking into account the results of the actions it took in order to establish a stronger disaster response system.

Compliance

In enhancing internal control, compliance is an important structural element in addition to the risk management function. ANA is promoting education and enlightenment based on the ANA Group Compliance Regulations in order to fulfill its compliance responsibilities by constructing a compliance system for the entire Group.

At the top of the compliance promotion system is the Compliance Committee, which is composed of the senior managers responsible for compliance in each department. These are mainly corporate executive officers. Under this committee are the CSR Promotion Leaders assigned to various ANA offices and Group

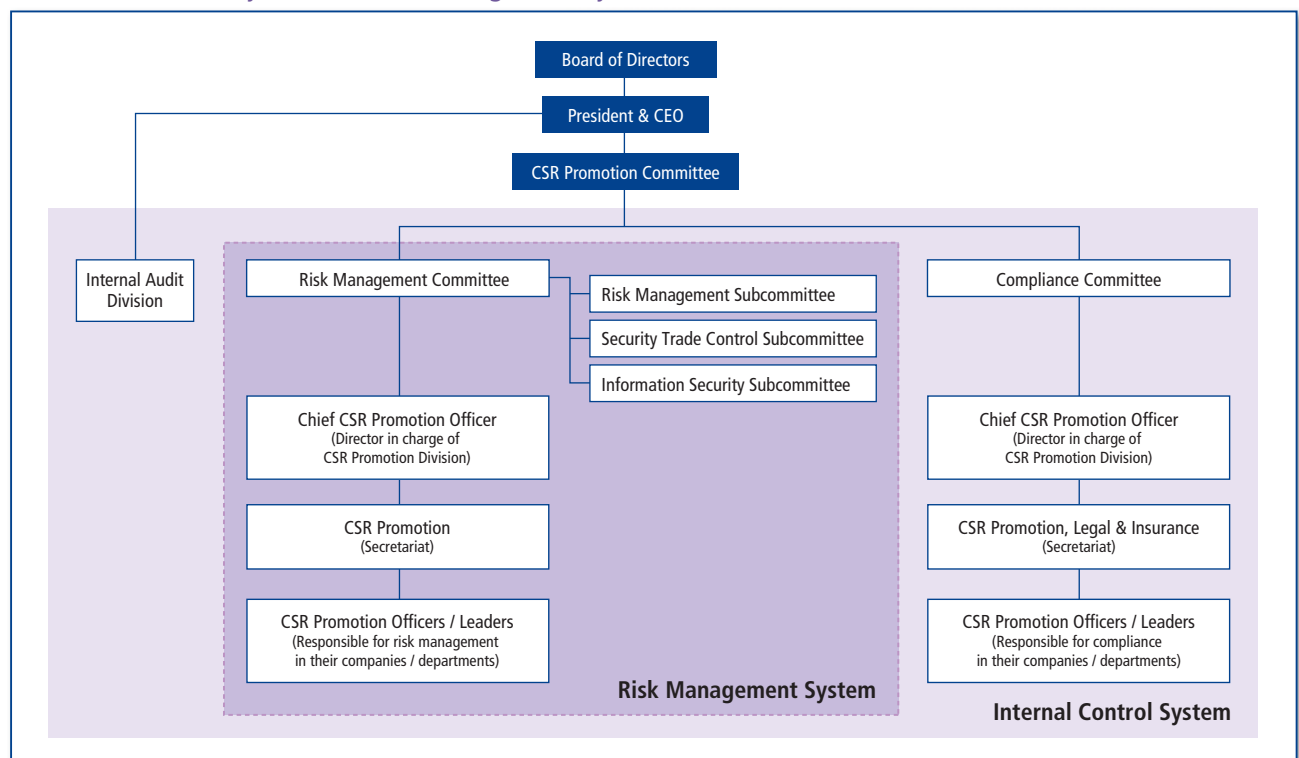
companies, who conduct evaluations of the level of compliance awareness and promote and strengthen compliance throughout the ANA Group. In the fiscal year ended March 2011, ANA designated October as CSR promotion month, continuing from the previous fiscal year, and conducted a compliance awareness survey within the Group while carrying out an educational campaign including group training and e-learning programs on themes such as risk management and antitrust laws.

ANA has set out regulations concerning the handling of internal reporting and has established internal reporting contact points inside the Company and outside the Company at a law firm. ANA disseminates information about the internal reporting system throughout the ANA Group and to its business partners.

Internal Audits, Audits by Corporate Auditors, and Account Audits

The Internal Audit Division (12 members) 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 "Evaluation System for Internal Controls for Financial Reporting" under the Financial Instruments and Exchange Law of Japan. The Division conducts regularly scheduled

◆ Internal Control System and Risk Management System



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 ANA's divisions and Group companies. In the fiscal year ended March 2011, 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 locations, focused on headquarters, the Engineering & Maintenance Department 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 corporate auditor with a financial institution background, the audits are carried out by full-time corporate auditors well-versed in ANA's internal operations and highly independent external corporate auditors. Each corporate auditor conducts audits of operations at each office and audits of subsidiaries and reports the results to the Board of Corporate Auditors and to the representative directors. 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, ANA established the Corporate Auditors Office, which reports directly to the corporate auditors, 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 the Company, its work sites, 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's management and to the Board of Corporate Auditors.

◆ Independent Auditors Engaged in Audits

Name of Certified Public Accountant		Name of Audit Corporation
Engagement Partner	Kazuo Tanimura	Ernst & Young ShinNihon LLC
	Masatsugu Hamada	
	Tadahiko Kamio	

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

There are 12 certified public accountants and 15 other staff members assisting with audit services.

External Directors and Corporate Auditors

External Directors

As part of corporate governance at ANA, the Company appoints external directors to receive appropriate advice about ANA's management from an independent perspective, because the Company has judged that it would further strengthen the management structure. ANA has two external directors: Mr. Misao Kimura and Mr. Shosuke Mori. Their appointments have been based on the assessment that Mr. Kimura, as a manager within the transport industry, and Mr. Mori, as a manager of a business with a strong public interest, 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. Kimura serves as director and adviser of Nagoya Railroad Co., Ltd. This company is a major ANA shareholder, but not a primary shareholder because it owns less than 5% of shares issued and outstanding. Nagoya Railroad transacts business with ANA including consignment sales of airline tickets, but is not a major ANA customer or supplier. Mr. Kimura therefore has no conflict of interest with common shareholders.

Mr. Mori is the chairman of the board of directors of The Kansai Electric Power Co., Inc., which does not engage in material transactions with ANA.

In their positions on the Board of Directors, both 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 has three external corporate auditors: Mr. Sumihito Okawa, Mr. Shingo Matsuo and Mr. Tatsuo Kondo.

Mr. Okawa assumed his position as full-time corporate auditor in June 2011. 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 Management Committee and other regularly scheduled meetings of officers and

conducts visiting audits of offices and divisions inside and outside the Company. In addition to attending meetings of the Board of Directors and the Board of Auditors, Mr. Matsuo and Mr. Kondo also exchange opinions with the representative directors as needed.

ANA has no noteworthy business relationships with Mr. Okawa, Mr. Matsuo and Mr. Kondo, or with The Japan Economic Research Institute, for which Mr. Okawa serves as president, Kyushu Electric Power Co., Inc., for which Mr. Matsuo serves as chairperson, and Hokkaido Electric Power Co., Inc., for which Mr. Kondo serves as chairman of the board of directors.

Mr. Okawa was formerly affiliated with Development Bank of Japan Inc. As of March 31, 2011, the proportion of ANA borrowings from this institution was large compared with other banks. However, this situation is temporary because ANA received an emergency loan under the Support System for Emergency Response, etc. from Development Bank of Japan Inc. in the past, which will not occur on a regular basis.

Status of Independent Officers

ANA has appointed five independent officers: Mr. Kimura and Mr. Mori, 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 2011, bodies responsible for corporate governance met the following number of times.

Board of Directors	12 times
Board of Corporate Auditors	7 times
Advisory Board	4 times
Management Committee	49 times
Operations Committee	11 times
CSR Promotion Committee	2 times
Risk Management Committee	2 times
Compliance Committee	1 time

Remuneration of Directors and Corporate Auditors

The basic policies used in 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 above policies, in February 2011 the Company formed the Remuneration Advisory Committee, with external directors and outside experts comprising a majority of the members. The Committee commissioned a study of the remuneration levels at other companies to an external institution specializing in such research, and established ANA's remuneration system and standards based on that study. The directors' remuneration system, which is scheduled to be introduced in July 2011, newly sets annual bonuses in addition to the existing fixed remuneration (monthly remuneration), thereby enhancing the connection with the Company's performance. The system has been proposed on the premise that a director's remuneration, which has been determined on a monthly basis, shall be calculated as an annual sum for a given fiscal year, up to a maximum of ¥960 million. The amount of the fixed remuneration is set in view of a level commensurate with his/her responsibilities and by reflecting the level of achievement of the net income targeted by management for the fiscal year, which is used as an indicator for evaluation of performance.

Performance-linked remuneration (annual remuneration) is paid within a range of 0 to 200, with 100 as the standard amount paid when the management goals are achieved.

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 ANA's request.

The retirement allowance system was abolished in 2004.

◆ Remuneration of Directors and Corporate Auditors

	Number Serving	Fiscal Year Ended March 2011 Remuneration Paid	Fiscal Year Ended March 2010 Remuneration Paid
Directors	17	¥369 million	¥394 million
(External Directors)	(2)	(¥10 million)	(¥10 million)
Corporate Auditors	5	¥68 million	¥78 million
(External Corporate Auditors)	(3)	(¥32 million)	(¥33 million)
Total	22	¥438 million	¥472 million

Note: As of March 31, 2011, there were 17 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	¥3 million

General Meeting of Shareholders and Resolutions

ANA implemented e-voting to allow shareholders who do not attend the General Meeting of Shareholders to exercise their voting rights. In addition, since the June 2006 General Meeting ANA has been using an electronic voting platform to allow institutional investors to exercise the substantial proxy voting rights they own. Moreover, video coverage of the General Meetings is posted on ANA's website:

<http://www.ana.co.jp/ir/soukai/index.html> (in Japanese)

◆ Resolutions

Items resolved at the 66th Ordinary Meeting of Shareholders held on June 20, 2011 were as follows.

1. Appropriation of Surplus

This item was approved as proposed. The amount of the year-end dividend was set at ¥2.00 per share.

2. Election of 17 Directors of the Company

This item was approved as proposed. The following seventeen (17) people were elected as Directors and assumed their office: Yoji Ohashi, Shinichiro Ito, Shin Nagase, Mitsuo Morimoto, Tomohiro Hidema, Keisuke Okada, Hayao Hora, Osamu Shinobe, Katsumi Nakamura, Shigeyuki Takemura, Hiroyuki Ito, Yoshinori Maruyama, Kiyoshi Tonomoto, Shinya Katanozaka, Akira Okada, Misao Kimura and Shosuke Mori.

3. Election of One Corporate Auditor of the Company

This item was approved as proposed. Sumihito Okawa was elected as Corporate Auditor and assumed his office.

4. Revision of the Amount of Remuneration of Directors

This item was approved as proposed. As remuneration including performance-based bonus, we revised the amount of remuneration of directors from within ¥80 million a month, which is currently in effect, to within ¥960 million a year for each fiscal year, leaving the total amount of annual remuneration unchanged.

Approach to Information Disclosure

To establish a highly transparent management structure and to be accountable to its stakeholders, it is important that ANA disclose important company information as well as information useful for understanding the Company's business activities from the stakeholders' perspective in a swift, accurate and fair manner. In accordance with the Securities Listing Regulations, ANA 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 ANA's website. Investors can also view webcasts of presentations of financial results.

<http://www.ana.co.jp/eng/aboutana/corporate/ir/index.html>

Enhancing Communication with Shareholders and Investors

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

Specifically, ANA 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, ANA actively holds individual meetings with its shareholders and investors. For foreign institutional investors, ANA conducts regular overseas investor relations activities, primarily in North America, Europe, Hong Kong and Singapore.

Responsive Corporate Citizen

The ANA Group centers its activities on its responsibility to provide safety in working to earn the trust and peace of mind of its stakeholders, and contributes to the creation of a sustainable society.



- 54 CSR Feature:
Business Continuity
Responsibilities and Responses Required
as Part of the Social Infrastructure
- 56 The ANA Group's CSR
- 58 Safety Initiatives
- 61 Environmental Initiatives
- 67 Relationship with Society
- 68 Relationship with Customers
- 71 Relationship with Employees

CSR Feature: Continuous Efforts and Undertaking by the ANA Group

Business Continuity

Business Continuity Guidelines and Framework

The ANA Group's Responsibilities

In its core business of scheduled air transportation, the ANA Group assumes a great responsibility as part of the highly public transportation infrastructure. As an organization providing public transportation, we believe we realize our corporate philosophy by continuing to meet the expectations of all our stakeholders. This does not change even in the event of unforeseen contingencies.

The ANA Group is a designated public transportation provider in accordance with the Civil Protection Law and the Response to Armed Attack Situations Act. Therefore, even with business risks from external factors such as pandemics, political instability, earthquakes or other major disasters, the Group is to conduct risk management to be able to continue its transportation service, after a swift and appropriate response to minimize damage while ensuring safety.

The ANA Group's Business Continuity Plan (BCP)

In response to those various business risks, the ANA Group has built a crisis management framework based on its Emergency Response Manual (ERM) and Crisis Management Manual (CMM) to minimize damage during emergencies. (See "Corporate Governance" on page 47 for details.)

At the same time, the Group has formulated a Business Continuity Plan (BCP) and a manual for dealing with new strains of influenza as extensions of the CMM with a view to continuing the Group's business by placing top priority on the life and health of customers and employees through securing expedited decision-making when disorder prevails in the wake of the specified events such as a massive earthquake directly under the Tokyo metropolitan area, or outbreaks of new strains of influenza. The BCP and manual set up a special disaster response system, based on the CMM's organizational framework, so the Group can restore operations to a normal state as quickly as possible.

◆ The ANA Group's BCP: Emergency Responses

When a crisis occurs, an Emergency Response Headquarters is established as an office under the umbrella of CSR Promotion. In addition, a Special Operations Response Center (SORC), specializing in maintaining aircraft operations in response to current conditions, is set in motion by the Operation Director (OD), who has authority over overall operations, to handle the situation until recovery of operations is complete.

◆ The ANA Group's BCP: Backup Facilities and Emergency Stockpiles

As one measure in the event of a crisis, from 2006 the ANA Group began operating disaster-response backup facilities in case of loss of function at offices in the Haneda area, where the Group's management resources are concentrated, and the Shiodome area, where its headquarters is located. In addition, the ANA Group maintains emergency stockpiles in the Haneda area, Narita area, Shiodome area, Chubu Airport area, and Osaka (Itami) Airport area.



Backup facility



Emergency stockpiles

Responsibilities and Responses Required as Part of the Social Infrastructure

Business Continuity after the Great East Japan Earthquake

Response to the Great East Japan Earthquake

When the Great East Japan Earthquake occurred in March 2011, the ANA Group responded based on its CMM and BCP. First, immediately after the earthquake, the Group confirmed the safety of passengers and all Group employees. Then, based on the CMM regulations, it established an Emergency Response Headquarters in the Shiodome area, and the Secretariat and Special Operations Response Center (SORC) in the Haneda area. The Group gathered information and conducted emergency responses around the clock. It also set up a website dedicated to earthquake disaster-related information on the Group's intranet to share information swiftly within the ANA Group.



The ANA Group's Great East Japan Earthquake-related information website

◆ Non-Scheduled Flights to the Tohoku Region (As of May 31, 2011)

Route	Period	Route	Period
Haneda-Fukushima	Mar. 13-Apr. 10	Chubu-Yamagata	Mar. 29-May 22
Itami-Fukushima	Mar. 12-Mar. 31	Haneda-Sendai	Apr. 13-Apr. 26
Chubu-Fukushima	Mar. 13-Mar. 31	Itami-Sendai	Apr. 21-May 31
Chitose-Fukushima	Mar. 13-Mar. 24	Chitose-Sendai	Apr. 27-May 31
Chubu-Niigata	Mar. 19	Chubu-Sendai	Apr. 27-May 31
Itami-Yamagata	Mar. 29-May 22		

Because those Emergency Centers were established promptly after the earthquake, the right and fast decision-making was possible and the very next day non-scheduled flights departing and arriving at Fukushima, Yamagata and some other airports in the Tohoku area were dispatched one after another in order to carry passengers and relief supplies. In light of the Great East Japan Earthquake, the ANA Group will revise its damage assumptions in the event of a disaster in the Tokyo area, and will continue its efforts to strengthen its crisis management system, including securing communication methods for emergencies and multiplexing backup functions.



Relationship with Stakeholders

Third-Party Comment

After the Great East Japan Earthquake, food manufacturers and pharmaceutical companies were highly praised for the swift action they took in providing their products to the affected area. When this kind of major disaster occurs, companies not only have to restore their own operations but are expected to take actions from a CSR perspective. Now and in the future, expectations will be high for the non-scheduled flights for transportation of passengers and relief supplies that the ANA Group provides to affected areas.

The ANA Group's response to disaster has become increasingly sophisticated with each passing year, as it accumulates experience with earthquakes, floods, and volcanic eruptions in various locations. However, the ANA Group has to make careful preparations against the predicted earthquake in the Tokyo Metropolitan area, as the operation of its aircrafts is centrally managed from the Haneda area.

While the ANA Group is upgrading its emergency response systems for handling an earthquake directly under the Tokyo Metropolitan area, development of systems alone will not be enough to enable close cooperation among parties concerned at the time of a disaster. It will require constant improvement through regular analysis of shortcomings and constant training.



Motoki Sawada
Senior Manager, Business Advisory Division, KPMG AZSA LLC

Profile
Member of BCMS Technical Committee, Japan Institute for Promotion of Digital Economy and Community (JIPDEC), Certified Internal Auditor (CIA), Certified Information System Auditor (CISA), Ministry of Economy, Trade and Industry Certified Systems Auditor

The ANA Group's CSR

ANA Group's Corporate Philosophy

The ANA Group pursues CSR activities to impart a sense of security and earn the trust of all stakeholders, with each and every employee prioritizing safety in all of their activities, in line with the ANA Group Philosophy.

Our Commitments

On a foundation of security and reliability, the ANA Group will

- Create attractive surroundings for customers
- Continue to be a familiar presence
- Offer dreams and experiences to people around the world

Course of Action

- 1) Maintain top priority on safety
- 2) Customer oriented
- 3) Contribute to society
- 4) Embrace new challenges
- 5) Debate with active interest, decide with confidence, and execute with conviction
- 6) Build a powerful ANA Group by effectively using human resources and focusing on teamwork as a competitive strength

ANA Group Corporate Vision

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

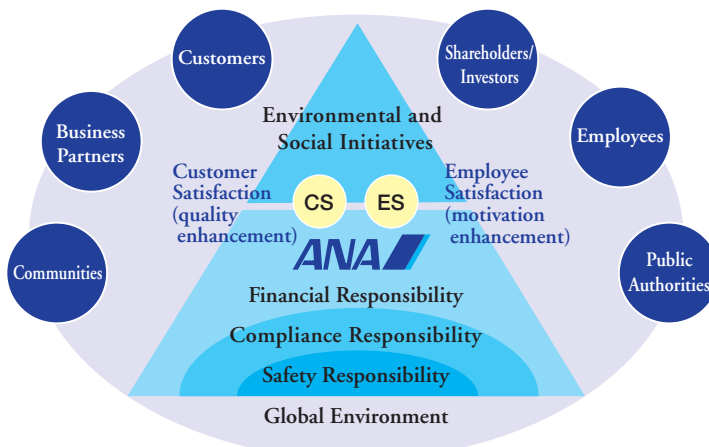
Being the leader in Asia means that we will become:

Number one in quality

Number one in customer satisfaction

Number one in value creation

Basic Perspective



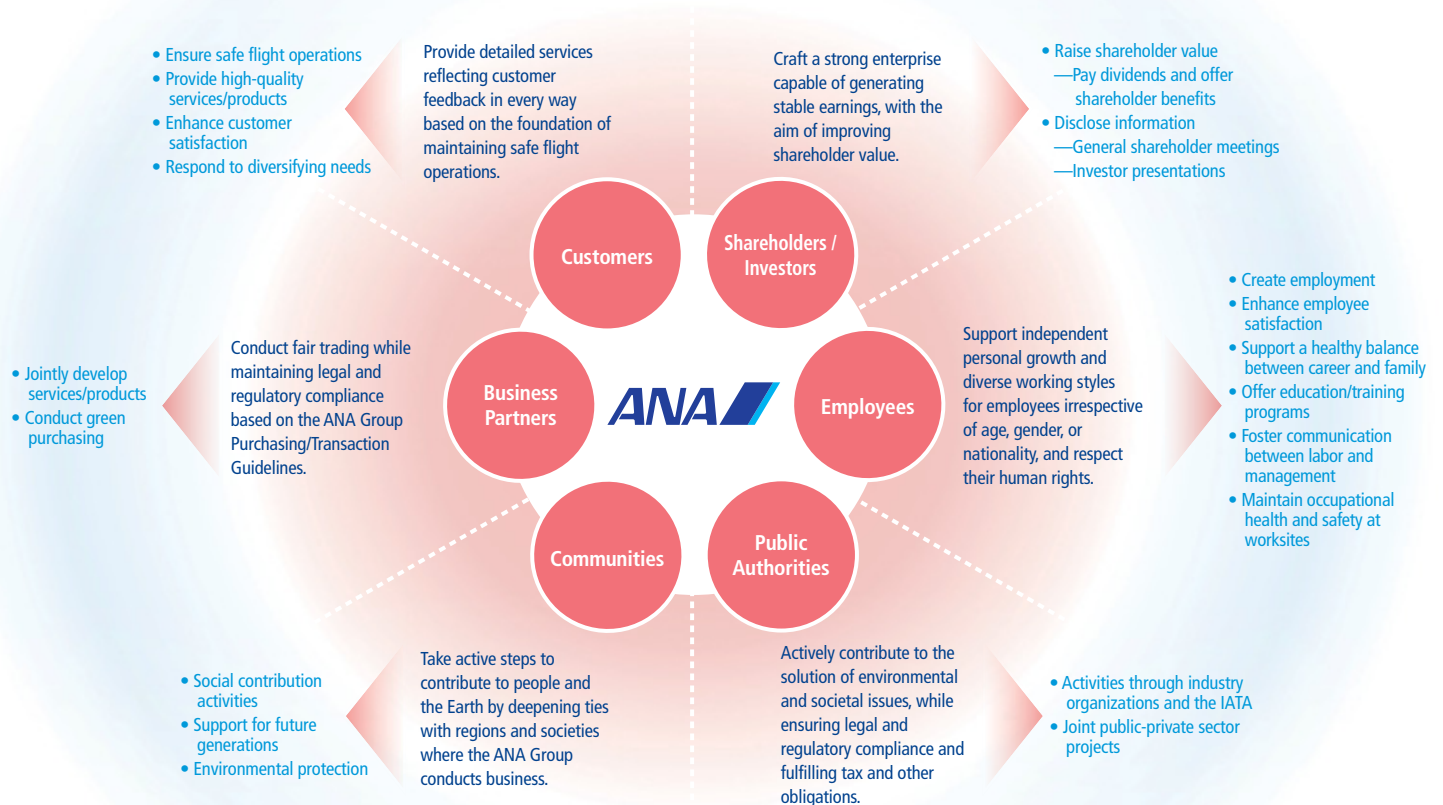
In addition to our underlying commitment to safety, we will fulfill our responsibilities to stakeholders by taking the following three steps:

1. We will fulfill our economic responsibility* by ensuring safety and compliance (the base line).
2. To improve quality and employee motivation, we will fulfill our responsibility to customers by enhancing CS (Customer Satisfaction) and to employees by increasing ES (Employee Satisfaction).
3. We will help to solve social and environmental issues.

* Economic responsibility entails implementing thorough risk management and operating the business effectively and efficiently. Together with compliance responsibility, this serves to reinforce the internal control system.

Relationships with Stakeholders

The ANA Group has many different stakeholders, including customers, shareholders and investors, business partners, employees, local communities, and public authorities. Our CSR is to work to ensure a sustainable co-existence with society through clear communication with all stakeholders, while fulfilling our responsibilities to them by continuously enhancing our corporate value.



◆ Participation in the UN Global Compact

In May 2008, the ANA Group signed the United Nations Global Compact, which calls for companies to observe ten principles in the areas of human rights, labor, the environment and anticorruption. Going forward, the ANA Group will make the most of its participation in the United Nations Global Compact by taking the initiative to conduct business activities as a good corporate citizen.



◆ Inclusion in Socially Responsible Investment (SRI) Indexes

ANA continues to be selected for inclusion in the FTSE4Good Index, an internationally recognized SRI index. For inclusion, companies must meet evaluation criteria in the following areas: environmental conservation activities, positive relationships with stakeholders, and support of human rights. In addition, ANA is included in other major indexes such as Morningstar's SRI Index "MS-SRI" and the Dow Jones Sustainability Asia Pacific Index.



Safety Initiatives

ANA Group Safety Principles

Safety is the foundation for all members from top management to frontline employees to work as one to achieve safety objectives in all areas of air transportation.

Based on the bedrock of the ANA Group Safety Principles, ANA Group employees strive to cultivate its safety-first corporate culture with a view to remaining an airline group that continues to gain customer confidence and reliance.

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.

Medium-Term Safety Promotion Plan

Based on its safety management system (SMS), the ANA Group is working to further spread its safety-first corporate culture and enhance safety management functions throughout the Group to reach its medium-term target of ensuring the world's highest safety standard. With the safety-first corporate culture as its bedrock, the Group views "responsible and sincere behavior by individuals" and "established

systems to enhance safety" as the two pillars supporting safety. Personnel training and organization-building in support of safety will strengthen those two pillars. In addition, the ANA Group has established a course of action to link individual performance and creation of an organizational system, which will further enhance safety promotion and management systems throughout the Group.



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

Four Points

- ① Development and Dissemination of a "Course of Action" Supporting Safety
- ② Personnel Training in Support of Safety
- ③ Organization-Building in Support of Safety
- ④ Enhancing the ANA Group's Safety Promotion System

Status of Progress of the Medium-Term Safety Promotion Plan during the Fiscal Year Ended March 2011

① Development and Dissemination of a "Course of Action" Supporting Safety

Ensure dissemination to every Group employee from top management to frontline employees

The Course of ANA Group Safety Action was established to realize the ANA Group Safety Principles. It was drafted based on the Safety Management Regulations and formulated after going through explanatory meetings and discussions at workplaces. Going forward, the Group will work to reflect this course of action in its education and instruction activities and take into account the results of the Safety Culture Evaluation¹ to ensure dissemination to every Group employee from top management to frontline employees.

1. Survey to measure the extent the culture of safety has taken root in the ANA 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.

② Personnel Training in Support of Safety

Raising the safety awareness level on the job

In a continued initiative, the ANA Group held onsite presentations called "safety road shows" to facilitate communication between managers (Chief Safety Officers) and workplaces. These were aimed at enabling the director in charge to talk directly with frontline employees, share current safety-related issues, and discuss measures for solving them. In the fiscal year ended March 2011, road show presentations focused on the issues identified from analysis of the results of the Safety Culture Evaluation conducted in the previous fiscal year. The Group also conducted training on the SMS for the management of Group companies with the aim of deepening their awareness regarding safety.

The ANA Safety Education Center (ASEC) was established in 2007 to supplement specialized training programs at the division level. The center is a testament to our strong determination to never forget the lessons learned from past accidents and to look directly at the facts of accidents. The ASEC conducts training that is highly pertinent to day-to-day activities, rooted in considerations of what each ANA Group employee can do to ensure safe flight operations. About 4,600 people received training in the fiscal year ended March 2011, bringing the cumulative total of trainees to about 48,000.



ANA Group Safety Education Center

③ Organization-Building in Support of Safety

"Effective use of safety information" to prevent occurrence/recurrence

Operational Risk Management

Operational risk management is a central component of the SMS. Risk management involves preventing incidents and accidents before they can take place. This is done by assessing risks based on safety reports and the significance and frequency of safety-related events that have occurred in the past to take appropriate measures commensurate with risk levels and keep risks within tolerable limits.

As part of measures taken to strengthen operational risk management, the ANA Group has posted personnel from each production department in Corporate Safety and Audit, which has overall control of safety for the entire ANA Group, while establishing an environment for detailed analysis of any incidents that have occurred and implementation of effective measures to prevent recurrence.

Further, the ANA Group participates in the IOSA² Oversight Committee (IOC), which is one of the organizations of the IATA³, and is active overseas in areas including exchange of safety information with other airlines.

2. IOSA: IATA Operational Safety Audit

3. IATA: International Air Transport Association

Safety Audits

Safety audits are conducted internally as well as externally. The Safety Evaluation and Review Program (SAFER) is a process for checking the safety management systems of ANA Group airlines, based on Groupwide safety audit standards, to ensure they are functioning properly. SAFER auditors, who have extensive experience and knowledge and have been trained in accordance with specific requirements, operate from an independent perspective outside the organization and identify issues that tend to be overlooked within the organization. Their activities, which are based on international safety standards, lead to appropriate measures and improvements. The Group has been conducting enhanced training of its in-house auditors and has been building a database of the audit results, their analysis, and overall observations in order to further strengthen the auditing function.

External audits include transportation safety management assessments and on-site safety audit inspections conducted by the Japanese government (Ministry of Land, Infrastructure, Transport and Tourism) and audits performed by the IATA. The government's transportation safety management assessments consist of direct interviews with airline presidents, chief safety officers and other people with important responsibilities in the area of safety management. The government assesses relative involvement in the SMS and how the system is functioning, providing recommendations as appropriate. The government's safety audit inspections consist of specialized, systematic audits and unscheduled inspections by government auditors affiliated with a professional safety auditing organization. The IATA audits are conducted under the IOSA

program, an international safety auditing initiative for flight operations. In 2004, ANA became the first Japanese airline registered by the program. Registration in the program is now a requirement for membership in the IATA. Four of the ANA Group's airline companies have registered as of August 2011.

Information on safety issues and activities related to ANA Group airlines (including safety-related problems) is compiled each year into the Safety Report in accordance with Article 111-6 of the Civil Aeronautics Act of Japan. The report in Japanese is available to the public on our website.

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

④ Enhancing the ANA Group's Safety Promotion System

Driving Forward Reorganization of Group Airlines while Maintaining and Improving Safety Levels

In October 2010, ANA WINGS CO., LTD. was established through the merger of three Group airlines. The ANA Group made careful preparations during the reorganization, such as establishing a reporting path and a framework for our safety promotion and management organizations, in order to avoid any possible difficulties. Going forward, the Group will continue to strengthen the collaboration at each step of the PDCA (Plan-Do-Check-Act) cycle and review the framework for its safety control system to prepare for the upcoming reorganization involving ANA and Air Nippon.

Training in Communication for Emergencies

July is the ANA Group's aviation safety promotion month, during which it conducts various safety-related training sessions. Training in communication for emergencies is aimed at enabling employees who support operations during an emergency to convey accurate information in order to facilitate swift responses. Maintenance staff, cabin crew, and ground operations control and support staff from Group companies board a flight simulator where the flight crew simulate various scenarios anticipated in emergency situations, such as an aborted takeoff or emergency descent. The participants physically feel conditions in a malfunctioning aircraft and get to discuss questions specific to the operations they support, such as how to provide assistance from the ground to the flight and cabin crew, and what and when to communicate from the airplane to the ground staff. The training involves highly specialized staff members from each division who elaborate on the most appropriate communication methods to follow in an emergency.

The training offers a place for representatives from each division to review case studies from around the world and the actual experiences of the participants and to discuss what should be done to support safer flight operation. The participants take back the experiences from the training to their respective workplaces, while the Safety Promotion Committee compiles these experiences and reflects them in the safety promotion activities of the each Group division and company.



Environmental Initiatives

Toward Becoming a Leading Eco-Friendly Airline

The ANA Group has been taking active steps to contribute to people and the Earth, and to continue to co-exist with a sustainable global environment. At the same time, the Group will continue with its efforts to fulfill its corporate responsibilities by being sensitive to the changes in the environment and the needs of the society.

ANA Group Environmental Principles

Mindset to cherish environment comes from the recognition of burdensome impact of our activities to the Earth.

With the effort to minimize the use of natural resources and energy, we engage to support the realization of an affluent & sustainable society.

With the initiative to commit ourselves to conserve environment, we spread the chain of "planet mindfulness" among the people around the world.

Environmental Management System

The ANA Group has achieved significant results Groupwide from the Fuel Efficiency Project, which has been conducted as a global warming countermeasure. Steps have included inspecting and visualizing existing measures and studying or undertaking new measures.

The overall system that operates continuously across all departments to reduce the environmental impact of aircraft is guided by the Eco-First Subcommittee within the Environmental Management Committee.

Moreover, the Group has established the Office Environment & Energy Subcommittee within the same committee to deal with the April 2010 enforcement of revisions to the Law Concerning the Rational Use of Energy and Tokyo Metropolitan Government ordinances, and to promote environmental activities at the office level.

◆ Environmental Management Promotion System



Environmental Conservation Activities Unique to ANA

As a leading eco-friendly airline, the ANA Group has established the ANA Group Ecology Plan (2008-2011) and is committed to environmental activities with each individual employee working as part of a team in pursuit of its objectives. In November 2008, the ANA Group became the airline and transport industry's first certified Eco-First company. With the cooperation of customers, stakeholders and people around the world, we will pursue forward-looking initiatives unique to ANA. In addition to measures against global warming, initiatives include the ANA Carbon Offset Program, e-flights, "3R" (reduce, reuse and recycle) activities, activities under the slogan of "Spreading the Chain of 'Planet Mindfulness'" as part of the *Aozora* project and participation in research and development of biofuels.



Targets and Results of ANA Group Ecology Plan (2008–2011)

	Item	Targets	Review of Fiscal Year Ended March 2011 ¹
Climate Change Countermeasures	Reduce CO ₂ Emissions from Aircraft Fuel	For the fiscal year ending March 2012, achieve a 10% reduction in CO ₂ emissions per revenue ton kilometer (RTK) on domestic and international routes compared with the fiscal year ended March 2007.	In the fiscal year ended March 2011, due to an increase in the number of flights, CO ₂ emissions for ANA Group domestic and international routes totaled 7.99 million tons, a year-on-year increase of 5.3%, or 400,000 tons. However, CO ₂ emissions per revenue ton kilometer for domestic and international routes were 1.12kg-CO ₂ , a 9.4% reduction compared to the index year of 2006.
		For the period from the fiscal year ended March 2009 through the fiscal year ending March 2012, keep average annual CO ₂ emissions on domestic routes below 4.7 million tons.	Emissions on domestic routes were 4.21 million tons, a further decrease from 4.26 million tons in the fiscal year ended March 2010. Average annual CO ₂ emissions for 2008–2010 were kept within the target limit of 4.34 million tons.
	Reduce Energy Use at All Work Sites	Reduce energy use at all work sites by 1% each year.	Due to the introduction of new systems for integrated management following the enforcement of the revised Law Concerning the Rational Use of Energy, total ground-level energy consumption (crude oil equivalent) at all ANA work sites decreased 2% on a unit level compared with the previous fiscal year, meeting the requirements of the Law. We will work to further reduce energy use to deal with anticipated electrical power supply shortages in addition to the Law Concerning the Rational Use of Energy.
Air Pollution Countermeasures	Conform with Aircraft Emission Standards	All aircraft including leased aircraft to conform with International Civil Aviation Organization (ICAO) emission standards.	All ANA Group aircraft engines conform to the emission standards of the ICAO's Annex 16 to the Convention on International Civil Aviation.
	Introduce Low-Pollution Vehicles	Actively introduce hybrid, electric and other low-pollution vehicles.	In the fiscal year ended March 2011, the number of low-pollution, low-emission vehicles increased by 89 for a ratio of 24%, an increase of 3.2 times from the index year (fiscal year ended March 2003, when the ratio of low-pollution vehicles was 7.4%).
Noise Countermeasures		All aircraft including leased aircraft to conform with ICAO noise standards chapter 4.	All aircraft conform with ICAO noise standards chapter 4.
Resource Savings		Reduce waste and paper used in sales by 5%.	Reduced waste by 10% year on year overall, and reduced volume of various types of paper used by 20%. Reduced paper used in sales by 21%.
		Conduct closed recycling ² at all work sites.	Collected copy paper used at all work sites and some in-flight magazines, including <i>Tsubasa no Okoku</i> , recycled it for use in in-flight magazines and envelopes and business cards used at work sites across Japan. The entire ANA Group promoted 3R activities and actively engaged in recycling cabin attendants' uniforms. Expanded efforts to reuse or recycle plastic sheets for luggage to more airports.
Environmental and Social Contribution Activities		Nationwide forestation activities near 50 airports	In the fiscal year ended March 2011, conducted afforestation at two locations, Ataka-no-Seki Forest at Komatsu Airport and Shimafukuro Forest at Nemuro-Nakashibetsu Airport, and conducted afforestation, undergrowth brush cutting or tending of forests at Echigo Heiya Forest at Niigata Airport and five other locations. Also conducted afforestation and tending of forests at Shimafukuro Forest at Nakashibetsu Airport and Tokkari Forest at Okhotskmonbetsu Airport during the first half of 2011 for forestation activities at a total of 26 airports and 34 locations since 2004. (As of June 2011)
		Aozora Environmental Picture Book Competition	Activities were cancelled from the fiscal year ended March 2011.
		Participation in coral restoration project	In the fiscal year ended March 2011, coral was planted twice in the spring and three times in the fall, and a total of 285 volunteer divers/non-divers took part. In October 2010, held the Team Tyura Sango Festival in Onnason and environmental classes for about 700 elementary school students in Tokyo.
		Support for environmental training of next-generation personnel	In the fiscal year ended March 2011, in addition to participating in an environmental education program for high school students sponsored by Asahi Beer, we accepted university students for internships and conducted aviation environmental classrooms.

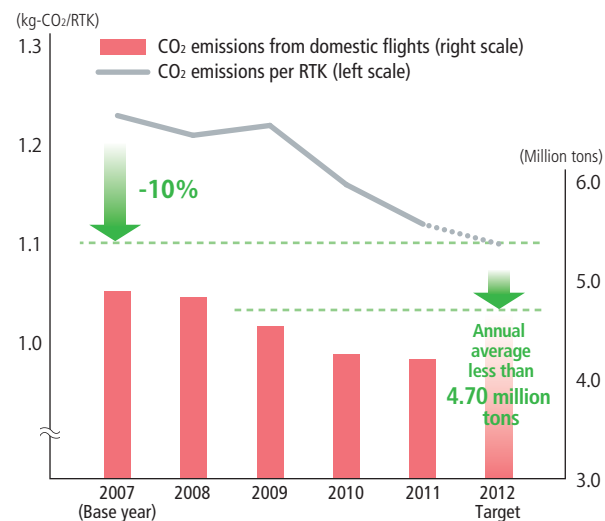
1. Further details are provided on the Web version of this report.

2. Closed recycling: A recycling system in which waste generated in aircraft, airports and Group business offices is reused in aircraft, airports and Group companies.

Reducing CO₂ Emissions from Aircraft Fuel

The diagram on the right shows total CO₂ emissions on domestic routes and CO₂ emissions per revenue ton kilometer for domestic and overseas routes combined, in line with the targets of the ANA Group Ecology Plan (2008–2011). With the drop in the load factor following the global economic downturn, CO₂ emissions per revenue ton kilometer worsened at one stage, but they are now steadily improving due to such factors as various fuel reduction measures, revisions to routes, and changes to the aircraft fleet. Total CO₂ emissions on domestic routes have been reduced for three consecutive years. The ANA Group also participates in a development group made up of Boeing and other related specialized organizations and companies to cooperate in the development of environmentally-friendly alternative fuels.

◆ ANA Group CO₂ Emission Targets and Results



Reducing Environmental Impact in Our Operations

Reducing fuel consumed by aircraft is directly connected to reducing environmental impact. For a long time, the ANA Group has proactively carried out a variety of fuel reduction measures in flight and ground operations. The following introduces some of the initiatives we are undertaking.

When Preparing for Departure Aircraft Center of Gravity Management

An aircraft's center of gravity is closely related to the volume of fuel used, and normally fuel usage will be less if the center of gravity is closer to the rear. A system for managing aircraft weight and center of gravity introduced by the ANA Group in May 2008 resulted in reductions of 6,000 tons in CO₂ emissions and 2,450 kiloliters in fuel consumption during the fiscal year ended March 2011.

Proactive Use of Ground Power Units

Parked aircraft normally consume electric power supplied by APUs¹ for such uses as air conditioning and lighting inside the aircraft. However, since 1990 the ANA Group has actively used ground power units (GPUs), which are much more energy efficient, with a view to lessening its dependency on APU power. As a result, in the fiscal year ended March 2011, we reduced CO₂ emissions by 88,900 tons and fuel consumption by 36,000 kiloliters compared to not using GPUs. These savings are equivalent to the emissions of a Boeing 777-200 making approximately 2,300 round trips between Tokyo and Osaka.

In addition, use of generators for maintenance purposes to supply power to parked aircrafts reduced fuel usage by 590 kiloliters.



Shared use of GPU power

1. APU: Auxiliary Power Unit, a small on-board gas turbine that provides electricity for the aircraft and compressed air for starting the engine and air conditioning. APUs are less energy efficient than GPUs as they burn jet fuel.

When Cruising Strengthening the Flight Management System

Measures to improve aircraft systems include the introduction of Flight Management System (FMS²) datalink functions that input wind conditions at stages along the aircraft's route. This reduces fuel use and CO₂ emissions by optimizing cruising altitude and selection of the point to begin descent. This equipment is already installed on Boeing 777s, and we plan to install it in stages on our Boeing 767s.

2. FMS: Flight Management System, which uses flight conditions to calculate optimum speed and course as the basis for automatically adjusting engine output, navigation and other flight management operations.

Winglet Installation

A winglet is a small wing attached to the bottom of a main wing to reduce air resistance during flight. Winglets on the Boeing 767-300ER on long-haul flights reduce fuel consumption by approximately 5%, and can reduce annual CO₂ emissions per aircraft by 2,100 tons.

In 2010, the ANA Group was the first domestic airline to install winglets on its Boeing 767-300ERs, and plans to install them on the eight Boeing 767-300ERs that are being delivered between November 2010 and April 2012.



Winglet installation



Project to Promote the Efficient Flight Program (EFP)

Firmly committed to safety as a premise, ANA Group flight crews take personal initiative in discussing ideas about how they can make their flights Eco Flights, and conduct flight operations with each individual taking the environment into consideration while ensuring safety, comfort, stability and on-time performance.

Since 2008, flight crews have been taking the initiative in codifying their collective expertise in *Promoting Eco Flights*, an Eco Flight guidebook, which contributes to further improvements in implementation of Eco Flights.



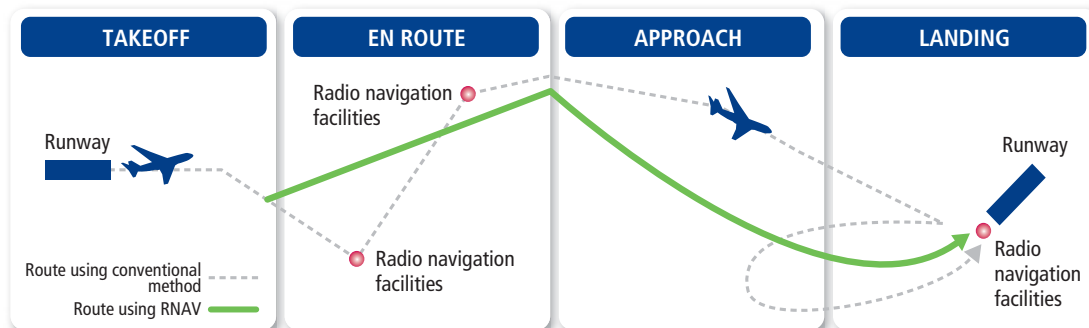
Promoting Eco Flights

Operation of RNAV (Area Navigation)

The ANA Group began official operations of RNAV in 2002. RNAV navigation is a procedure that navigates aircraft and assures the scheduled flight path by radio navigation facilities as well as by satellite and on-board equipment. Not only does RNAV achieve faster

and shorter flights while reducing fuel consumption and CO₂ emissions, it also reduces noise around airports. The ANA Group aims to expand the use of RNAV in Japan and overseas.

◆ RNAV Navigation vs. Conventional Routing



When Descending

Promoting an Energy Efficient Descent Method

When an aircraft descends continuously from the start to the end of its descent, without leveling off, it saves fuel, cuts CO₂ emissions and reduces noise. By employing Continuous Descent Operation (CDO³) when landing in late-night and early-morning time slots at Kansai International Airport, aircraft engaged in two routes reduced CO₂ emissions by 350 tons and fuel consumption by 140 kiloliters during the fiscal year ended March 2011. The ANA Group will cooperate with associated organizations to implement the system at other airports.

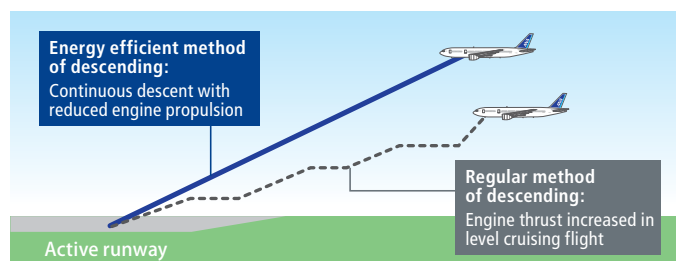
3. CDO: Continuous Descent Operation, a collective term for operations including CDA (continuous descent approach), TA (tailored arrival), OPM (optimum profile descent), etc.

When Landing at Airports

Reducing the Power of Thrust Reversers for Landing

Formerly, in order to reduce an aircraft's landing length, thrust reversers were employed and engine thrust was sent forward. These days, by landing with the engines in idle to the extent possible when it is safe to do so based on an assessment of the landing length and other factors, CO₂ emissions are reduced and noise pollution is mitigated, which makes this method of landing more environmentally friendly. In the fiscal year ended March 2011, this reduced CO₂ emissions by 15,300 tons and fuel consumption by 6,200 kiloliters.

◆ Energy Efficient Descents



Taxiing after Landing with Engine(s) Partially Shut Down

At airports where aircraft must taxi a long way to the parking spot after landing, the ANA Group conserves fuel by stopping some engines when taxiing after confirming there is no impairment of safety. This decision is made after taking into account the conditions of the taxiway and other aircraft, weather, and instructions from the control tower. In the fiscal year ended March 2011, this reduced CO₂ emissions by 890 tons and fuel consumption by 360 kiloliters.

Initiatives in Areas Other Than Flight Operations

Maintaining Peak Engine Performance by Washing Engine Compressor Sections

During engine use, minute lumps that reduce fuel economy collect on the compressor section. Since 2003, the ANA Group has been using original engine washing machines to wash dust off engine compressor sections to maintain peak engine performance and improve fuel usage. As a result of maintaining peak performance after washing, we reduced CO₂ emissions by 42,800 tons and fuel consumption by 17,400 kiloliters in the fiscal year ended March 2011. These savings are equivalent to the emissions of a Boeing 777-200 making approximately 1,140 round trips between Tokyo and Osaka.



Engine washing

Engine Replacement

Engine parts become less efficient over the long-term, which causes increases in CO₂. During the fiscal year ended March 2011, the ANA Group replaced 28 engines in Boeing 767, 747-400 and 777 aircraft, reducing CO₂ emissions by 170,000 tons and fuel consumption by 6,900 kiloliters.

Saving Fuel through Use of Flight Simulators

The ANA Group mainly uses flight simulators to train and evaluate flight crew, thereby dealing with the issues of reducing fuel consumption (CO₂ emissions), noise and limited air space.

In the fiscal year ended March 2011, total simulator use amounted to approximately 50,000 hours. If these hours had been actual flight time, they would have emitted 610,000 tons of CO₂ and required 248,000 kiloliters of fuel.

Initiatives to Reduce Aircraft Water Supply

Since 2010, the ANA Group has been reusing drinking water left in aircraft tanks for purposes such as toilets at the Haneda Airport Maintenance Facility. In addition, the Group optimized the quantity of water supplied to aircrafts serving international routes, reducing annual water supply by about 1,600 kiloliters in the fiscal year ended March 2011. This helped to reduce aircraft weight and has in turn resulted in CO₂ emission reductions of 1,150 tons.

Since May 2011, the ANA Group has been carrying out similar optimization of water supply to aircrafts serving domestic routes. As an initial goal, the Group aims to reduce water supply per flight by 100 liters on Boeing 777s, resulting in an annual CO₂ emissions reduction of 490 tons.



Wastewater operations and wastewater truck

Initiatives to Reduce Weight of In-Flight Items

Since 2003, the ANA Group has been continuously reviewing in-flight items to reduce their size, weight and amount required. In 2009, we lightened copies of the in-flight shopping catalogue *ANA Sky Shop* by 15 grams per issue by changing the quality of paper and reducing the number of pages, and changed the number of reserve items on board, including diapers and sickbags. From April 2010, we began using lightweight tableware and glasses in first and business classes on international flights serviced by newer aircraft, resulting in a reduction of about 62 kilograms per aircraft. From March 2011, we also changed the wine bottles used in economy class to PET bottles, achieving a weight reduction of 111 grams per bottle, which is expected to save 82.1 kiloliters of fuel per year.



Lightweight plates used in business class on new aircraft for international flights

Other Initiatives

Introduction of New Lightweight Cargo Containers

The ANA Group has introduced and begun using 700 new lightweight containers. Excluding the base and frame, the outer panels have been changed to carbon fiber-reinforced plastic and the opening has been changed to a highly stain- and water-resistant canvas material used in applications such as large tent warehouses. As a result, it weighs 30 kilograms, or about 30%, less than conventional aluminum containers.

We are using this container on Europe and U.S. routes. It enables weight reduction of 1,320 kilograms per aircraft, which reduces CO₂ emissions by roughly 1,272 kilograms and fuel consumption by roughly 516 liters, the equivalent of about 2.6 oil drums.

Moreover, the use of carbon fiber-reinforced plastic strengthens the container itself. Adoption of the new structure helps minimize damage to the cargo being shipped, and is expected to contribute to enhanced quality.

Promoting Reduced Use of Resources

The ANA Group's 3R Activities

The ANA Group recycles trash it generates in aircraft and at airports and offices, and promotes resource conservation and



Collection of plastic bags for wrapping at Haneda Airport

recycling activities. The Group reuses the 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,

envelopes and business cards that are used in its offices throughout the country. Also, in addition to its existing programs to recycle uniforms, from September 2010 the ANA Group began working to reuse and recycle the plastic bags used to wrap customer luggage.

Together with Customers

Carbon Offset Program

The ANA Group introduced the ANA Carbon Offset Program from October 1, 2009 for all domestic routes. This program involves CO₂ offset activities that enable passengers to voluntarily provide money for activities that cultivate the forests required to absorb the CO₂ (carbon dioxide = carbon) emitted by the aircraft in which they travel. The program helps to revitalize Japan's forests in cooperation with an incorporated association called "more trees," of which musician Ryuichi Sakamoto is the representative.



System improvements in 2010 included changes to the input screen for mobile phones and the ability to participate via computer, and we will continue making it even easier for passengers to participate.

See this site for details:

<http://anaoffset.com> (Accessible only by mobile phone)

To the Skies with Ecobon! 2010 Sightseeing e-Flights

The ANA Group introduced a Bombardier DHC8-Q400 aircraft with a special green livery in November 2010. Nicknamed "Ecobon," combining "eco" with "bon voyage," which is French for "have a good trip," it uses 30% to 40% less fuel and reduces CO₂ emissions by similar percentages compared with other jet aircraft in its class, and also emits less noise. In December 2010, we invited local elementary school students and their guardians to take a 2010 sightseeing e-flight, on which flight attendants conducted an environmental classroom. In addition, the ANA Group used carbon offsets for the CO₂ emitted by this sightseeing flight.



Relationship with Society

Basic Concept

Under the Group Action Guideline to “Contribute to society,” the ANA Group has been actively working on environmental and social issues as a good corporate citizen. Taking into account various factors including the ANA Group’s Corporate Philosophy, business activities and management resources, the Group set forth three activity domains it should undertake: 1) support people through air travel, 2) contribute to society and the environment, and 3) contribute to the community. In pursuing social contribution activities unique to ANA, the ANA Group attaches importance to active involvement of employees in volunteer activities and creation of opportunities for joint, empathetic activities with its customers.



Specific Initiatives

① Support People through Air Travel

Response to the Great East Japan Earthquake

To fulfill its responsibilities as a public transportation provider, the ANA Group made its aircraft available for transportation of relief supplies, rescue teams and medical experts, while giving top priority to maintaining its flight network. Group companies



Hot water supply using snow removal trucks in Minami Sanriku, Miyagi Prefecture

and their officers and employees also contributed donations and relief goods, and ANA carried out a charity mileage points campaign in which passengers cooperated. Other recovery support activities unique to the ANA Group have been based on employee initiatives such as utilizing snow removal trucks to provide baths at evacuation centers in the affected area.

Under the slogan “Forward together as one Japan,” the Group is promoting ongoing employee volunteer activities by its employees to support a vibrant and thriving Tohoku region and Japan.

② Contribute to Society and the Environment Forestation Project



Forest thinning at Echigo Heiya Forest near Niigata Airport

Since 2004, the ANA Group has been involved in a ten-year forestation project in areas surrounding the approximately 50 domestic airports it serves. In the fiscal year ended March 2011, employees and local volunteers worked

together at four new airports in Nemuro-Nakashibetsu, Niigata, Komatsu and Hagi-Iwami, for forestation activities at a total of nine locations.

Team Tyura Sango

The rising temperature of seawater is threatening Okinawa’s coral reef with extinction. Team Tyura Sango, which was formed by the ANA Group and businesses in Okinawa and other prefectures, has been working since 2004 to protect the coral reef community near Onnason, Okinawa. To provide an opportunity to learn about the importance of *Tyura Umi* (clean ocean), the ANA Group held the Team Tyura Sango Festival in Onnason in October 2010, and held environmental classes for about 700 students at elementary schools in Tokyo.

Team Tyura Sango website (Japanese only):

<http://www.tyurasango.com/>

③ Contribute to the Community

As a member of the community, the ANA Group continues to undertake activities that contribute to it in every region.

Gratitude to the Community

The ANA Group has received the support of its passengers for 25 years since inaugurating scheduled international service in 1986 with a flight from Narita to Los Angeles. In June 2011, the Los Angeles Office held the ANA Kid’s Flight Academy. The event served as a bridge between Japan and the United States for the



local children who will create the international society of the future, providing the opportunity to learn new things and create interest in the latest technology.

Relationship with Customers

Making Every Effort to be Customer-Oriented

Guided by a commitment to being customer-oriented, the ANA Group is working to improve service by actively identifying issues based on frank customer voices and frontline feedback.

The ANA Group's Product and Service Quality Management

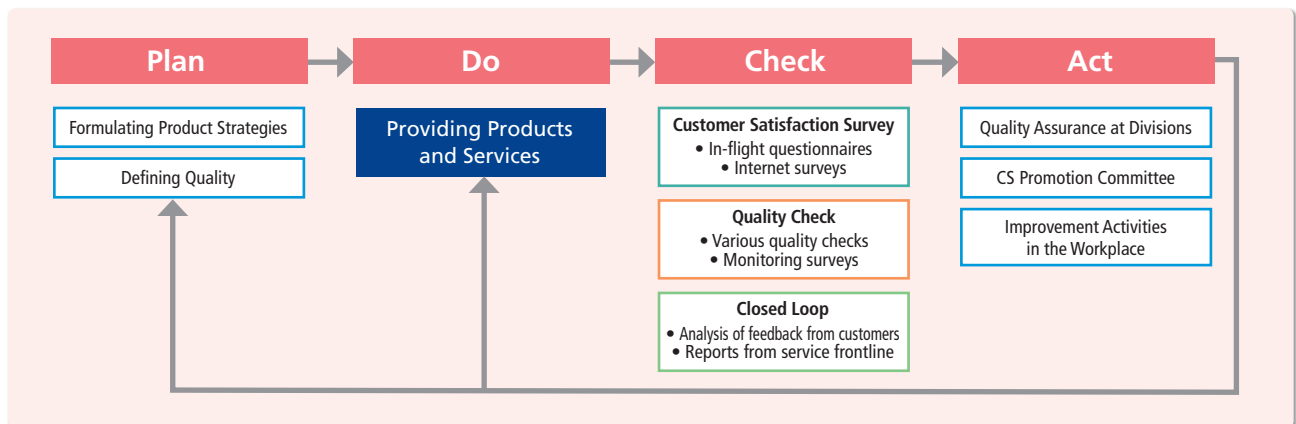
To enhance the quality of the products and services it provides to customers, the ANA Group evaluates their current quality, studies methods to improve it, and plans new products and services that reflect the improvements.

The Customer Satisfaction Survey involves regularly collecting customer responses to questionnaires, which are used to analyze customer satisfaction and requests for various services. The Quality Check comprises internal audits and external assessments using eval-

uation standards stipulated under our internal regulations. The Closed Loop involves compiling feedback from customers and suggestions from frontline staff into reports to identify unresolved issues and seek out ways to improve every division and layer of the entire Group.

Employing these three quality management tools, efforts to enhance the quality of the ANA Group's products and services originate from this direct feedback from customers. The Group values customer feedback and uses it to improve services and create new products.

◆ Overview of Service Quality Management



Customer Satisfaction Index

We at the ANA Group believe that enhancing the quality of the products and services we offer our customers and maintaining a high level of customer satisfaction are tasks we must deal with in order to achieve our corporate vision of becoming one of the leading corporate groups in Asia. We quantitatively evaluate the products and services we provide through the more than 20,000 responses to our Customer Satisfaction Survey given to passengers on domestic and international routes twice yearly.

In the questionnaires, evaluations go beyond services provided at airports or on aircraft to cover every aspect of our dealings with customers. We assign a numerical value to customer responses to monitor trends over the years. This allows every department within the ANA Group as well as the CS Promotion department to analyze the results

and establish targeted standards while shedding light on our shortcomings. The process thereby creates a cycle for examining policies to improve quality and customer satisfaction across the entire Group.

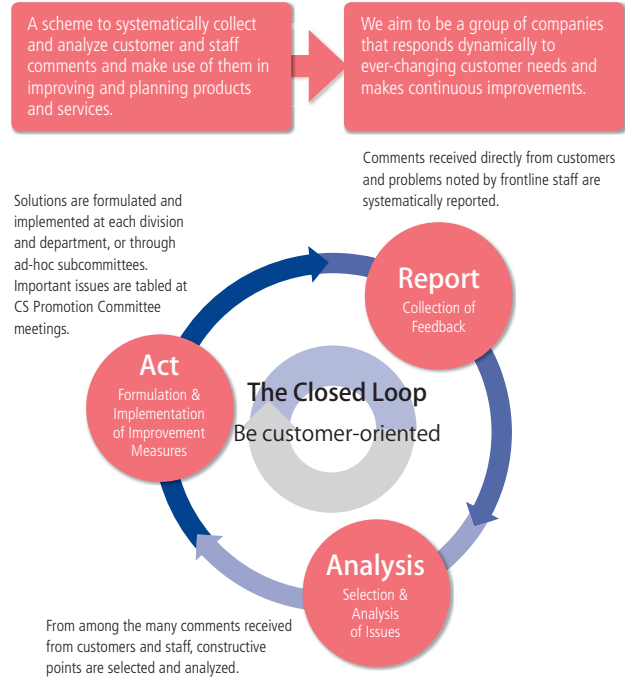
In addition, by raising our benchmarks to the level of an international airline, including actively making use of surveys conducted by external organizations, we aim to improve quality and customer satisfaction from a global perspective to enhance our reputation in markets outside Japan.

Although we achieved our targeted level for the fiscal year ended March 2011, we will not be content with the status quo. The results of the Customer Satisfaction Survey are handled in the same diligent manner as comments and requests received directly from our customers, as we work to improve quality from our customers' viewpoint.

The Closed Loop: Improvement Activities Based on Customer Feedback

We receive a variety of feedback from our dealings with customers on our flights, at airports and at each call center. Based on this customer feedback and the comments of our staff involved in customer frontline services, we identify issues to be dealt with and work to improve them, a process we call the "Closed Loop." In the fiscal year ended March 2011, we prepared a record 72,370 reports based on the Closed Loop. Issues are identified and analyzed based on these reports, improvement measures are formulated and implemented, and customer feedback is again collected. This Closed Loop cycle is designed to resolve issues in a way that fully recognizes the customer's point of view. We use this cycle to flexibly accommodate constantly changing customer opinions, and to obtain inspiration that leads to new products and services.

◆ The Closed Loop



Example of Improvements from Customer Feedback

Customer Feedback

"I would like to be able to reserve a violin case."

My violin is expensive, which is a real problem if the airport cannot lend me a case to transport it. Could I possibly reserve a case to transport my violin? (Female, aged 30)

Improvement

From December 1, 2010, we began accepting reservations for carry-on cases for transportation of violins and other small musical instruments on domestic flights.

Note: For details on instrument size and availability for your flight, please visit the ANA website at <https://www.ana.co.jp/dom/checkin/rules/instruments.html> (or search for "musical instrument" on the ANA website).



Carry-on violin transport case



Small musical instrument transport case

Customer Feedback

"When flights are cancelled due to weather conditions, I'd like to be able to change (substitute) my flight on your website."

When discount ticket passengers change (substitute) their flight after a cancellation due to weather conditions, your reservation center is very busy, so I'd like to be able to do it via your website. (Male, aged 37)

Improvement

If a flight is postponed or cancelled, passengers on domestic flights can now change (substitute) their tickets on the ANA website or mobile phone site.

Note: Some passengers may not be able to use the change (substitute) procedure or Skip Service for check-in depending on the type of ticket and place of purchase. Please visit the ANA website for more details. <https://www.ana.co.jp>



Seat Availability/Reservation Screen

Start the exchange procedure by selecting the "Change/Addition/Cancellation (Refund)" button on the ANA SKY WEB top page, then select your desired flight on the "Seat Availability/Reservation" screen.

Select "Regular Fare" for you desired flight.

The Brand Vision of “Creating Personal and Positive Experiences with Our Customers”

The ANA Group aims to be an airline that grows by creating positive experiences with our customers and colleagues, thus earning customer support. We have a brand vision of “Creating Personal and Positive Experiences with Our Customers.” To realize this vision, we conduct customer satisfaction (CS) activities focused on quality management of products and services based on employee awareness training and customer feedback.

The foundation of enhanced CS is Group employee awareness. Making sure that each and every employee adopts the “Reliable,

Warm, Enthusiastic!” mindset increases our CS level, helping us to build a brand that other companies cannot match and enhance brand value.

The ANA Group Brand of “Reliable, Warm, Enthusiastic!” is the strength of our employees and organization that forms the foundation of the ANA Brand Vision. Our products and services brand “*Inspiration of Japan*” represents our strength in regularly seeking advanced and



exciting products and services. Based on these brands, we will raise the value of our communication with customers to realize the ANA Brand Vision of “Creating Personal and Positive Experiences with Our Customers.”

At the ANA Group, we believe that our dealings with customers play the pivotal role in brand creation. We are promoting an organization that gives more authority to the frontline so that service frontline staff can provide sincere service tailored to each individual situation, without necessarily being constrained by manuals or rules. At the same time, we are working toward a shared awareness of total customer orientation in the communication styles of our managers and supervisors.

◆ ANA Brand Concept



Aiming to be an Airline that Values Communication with Its Customers:

Service Frontline Cross-Divisional Meetings

The ANA Group holds service frontline cross-divisional meetings to look at issues from the perspective of its customers. In doing so, the Group aims to establish itself as an airline capable of generating value from each of its dealings with customers. The meetings bring together service frontline staff members from all divisions, including cabin crew, ground staff and call center staff, to engage in in-depth discussions of case studies. At the same time, we create a work environment that empowers service staff to deal flexibly with each situation as required by drawing on their conscience and common sense, while ensuring safety and compliance. Based on mutual trust among attendants, staff members and managers, we nurture human assets who can visualize the potential needs of our customers. We believe that this in turn helps us create services that make our customers glad they chose to fly ANA.

Participants seriously consider and exchange views on what can be done and how to achieve it, while keeping the feelings of customers in mind at all times. The service frontline is given the highest value, with backup support from the entire Group going forward. Through these efforts, we aim to become an airline that can create personal and positive experiences with our customers.



Meeting

Relationship with Employees

ANA Group Human Resources Philosophy

“Take up the Challenge”

The challenge for personal “GROWTH”; the challenge to create customers’ “EXCITEMENT” and “EXPERIENCE.”

Always challenge. Limitless challenge creates a strong ANA Group.

Human Assets Investment Strategy

In order to take full advantage of opportunities for business expansion and Group growth, including opportunities associated with increased flight slots at airports in the Tokyo area, we have formulated the “Group Human Assets Investment Strategy for 30,000 Motivated Personnel.” Under this strategy we will actively invest in the human assets who are the driving force behind growth. We will create programs for motivating employees, our human assets, and enable them to fully demonstrate their abilities.

Human Assets Who Can Succeed in a New Era

Under a policy of “Our People are the Source of Our Value,” the ANA Group must become truly global and use the combined strength of the Group to succeed in the competitive environment. To do so, the Group has designated human asset management under the keywords ① “global” and ② “Group” as its top priority for the two fiscal years ending March 2013.

Moreover, to meet challenges and innovate toward a new operating environment, and to build a platform that supports the sustainable growth of the employees and companies of the ANA Group, we have decided to promote ③ “diversity and inclusion.” Being receptive to diversity and turning it into a strength will help us achieve a sure resolution of “global” and “Group” issues.

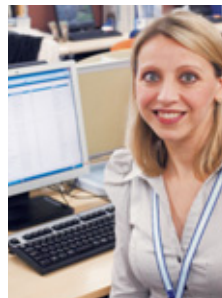
Action Plan: ① “Global”

The ANA Group must quickly respond to the rapid globalization of its operating environment, and has designated the three fiscal years ending March 2014 for a global human asset strategy action plan called the ANA Global Talent Program 2011 that will strengthen the focused and deliberate cultivation and deployment of “global” human assets. Our aim is to improve workplace awareness and atmosphere to enhance the global responsiveness of all employees.

At the same time, to make greater use of employees hired overseas, we will promote recruitment of diverse human assets.

Initiatives to Cultivate Global Human Assets

As policies for the deliberate and rapid development of “human assets” suited to an era of intense global competition, the ANA Group has established an exchange program that provides the opportunity for overseas staff members to visit Japan and cooperate with Japanese staff members and a training program for overseas employees that dispatches Japanese staff members to work sites overseas. We are working to enhance these programs. From the fiscal year ending March 2012, we are transferring local overseas staff members to Japan and deploying new hires in Japan overseas. ANA Group staff in Japan and overseas will deepen their understanding of different cultures with the goal of cultivating human assets who will be bridges linking workplaces in Japan and overseas.



Naheel Wafa Dajany
Senior Manager, Passenger
Services Planning Operations
& Airport Services



Zhang Fei Fei
Passenger Services,
Tokyo Airport Office



Kenta Araya
Singapore
Changi Airport

Action Plan: ② “Group”

The ANA Group is promoting horizontal cultivation and development of human assets among Group companies to unleash the combined strength of the Group more quickly. Specifically, we have introduced a management and administration organization while enhancing our support system for seconded employees to further promote the flow of human assets within the Group. Other initiatives have included formulating and reviewing plans by division for human asset development involving the cultivation of human resources and sharing of skills and expertise, while also introducing a master system for the Group. Concurrently, we fully introduced and embedded mechanisms that allow employees to get a real feel for Group performance with the objective of further enhancing the sense of Group unity, and are promoting expanded systems for managing the health of the Group.

Action Plan: ③ “Diversity and Inclusion”

Promoting diversity and inclusion, the ANA Group is further emphasizing the planning and execution of lectures, seminars and other techniques to innovate employee awareness and corporate culture and the use of employee satisfaction surveys (ESS) in Japan and overseas. In addition, to support and promote diverse work styles and create workplaces that enhance employee vitality, the ANA Group has introduced telecommuting, and is further promoting the role of senior employees while encouraging employment of disabled people.

Promoting Success for Women

We are promoting diverse working methods and advancement for women as part of the “Group Human Assets Investment Strategy for 30,000 Motivated Personnel,” which is an action plan for giving women career training, establishing a mentor system* under which senior employees provide issue resolution and problem-solving support that fosters the continued growth of junior employees, and introducing role models through an intranet to support women in their careers.

Our support for working mothers includes holding seminars for women who are pregnant or on maternity leave and introducing a system that offers the option of shorter working hours or fewer working days per week. As a result, the number of employees taking maternity leave is increasing annually and nearly all of them return to the workforce, which demonstrates the clear success of the program.

* ANA’s mentor system won the Japan Productivity Center’s 2011 Mentor Award, which recognized ANA’s unique internal network that facilitates access to the advice of senior employees who have dealt with similar issues in the past.



2011 Mentor Award ceremony

Diverse Human Assets Development Programs

In addition to enhancing specialized training for employees such as flight crew, cabin crew and maintenance staff who support day to day flight operations, ANA established the ANA JINZAI (Human Assets) University in 2007 to provide human assets training, including programs such as rank-based and elective training.

Training is given by lecturers from inside and outside the ANA Group, and incorporates such methods as on-site courses and Zen meditation to heighten its effectiveness. To deepen Group management we are promoting sharing of rank-based and elective training throughout the Group to foster common values and raise the level of human assets.

These development programs support the autonomous career development of all Group employees and promote an environment where individual employees can display their capabilities to the maximum possible extent in their respective roles.

ANA Group Business School

The ANA Group is providing education to Groupwide classes of mid-level employees (people aged 25-29) and managers (people in their mid-thirties). The curriculum for mid-level employees includes leadership and problem-solving techniques to cultivate the ability to help achieve the vision of the students’ divisions. Managers research case studies of other companies and have opportunities to meet executives from other industries to discuss their successes, thus cultivating human assets who can look beyond the company in innovating established thinking and practices and are able to create new value.



ANA Group Business School classroom

Financial Section

- 74 Consolidated 11-Year Summary
- 76 Industry Trends
- 77 Management's Discussion and Analysis
- 86 Operating Risks
- 90 Consolidated Balance Sheets
- 92 Consolidated Statements of Income and Comprehensive Income
- 93 Consolidated Statements of Changes in Net Assets
- 94 Consolidated Statements of Cash Flows
- 95 Notes to Consolidated Financial Statements
- 114 Report of Independent Auditors

Consolidated 11-Year Summary

All Nippon Airways Co., Ltd. and its consolidated subsidiaries (Note 1)
Years ended March 31

	2011	2010	2009	2008
For the Year				
Operating revenues.....	1,357,653	1,228,353	1,392,581	1,487,827
Operating expenses.....	1,289,845	1,282,600	1,384,992	1,403,438
Operating income (loss).....	67,808	(54,247)	7,589	84,389
EBITDA (Note 3).....	186,248	59,559	120,470	201,176
Income (loss) before income taxes and minority interests.....	35,058	(95,593)	(4,445)	115,224
Net income (loss).....	23,305	(57,387)	(4,260)	64,143
Cash flows from operating activities.....	203,889	82,991	(39,783)	165,765
Cash flows from investing activities.....	(139,619)	(251,893)	(111,139)	(69,827)
Cash flows from financing activities.....	(10,596)	173,791	114,504	(87,336)
Free cash flow.....	64,270	(168,902)	(150,922)	95,938
Depreciation and amortization.....	118,440	113,806	112,881	116,787
Capital expenditure.....	211,698	209,937	145,709	357,733
At Year-End				
Total assets.....	1,928,021	1,859,085	1,761,065	1,783,393
Interest-bearing debt (Note 4).....	938,819	941,691	897,236	767,876
Short-term debt (Note 4).....	146,395	180,775	169,462	136,399
Long-term debt (Note 4).....	792,424	760,916	727,774	631,477
Total shareholders' equity (Note 5).....	520,254	473,552	321,883	452,972
Per Share Data (Yen, U.S. dollars)				
Net income.....	9.29	(24.67)	(2.19)	32.93
Net assets.....	207.35	188.93	166.50	232.58
Cash dividends.....	2.00	—	1.00	5.00
Average number of shares during the year (thousand shares).....	2,507,572	2,326,547	1,945,061	1,947,736
Management Indexes				
Operating income margin (%).....	5.0	—	0.5	5.7
Net income margin (%).....	1.7	—	—	4.3
ROA (%) (Note 6).....	3.7	—	0.6	5.3
ROE (%) (Note 7).....	4.7	—	—	15.1
Equity ratio (%).....	27.0	25.5	18.3	25.4
Debt/equity ratio (times) (Note 8).....	1.8	2.0	2.8	1.7
Asset turnover (times).....	0.7	0.7	0.8	0.9
Interest coverage ratio (times) (Note 9).....	10.7	4.6	—	10.7
Current ratio (times).....	1.1	0.9	0.9	0.9
Payout ratio (%).....	21.5	—	—	15.2
Number of employees.....	32,731	32,578	33,045	31,345
Operating Data				
Domestic Passenger Operations				
Passenger revenues (¥ millions / \$ thousands).....	652,611	630,976	699,389	739,514
Available seat-km (millions).....	56,796	57,104	59,222	62,651
Revenue passenger-km (millions).....	35,983	35,397	37,596	39,928
Number of passengers (thousands).....	40,574	39,894	42,753	45,557
Load factor (%).....	63.4	62.0	63.5	63.7
Unit revenues (¥).....	11.5	11.0	11.8	11.8
Yield (¥).....	18.1	17.8	18.6	18.5
International Passenger Operations				
Passenger revenues (¥ millions / \$ thousands).....	280,637	214,124	291,077	311,577
Available seat-km (millions).....	29,768	26,723	27,905	28,285
Revenue passenger-km (millions).....	22,430	20,220	19,360	21,291
Number of passengers (thousands).....	5,168	4,666	4,432	4,827
Load factor (%).....	75.3	75.7	69.4	75.3
Unit revenues (¥).....	9.4	8.0	10.4	11.0
Yield (¥).....	12.5	10.6	15.0	14.6
Domestic Cargo				
Cargo revenues (¥ millions / \$ thousands).....	32,413	31,829	33,097	30,566
Cargo volume (tons).....	453,606	458,732	475,014	462,569
International Cargo				
Cargo revenues (¥ millions / \$ thousands).....	86,057	55,750	69,069	72,192
Cargo volume (tons).....	557,445	422,449	354,251	332,507

Notes: 1. As of March 31, 2011, there were 64 consolidated subsidiaries and 25 equity-method subsidiaries and affiliates.

2. U.S. dollar amounts in this report are translated, for convenience only, at the rate of ¥83.15=US\$1, the approximate exchange rate as of March 31, 2011.

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

Yen (Millions)							U.S. dollars (Note 2) (Thousands)
2007	2006	2005	2004	2003	2002	2001	2011
1,489,658	1,368,792	1,292,813	1,217,596	1,215,909	1,204,514	1,279,635	16,327,757
1,397,468	1,279,990	1,215,039	1,183,242	1,218,506	1,181,546	1,197,392	15,512,266
92,190	88,802	77,774	34,354	(2,597)	22,968	82,243	815,490
180,800	165,003	148,220	98,590	59,255	84,305	141,576	2,239,903
51,064	52,433	45,679	35,221	(54,821)	(7,178)	63,289	421,623
32,658	26,722	26,970	24,756	(28,256)	(9,456)	40,286	280,276
158,714	128,525	149,070	89,793	85,952	33,993	148,796	2,452,062
(128,298)	(46,449)	(169,247)	(95,882)	(52,478)	(123,927)	(17,964)	(1,679,122)
(100,897)	(3,137)	(51,600)	82,867	(63,364)	69,104	(158,359)	(127,432)
30,416	82,076	(20,177)	(6,089)	33,474	(89,934)	130,832	772,940
88,610	76,201	70,446	64,236	61,852	61,337	59,333	1,424,413
251,926	235,580	210,180	147,644	129,863	132,408	94,391	2,545,977
1,602,091	1,666,843	1,606,613	1,565,106	1,442,573	1,510,982	1,451,420	23,187,263
749,446	846,317	942,256	1,031,713	945,395	1,017,823	935,730	11,290,667
158,724	149,438	204,454	206,557	83,916	221,481	175,519	1,760,613
590,722	696,879	737,802	825,156	861,479	796,342	760,211	9,530,054
398,223	346,309	214,284	150,086	121,954	138,641	150,500	6,256,812
16.77	15.64	17.26	16.14	(18.42)	(6.17)	27.75	0.11
204.42	177.89	128.31	97.66	79.57	90.40	98.19	2.49
3.00	3.00	3.00	3.00	—	—	—	0.02
1,947,618	1,708,031	1,562,537	1,533,368	1,533,940	1,533,744	1,451,543	
6.2	6.5	6.0	2.8	—	1.9	6.4	
2.2	2.0	2.1	2.0	—	—	3.1	
6.0	5.7	5.2	2.7	0.3	2.0	6.1	
8.8	9.5	14.8	18.2	—	—	32.5	
24.9	20.8	13.3	9.6	8.5	9.2	10.4	
1.9	2.4	4.4	6.9	7.8	7.3	6.2	
0.9	0.8	0.8	0.8	0.8	0.8	0.9	
8.9	6.3	7.0	4.1	3.8	1.2	4.2	
0.9	1.1	0.8	1.0	1.1	0.9	1.0	
17.9	19.2	17.4	18.6	—	—	—	
32,460	30,322	29,098	28,870	28,907	29,095	29,358	
726,063	685,074	658,762	644,861	646,854	662,772	672,504	7,848,598
62,414	60,973	60,648	63,148	62,565	60,980	61,074	
40,564	39,712	38,454	38,857	40,388	38,780	38,469	
46,471	45,474	44,486	44,784	47,133	45,796	45,509	
65.0	65.1	63.4	61.5	64.6	63.6	63.0	
11.6	11.2	10.9	10.2	10.3	10.8	11.0	
17.9	17.3	17.1	16.6	16.0	17.1	17.5	
278,478	229,232	210,735	176,956	185,481	169,660	207,449	3,375,069
26,607	25,338	25,190	24,626	25,974	26,928	32,446	
20,145	18,769	19,191	16,950	18,719	17,799	24,124	
4,552	4,135	4,116	3,301	3,784	3,438	4,378	
75.7	74.1	76.2	68.8	72.1	66.1	74.4	
10.5	9.0	8.4	7.2	7.1	6.3	6.4	
13.8	12.2	11.0	10.4	9.9	9.5	8.6	
30,574	29,659	29,515	26,670	24,330	24,746	28,283	389,813
457,914	440,750	422,397	414,406	383,583	386,727	434,333	
62,195	55,380	50,089	43,205	40,393	32,937	40,403	1,034,960
277,571	248,735	234,417	220,476	195,669	152,942	192,997	

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 beginning with the fiscal year ended March 2009.

Industry Trends

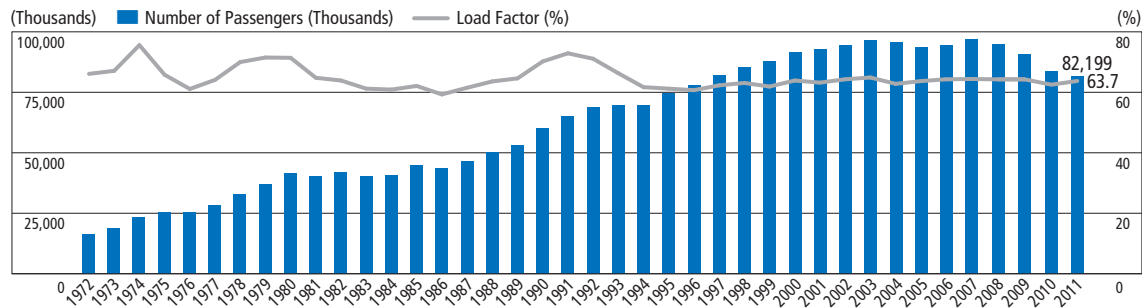
Top 20 Airlines by Number of Revenue Passengers

(Thousands)

Ranking	Airline	Number of Passengers	Ranking	Airline	Number of Passengers
1	Delta Air Lines	111,159	11	Air China Limited	46,008
2	Southwest Airlines	106,228	12	Continental Airlines	43,603
3	American Airlines	86,129	13	All Nippon Airways	43,585
4	China Southern Airlines	76,078	14	Easyjet	42,401
5	Ryanair	71,229	15	Qantas Airways	42,381
6	Lufthansa	56,693	16	Japan Airlines	36,959
7	United Airlines	54,015	17	TAM Linhas Aéreas	33,000
8	US Airways	51,814	18	Gol Airlines	31,478
9	China Eastern Airlines	50,336	19	Emirates	30,848
10	Air France	47,029	20	British Airways	30,485

Source: IATA World Air Transport Statistics, 2010

Number of Passengers on Regular Domestic Flights

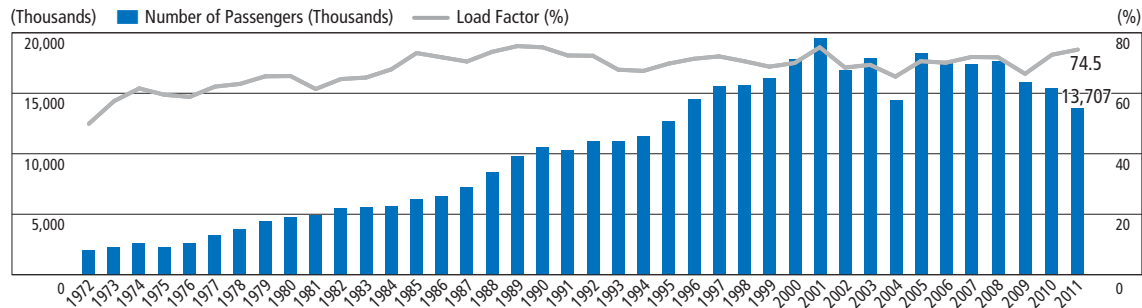


(Years ended March 31)

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

Note: Figures for the year ended March 2011 are from a preliminary report.

Number of Passengers on Regular International Flights

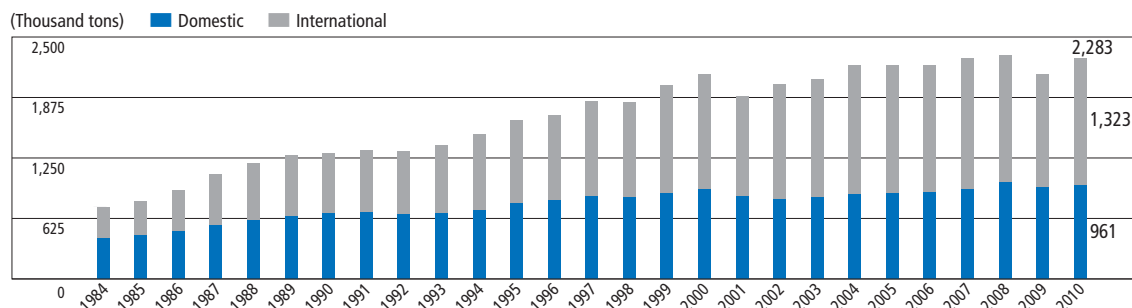


(Years ended March 31)

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

Note: Figures for the year ended March 2011 are from a preliminary report.

Domestic and International Cargo Shipping Volume



(Calendar years)

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

Note: Figures for 2010 are from a preliminary report.

Management's Discussion and Analysis

Overview

Overview of the ANA Group

The ANA Group, or the "Group," consists of All Nippon Airways Co., Ltd. ("ANA" or the "Company"), its 107 subsidiaries and 48 affiliates. The Group has 64 consolidated subsidiaries and 25 equity-method subsidiaries and affiliates.

The ANA Group recognized that it had to restructure its business base in order to respond to global economic movements and the rapidly changing operating environment, and therefore steadily implemented the ANA Group FY2010-2011 Corporate Strategy formulated in the fiscal year ended March 2010 with the aim of achieving its Group management vision of being one of the leading corporate groups in Asia. The Group placed top priority on returning to net profitability and reinstating dividends while taking advantage of the long-awaited internationalization of Haneda Airport.

During the fiscal year ended March 2011, the Great East Japan Earthquake had no small effect on ANA Group operations. However, against a backdrop of firm demand and in conjunction with the increase in capacity at Tokyo-area airports, the Group steadily linked the business opportunities of the introduction of new-concept aircraft and expansion of international service at Haneda Airport to earnings. In addition, the Group reached the target of ¥86.0 billion in cost reductions it set at the beginning of the fiscal year, with the result that it achieved a steady recovery of its business and realized its top priorities of returning to net profitability and reinstating dividends.

Mid-Term Corporate Strategy

The ANA Group forecasts additional capacity expansion at airports in the Tokyo area and further liberalization of the airline industry through 2015, with intense competition among existing Japanese carriers, network carriers from Asia, Europe and North America, and low-cost carriers (LCC).

Based on the recognition that it needs a robust corporate structure that will prevail amidst this intensifying global competition with the aim of sustainable growth, the ANA Group formulated the ANA Group FY2011-

2012 Corporate Strategy in February 2011.

In light of the impact of the Earthquake, which occurred soon after formulation of the strategy, performance targets for the fiscal year ending March 2012 were revised. However, in order to become an airline group that can succeed and survive in the twenty-first century, the ANA Group has positioned the two years ending March 2013 as a time to respond to the changing business environment and to shift to a more robust corporate structure for further growth. Enhancing managerial efficiency through maximum utilization of management resources and establishing solid revenue foundations resistant to volatility are the management themes of the strategy. The Group intends to steadily execute these management themes with particular emphasis on the major initiatives shown in the chart below.

The ANA Group's operating environment is changing significantly. By transforming its business model, including the development of an LCC business, the Group will work to steadily implement each of its strategies in order to realize its corporate vision of being one of the leading corporate groups in Asia in terms of quality, customer satisfaction and value creation.

Economic Conditions

General Economic Overview

In the fiscal year ended March 2011, challenging conditions continued in the Japanese economy as the sharp rise in the price of crude oil, concerns about volatility in financial markets and the appreciation of the yen outweighed positive signs such as recovery in corporate investment and consumer spending. In addition, the Earthquake increased uncertainty about the future economic environment because it brought about unprecedented operating circumstances in which demand decreased sharply while also giving rise to concerns about a halt in economic activity as a result of unstable supplies of electricity from summer 2011 and depressed consumer sentiment.

At the start of the fiscal year ending March 2012, the circumstances surrounding the recovery of demand for leisure travel remained uncertain. However, macroeconomic trends and the forecast for corporate results pointed to improvement, and air transportation demand started to recover more rapidly than that expected in the immediate aftermath of the Earthquake.

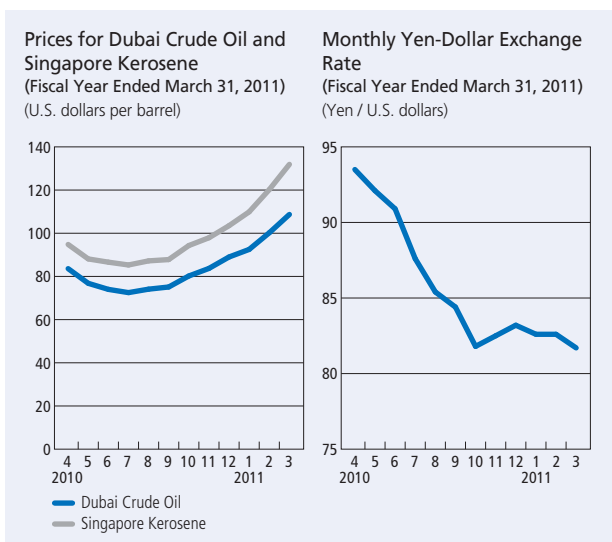
Overview of the ANA Group FY2011-2012 Corporate Strategy

Management Themes	Enhance managerial efficiency through maximum utilization of management resources
	Establish solid revenue foundations resistant to volatility
Major Initiatives	Enhance fundamental operations and service quality • Increase customer satisfaction and seek to achieve the world's highest levels of operation and service quality (Skytrax five-star)
	Restructure Group businesses • Further integrate Group companies by restructuring sales and operating systems
	Raise productivity through maximum utilization of the assets and personnel • Attain business expansion by maximizing utilization of existing resources
	Globally marketing taking opportunity of Haneda internationalization and ATI JV • Build marketing systems that are not limited to domestic or international segments and strengthen global competitiveness
	Continue disciplined cost reduction • Continue last year's efforts and further reduce expenses and unit costs
	Reinforce financial position • Secure free cash flow and reduce interest-bearing debt

Fuel Price and Exchange Rate Trends

The price of crude oil trended downward during the first half of the fiscal year ended March 2011, but reversed in the second half and began rising continuously. As of March 31, 2011, the Dubai crude oil price was \$109.50 per barrel, with an average price for the fiscal year of \$84.10 per barrel. In addition, the market price of Singapore kerosene tracked the price of crude oil and ended the fiscal year at \$133.20 per barrel as of March 31, 2011, with an average price for the fiscal year of \$98.90 per barrel.

The yen-dollar exchange rate was volatile but continued to trend upward, appreciating to the unprecedented level of between ¥76 and ¥77 to US\$1.00 after the March 2011 earthquake. The average exchange rate was ¥89.00 per dollar during the first half and ¥82.40 per dollar during the second half. Consequently, the exchange rate averaged ¥85.70 per dollar for the fiscal year ended March 2011.



Air Transport Traffic Trends

In 2010, the number of passengers on scheduled international routes of airlines that are members of the International Air Transportation Association (IATA) increased 7.6% compared with the previous year to 750 million. Passengers on scheduled domestic routes increased 7.2% to 1,050 million. Moreover, scheduled global air cargo volume increased 13.4%. (Source: IATA World Air Transport Statistics, 2010)

The number of passengers on scheduled routes in Japan in the fiscal year ended March 2011 decreased 2.0% compared with the previous fiscal year to 82.20 million. The number of passengers on trunk routes decreased 0.8% from the previous fiscal year to 34.66 million. The number of passengers on local routes decreased 2.9% from the previous fiscal year to 47.54 million. The volume of domestic cargo decreased 1.9% from the previous fiscal year to 0.94 million tons. The number of passengers carried by Japanese airlines on international routes in the fiscal year ended March 2011 decreased 11.0% from the previous fiscal year to 13.71 million. By destination, flights to all areas declined. The volume of international cargo handled by Japanese airlines decreased 0.9% from the previous fiscal year to 1.25 million tons. (Source: Ministry of Land, Infrastructure, Transport and Tourism preliminary report)

Performance for the Fiscal Year Ended March 2011

Operating Revenues and Operating Income

Despite the impact of the Earthquake, the recovery of the global economy during the fiscal year, a rebound in air transportation demand, mainly on international routes, and changes in the operating environment due to the expansion of Tokyo-area airports steadily contributed to operating revenues, which increased 10.5% year on year to ¥1,357.6 billion.

The ANA Group achieved the target it set at the beginning of the fiscal year ended March 2011 for ¥86.0 billion in cost structure improvements, even as the scale of operations and operating revenues increased. The Group was therefore able to limit the increase in operating expenses to 0.6%, or ¥7.2 billion, compared with the previous fiscal year for a total of ¥1,289.8 billion. Consequently, operating income was ¥67.8 billion, compared to an operating loss of ¥54.2 billion for the previous fiscal year.

Review of Operating Segments

Air Transportation

Segment operating revenues increased 11.9% compared with the previous fiscal year to ¥1,218.2 billion due to capacity expansion at Tokyo-area airports and a notable recovery in business travel demand. (Please refer to the Business Overview on pages 26 to 41 for additional details on each of the ANA Group's businesses.)

Domestic Passenger Operations

The recovery in demand for both business and leisure travel in Japan was firm. The capacity and demand structure of the domestic passenger market changed significantly because of the expansion of Haneda Airport and capacity adjustment by competitors. As a result, the number of passengers on domestic routes increased 1.7% year on year, and unit price increased 1.7% from the previous fiscal year. Operating revenues from domestic passenger operations therefore increased 3.4%, or ¥21.6 billion, compared with the previous fiscal year.

International Passenger Operations

Business passengers led a pronounced resurgence in demand for international flights. The ANA Group continued to match capacity to demand in ways such as expanding its route network with an emphasis on the increase in international flights using Haneda Airport, and by appropriately deploying aircraft according to demand. As a result, the number of passengers on international routes increased 10.8% from the previous fiscal year, and unit price increased 18.3% year on year. Consequently, operating revenues from international passenger operations increased 31.1%, or ¥66.5 billion, compared with the previous fiscal year.

Cargo and Mail Operations

Domestic cargo operating revenues increased 1.8% year on year to ¥32.4 billion. In international cargo services, ANA focused on capturing demand in Asia, and the Okinawa Cargo Hub & Network performed well. As a result, both international cargo volume and unit price increased year on year, and operating revenues from international cargo services increased 54.4% from the previous fiscal year to ¥86.0 billion. In mail services, operating revenues from both domestic and international operations decreased year on year.

Years ended March 31,	Yen (Millions)		
	2011	2010	2009
Air Transportation Expenses			
Fuel and fuel tax	¥ 256,292	¥ 249,920	¥ 303,439
Landing and navigation fees	93,842	92,443	101,171
Aircraft leasing	63,934	60,383	59,936
Depreciation and amortization	116,287	111,366	110,064
Aircraft maintenance – parts and contracts	46,296	56,286	63,397
Personnel	243,347	229,760	232,564
Sales commissions	67,098	76,577	92,709
Outsourcing	83,804	81,521	79,928
Other	186,888	188,388	181,526
	1,157,788	1,146,644	1,224,734
Travel Services Expenses	156,744	166,994	189,408
Other Business Expenses	134,150	134,143	144,858
Total Operating Expenses	1,448,682	1,447,781	1,559,000
Intercompany Eliminations	(158,837)	(165,181)	(174,008)
Consolidated Operating Expenses	¥1,289,845	¥1,282,600	¥1,384,992

Even as it entered a phase of expansion of its operations, the ANA Group restrained the increase in operating expenses to 1.0%, or ¥11.1 billion, compared with the previous fiscal year for a total of ¥1,157.7 billion. The Group improved its cost structure according to the plan set at the beginning of the fiscal year in ways such as revising sales commissions and reducing personnel and outsourcing expenses, generating cost reductions totaling approximately ¥86.0 billion.

Consequently, segment profit in the air transportation segment was ¥60.5 billion, compared with segment loss of ¥57.9 billion for the previous fiscal year.

A breakdown of operating expenses is presented above.

• Fuel and fuel tax expenses

Fuel and fuel tax expenses increased 2.5% compared with the previous fiscal year to ¥256.2 billion, and accounted for 22.1% of segment operating expenses, compared with 21.8% in the previous fiscal year.

The ANA Group curbed fuel consumption volume to a certain extent by adjusting capacity according to demand with emphasis on domestic routes and through fuel management measures to increase fuel efficiency through engine washing and optimal altitude operation. However, expanded capacity on international routes resulted in an overall increase in fuel consumption volume.

The appreciation of the yen was a factor reducing the cost of crude oil, but fuel costs increased for the year because the average market price for crude oil remained at a high level compared with the previous fiscal year.

As in the previous year, the ANA Group sought to control the risk of jet fuel price fluctuations and stabilize expenses by hedging risks using crude oil and jet fuel commodity derivatives in hedge transactions. The Group had a hedge ratio of 85% at the close of the fiscal year ended March 2011.

• Landing and navigation fees

The number of flights increased 2.9% on domestic routes, increased 5.4% on international routes, and increased 48.7% on cargo routes. Landing and navigation fees increased 1.5% year on year to ¥93.8 billion, primarily because of an increase in the number of flights on international routes.

• Aircraft leasing expenses

Aircraft leasing expenses increased 5.9% compared with the previous fiscal year to ¥63.9 billion. The number of leased aircraft was unchanged at 70 at the end of the fiscal year, but expenses for blocking seats increased because the number of routes shared with domestic partner airlines increased.

• Depreciation and amortization expenses

Depreciation and amortization expenses increased 4.4% compared with the previous fiscal year to ¥116.2 billion, primarily due to depreciation of aircraft. The number of Company-owned aircraft increased by one compared with the previous fiscal year to 152.

• Aircraft maintenance expenses – parts and contracts

Aircraft maintenance expenses decreased 17.7% compared with the previous fiscal year to ¥46.2 billion because the ANA Group internalized overseas maintenance that it had been outsourcing. Other primary factors included lower expenses for engine maintenance.

• Personnel costs

Personnel costs increased 5.9% compared with the previous fiscal year to ¥243.3 billion. Cost structure improvements allowed the ANA Group to reduce personnel costs according to plan in ways such as revising bonus payments and reducing the level of managers' salaries. However, personnel costs rose due to factors such as provision for year-end performance-linked lump-sum payments as a result of the substantial improvement in results for the fiscal year ended March 2011.

• Sales commissions

Sales commissions decreased 12.4% compared with the previous fiscal year to ¥67.0 billion. The ANA Group revised commissions on agency sales for domestic flights and reduced sales planning expenses.

• Outsourcing expenses

Outsourcing expenses increased 2.8% compared with the previous fiscal year to ¥83.8 billion. Increased expenses due to the addition of subsidiaries to the scope of consolidation, outsourcing of handling to non-Group airlines, and other factors offset lower operating and handling costs resulting from effective reduction of capacity.

• Other expenses

Other expenses decreased 0.8% compared with the previous fiscal year to ¥186.8 billion. The expansion of international routes from Haneda added costs including rental and service fees, but the ANA Group reduced advertising, travel and other expenses.

Travel Services

In domestic travel services, products for customers visiting the Tokyo area from other regions in Japan performed steadily, but lower sales for travel to key destinations including Hokkaido, Okinawa and Kyushu during the first half of the fiscal year and the impact of the Earthquake at the end of the fiscal year caused revenues from domestic travel services to decrease year on year.

Revenues from international travel services increased year on year because strong sales of products using Haneda Airport offset the frequent occurrence of events that reduced demand for international travel including the Senkaku Islands dispute.

As a result, segment operating revenues decreased 4.5% compared

with the previous fiscal year to ¥159.3 billion. Operating expenses decreased 6.1% year on year to ¥156.7 billion as a result of cost reductions. Consequently, segment profit was ¥2.6 billion, compared with segment loss of ¥18 million for the previous fiscal year.

Performance in the Travel Services Segment

Years ended March 31,	Yen (Millions)	
	2011	2010
Segment operating revenues:		
Revenues from domestic package products	¥127,627	¥132,459
Revenues from international package products	21,558	21,189
Other revenues	10,196	13,328
Total	159,381	166,976
Segment operating expenses	156,744	166,994
Segment profit (loss)	2,637	(18)

Other Businesses

Operating revenues in the other businesses segment increased 1.1% compared with the previous fiscal year to ¥138.9 billion. Operating expenses were essentially unchanged year on year at ¥134.1 billion as a result of cost reduction initiatives. Consequently, segment profit increased

Non-Operating Income (Expenses)

Years ended March 31,

	Yen (Millions)		
	2011	2010	2009
Interest and dividend income	¥ 2,597	¥ 2,672	¥ 2,868
Gain on sale of property and equipment	414	1,115	15,020
Interest expenses	(19,314)	(18,160)	(14,832)
Loss on sale or disposal of property and equipment	(12,161)	(14,182)	(8,213)
Impairment loss	(315)	(1,253)	—
Valuation loss on investments in securities	(3,536)	(644)	(3,893)
Valuation loss on other investments	—	(13)	(25)
Equity in income (loss) of affiliates	684	(204)	271
Gain on sale of investments in securities	—	18	324
Reversal of provision for loss on antitrust proceedings	16,729	—	—
Gain on return of substituted portion of welfare pension fund	38	1,723	—
Amortization of net transitional retirement benefit obligation	(6,425)	(6,423)	(6,534)
Special retirement benefit expenses	(192)	(4,467)	(660)
Gain on insurance adjustment	—	—	2,869
Loss on antitrust settlement	(6,835)	—	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	(2,130)	—	—
Expenses related to antitrust proceedings	(693)	(856)	(2,105)
Refurbishment expense for return of lease aircraft	(2,846)	(1,899)	(303)
Provision for loss on antitrust proceedings	—	(648)	—
Others	1,235	1,875	3,179
Total	¥(32,750)	¥(41,346)	¥(12,034)

44.0% year on year to ¥4.8 billion.

Revenues increased year on year at All Nippon Airways Trading Co., Ltd., which handles trading and sales operations, and at INFINI Travel Information Inc., which provides an international flight reservation and ticketing system for airlines and travel agencies. Revenues decreased at ANA Information Systems Planning Co., Ltd., which develops and maintains systems for the ANA Group, because of a decrease in development projects.

Performance in the Other Businesses Segment

Years ended March 31,	Yen (Millions)	
	2011	2010
Segment operating revenues:		
Revenues from trading and sales	¥93,799	¥92,958
Revenues from information systems	24,950	25,780
Revenues from building management	17,226	15,132
Other revenues	2,988	3,616
Total	138,963	137,486
Segment operating expenses	134,150	134,143
Segment profit	4,813	3,343

Note: Effective the fiscal year ended March 2011, the ANA Group changed its reportable segments to air transportation, travel services and other businesses. Figures for the fiscal year ended March 2010 have been restated accordingly.

Non-Operating Income (Expenses)

Net non-operating expenses totaled ¥32.7 billion, compared with net non-operating expenses of ¥41.3 billion for the previous fiscal year. The reasons for this year-on-year improvement of ¥8.5 billion included a decrease of ¥4.2 billion in special retirement benefit expenses from ¥4.4 billion in the previous fiscal year, a decrease of ¥1.9 billion in loss on sale or disposal of property and equipment, consisting of aircraft-related and other assets, from ¥14.0 billion in the previous fiscal year, and reversal of provision for loss on antitrust proceedings related to European authorities of ¥16.7 billion.

However, non-operating expenses included settlement expenses totaling ¥6.8 billion under a plea bargaining arrangement with the U.S. Department of Justice in connection with antitrust laws, and a loss of ¥2.1 billion from the impact of the adoption of a new accounting standard for asset retirement obligations.

Net Income

As a result of the above, income before income taxes and minority interests was ¥35.0 billion, compared with loss before income taxes and minority interests of ¥95.5 billion for the previous fiscal year. Income taxes totaled ¥12.0 billion. Net income was therefore ¥23.3 billion, compared with net loss of ¥57.3 billion for the previous fiscal year. Net income per share was ¥9.29, compared with net loss per share of ¥24.67 for the previous fiscal year.

Comprehensive income was ¥38.3 billion, as deferred gain on hedges of ¥18.2 billion offset net unrealized holding loss on securities.

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 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.

The ANA Group raises funds mainly through bank loans and bond issuance, and has concluded commitment lines totaling ¥100.0 billion with 14 leading domestic financial institutions to ensure emergency access to working capital. All of the commitment lines were unused as of March 31, 2011.

The ANA Group's capital expenditure centers on aircraft, and the Group is able to use the Japan Bank for International Cooperation's guarantee system for loans from financial institutions.

Overview of the Fiscal Year Ended March 2011

Free cash flow, the sum of net cash provided by operating activities and net cash used in investing activities, totaled ¥64.2 billion, while net cash used in financing activities totaled ¥10.5 billion. As a result, cash and cash equivalents increased ¥53.4 billion from a year earlier to ¥201.6 billion.

Cash Flows from Operating Activities

Net cash provided by operating activities increased ¥120.8 billion compared with the previous fiscal year to ¥203.8 billion. Robust operating performance resulted in income before income taxes and minority interests of ¥35.0 billion, an increase of ¥130.6 billion compared with loss before income taxes and minority interests of ¥95.5 billion for the previous fiscal year. Adjustment for depreciation and amortization and other non-cash items, a decrease in accounts receivable, and an increase in accounts and notes payable-trade contributed to the increase in cash provided by operating activities, while income taxes paid were among the factors that used cash.

	2011	2010	2009	2008	2007
Debt/Equity Ratio (Times)	1.8	2.0	2.8	1.7	1.9
Interest Coverage Ratio (Times)	10.7	4.6	—	10.7	8.9

Note: Interest coverage ratio = Cash flows from operating activities / Interest expenses

Cash Flows from Investing Activities

Net cash used in investing activities decreased ¥112.2 billion compared with the previous fiscal year to ¥139.6 billion. The largest use of cash was payment for purchase of property and equipment totaling ¥211.6 billion resulting from purchases of aircraft and other assets such as spare parts and advance payments for planned purchases of aircraft. On the other hand, proceeds from sale of property and equipment, which included aircraft leased after sale, totaled ¥38.1 billion. Moreover, payment for purchase of marketable securities totaled ¥106.4 billion while proceeds from redemption of marketable securities totaled ¥142.8 billion, reflecting purchases and redemptions of negotiable certificates of deposit.

Free Cash Flow

As discussed above, net cash provided by operations totaled ¥203.8 billion, and net cash used in investing activities totaled ¥139.6 billion. Consequently, free cash flow totaled ¥64.2 billion, compared with a deficit of ¥168.9 billion for the previous fiscal year.

Cash Flows from Financing Activities

Net cash used in financing activities totaled ¥10.5 billion, an increase in cash used of ¥184.3 billion compared with the previous fiscal year. The ANA Group used cash to repay long-term debt and leases and redeem bonds. The Group also enhanced liquidity by procuring funds, with proceeds from long-term debt totaling ¥161.5 billion.

Capital Expenditure and Aircraft Procurement

Capital Expenditure

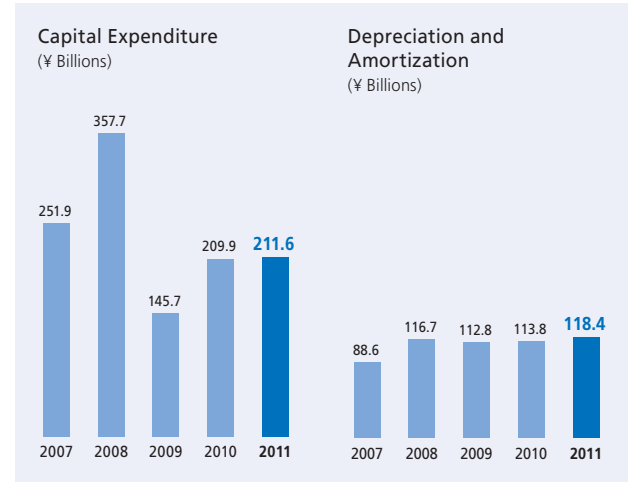
The ANA Group's capital expenditure mainly comprises the acquisition of aircraft, aircraft engines and aircraft parts, and investments related to information systems. Capital expenditure in the fiscal year ended March 2011 increased 0.8% compared with the previous fiscal year to ¥211.6 billion, centered on investment in aircraft such as the strategic Boeing 787.

By segment, compared with the previous fiscal year capital expenditure increased 1.3% to ¥210.5 billion in the air transportation segment, increased 106.1% to ¥0.06 billion in the travel services segment, and increased 38.9% to ¥4.7 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.

ANA's Fleet Strategy encompasses three policies: increasing cost competitiveness by introducing fuel-efficient aircraft, matching capacity to



demand by increasing the proportion of medium- and narrow-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 2011

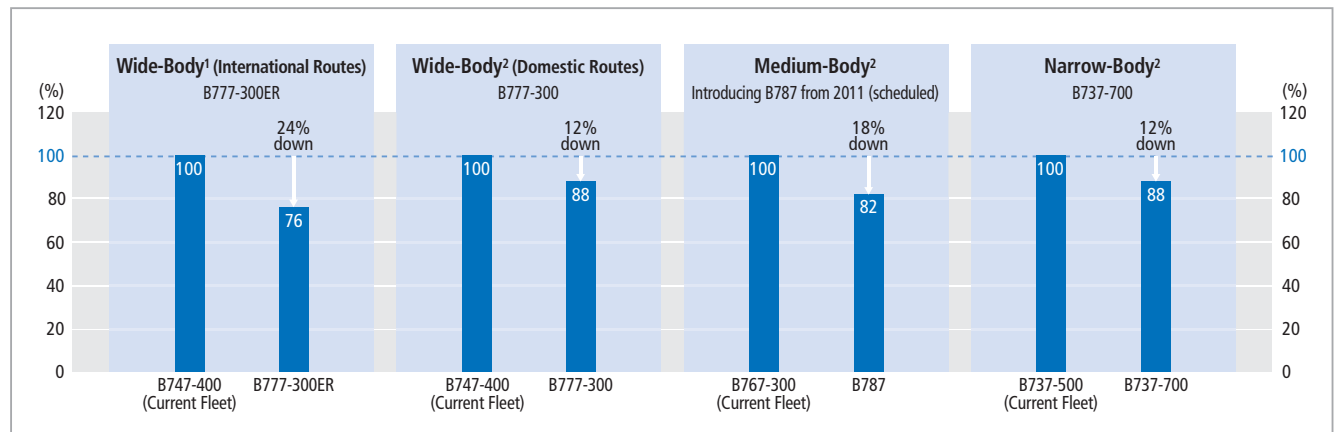
In line with the above Fleet Strategy, the ANA Group's operating fleet increased by 12 aircraft from a year earlier to 222 aircraft as of March 31, 2011.

Newly introduced aircraft

During the fiscal year ended March 2011, the ANA Group took delivery of 18 aircraft, all of which the Group purchased. The aircraft consisted of five Boeing 777-300s, five Boeing 767-300s, seven Boeing B737-800s, and one Bombardier DHC-8-400.

Included in the above are four Boeing 767-300s and one Boeing 737-800 that the ANA Group leased after sale.

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.

Retired aircraft

The ANA Group retired five aircraft, all of which the Group returned after lease. The aircraft consisted of two Boeing 747-400s, one Boeing 767-300F, one Airbus A320-200, and one Boeing B737-500.

Leased aircraft

As of March 31, 2011, the ANA Group increased aircraft leased outside the Group by two, consisting of one Boeing 737-500 and one CRJ700, to a total of 11 aircraft. The 11 aircraft consisted of one Boeing 767-300, four Boeing 737-500s, four Boeing 737-400s, and two CRJ700s.

ANA Group Operating Fleet

As of March 31, 2011	Total	Owned	Leased
Boeing 747-400	11 (-2)	10	1 (-2)
Boeing 777-300	26 (+5)	23 (+5)	3
Boeing 777-200	23	18	5
Boeing 767-300	54 (+3)	39 (-1)	15 (+4)
Boeing 767-300F (Cargo freighter)	10 (+1)	7 (+2)	3 (-1)
Boeing 737-800	15 (+7)	14 (+6)	1 (+1)
Boeing 737-700	18	14	4
Boeing 737-500	17 (-2)	9 (-1)	8 (-1)
Airbus A320-200	28 (-1)	15	13 (-1)
Bombardier DHC-8-400	15 (+1)	2 (+1)	13
Bombardier DHC-8-300	5	1	4
Total	222 (+12)	152 (+12)	70 (±0)

- Notes:
1. Figures in parentheses show changes from the previous fiscal year-end.
 2. Only the number of aircraft in the ANA Group Operating Fleet is presented.
 3. The above table does not include aircraft leased outside the ANA Group (11 aircraft as of March 31, 2011, 9 aircraft as of March 31, 2010).
 4. Includes 2 aircraft remodeled from Boeing 767-300 to Boeing 767-300F.

Aircraft Procurement Plan for the Fiscal Year Ending March 2012

The expansion of the airports in the Tokyo area during the fiscal year ended March 2011 presents a major business opportunity to increase competitiveness. During the fiscal year ending March 2012, the ANA Group's investment strategy to get on track for further growth involves the planned introduction of 21 aircraft. This will include the planned introduction of 12 strategic Boeing 787s, a next-generation medium-body aircraft with extended range and outstanding fuel efficiency, by the end of the fiscal year. The Group also plans to introduce four core Boeing 767-300ER aircraft, two Boeing 737-800 aircraft, and three Bombardier DHC-8-400 aircraft. On the other hand, the Group plans to retire a total of 13 aircraft, including Airbus A320-200s, to integrate the number of models and to steadily improve its cost structure by aggressively introducing fuel-efficient models.

Financial Position

Assets

As of March 31, 2011, total assets increased ¥68.9 billion from a year earlier to ¥1,928.0 billion.

Current assets increased ¥50.6 billion from a year earlier to ¥472.1 billion. Cash on hand and in banks increased ¥23.7 billion, while current assets associated with derivatives increased because of fuel price and foreign currency hedge transactions. Liquidity available from cash on hand and in banks and marketable securities increased ¥17.0 billion.

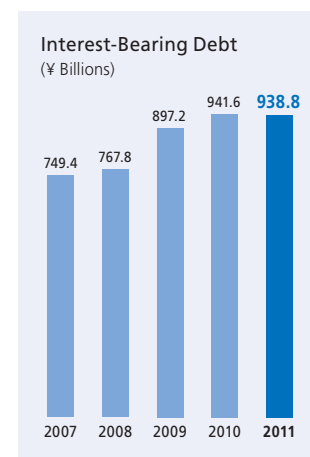
Total non-current assets increased ¥18.5 billion from a year earlier to ¥1,455.3 billion. Factors in the increase included an increase in advance payments on aircraft purchase contracts for planned aircraft purchases in the future, the acquisition and refurbishment of aircraft, and the development of international terminal facilities at Haneda Airport. The ANA Group purchased 18 new aircraft and two remodeled aircraft, returned five leased aircraft and leased back five aircraft after sale. Flight equipment therefore increased ¥68.4 billion, while leased assets decreased ¥7.8 billion from a year earlier, and the total of construction in progress and advance payments on aircraft purchase contracts decreased ¥36.2 billion. Moreover, deferred income taxes – non-current decreased ¥17.5 billion from a year earlier. Reasons included a reduction in tax loss carry-forwards due to the return to net profitability.

Liabilities

Total liabilities as of March 31, 2011 increased ¥22.6 billion from a year earlier to ¥1,401.6 billion.

Current liabilities decreased ¥25.0 billion from a year earlier to ¥447.5 billion. Current portion of long-term debt increased ¥15.2 billion, while short-term bank loans decreased ¥28.9 billion and current portion of bonds and notes decreased ¥20.0 billion. Provision for potential loss on antitrust proceedings decreased ¥16.7 billion, which generated corresponding non-operating income.

Long-term liabilities increased ¥47.6 billion from a year earlier to ¥954.0 billion. Long-term debt, less current portion and finance lease obligations, increased ¥36.5 billion from a year earlier. As a result, interest-bearing debt decreased ¥2.8 billion from a year earlier to ¥938.8 billion as scheduled debt repayment and bond redemptions offset new borrowings and bond issues. The debt/equity ratio improved 0.2 points to 1.8 times from 2.0 times a year earlier.



As of March 31,	Yen (Millions)		
	2011	2010	2009
Short-term loans:			
Short-term bank loans.....	¥ 166	¥ 29,096	¥ 46,571
Current portion of long-term loans.....	115,036	99,820	81,111
Current portion of bonds and notes.....	20,000	40,000	30,000
Current portion of lease obligations.....	11,193	11,859	11,780
	146,395	180,775	169,462
Long-term debt (excluding current portion):			
Loans, principally from banks.....	665,161	628,609	546,975
Notes and bonds.....	95,000	95,000	135,000
Lease obligations.....	32,263	37,307	45,799
	792,424	760,916	727,774
Total interest-bearing debt.....	¥938,819	¥941,691	¥897,236

Net Assets

As of March 31, 2011, net assets increased ¥46.2 billion from a year earlier to ¥526.3 billion.

Capital surplus totaled ¥196.3 billion. Retained earnings increased ¥30.3 billion from a year earlier to ¥94.8 billion because the ANA Group generated net income for the fiscal year.

Accumulated other comprehensive income totaled ¥3.4 billion, an increase of ¥15.4 billion from the previous fiscal year. Valuation difference on available-for-sale securities decreased ¥2.3 billion and deferred gain on hedges for fuel and foreign exchange hedging transactions increased ¥18.2 billion.

As a result, total shareholders' equity, defined as shareholders' equity plus accumulated other comprehensive income, increased ¥46.7 billion from a year earlier to ¥520.2 billion. The equity ratio increased 1.5 percentage points to 27.0% from 25.5% a year earlier.

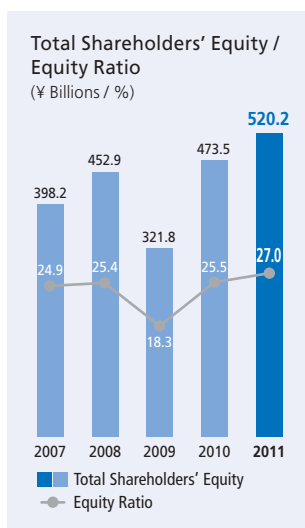
Net assets per share increased ¥18.42 to ¥207.35 from ¥188.93 at the end of the previous fiscal year.

Bond Ratings

ANA 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, 2011 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 Company and its domestic consolidated subsidiaries have defined benefit plans that encompass welfare pension fund plans, tax-qualified pension plans, defined benefit corporate pension plans and lump-sum retirement benefit plans. The Company and certain consolidated subsidiaries have 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 controls the risk of fluctuations in fuel prices, which significantly affect operating expenses, by continuously conducting transactions to hedge fuel prices and foreign exchange rates in order to stabilize fuel prices.

As of / Years ended March 31,	Yen (Millions)		
	2011	2010	2009
Retirement benefit obligation.....	¥(269,579)	¥(268,131)	¥(269,719)
Plan assets at fair value.....	95,924	96,703	82,956
Unfunded retirement benefit obligation.....	(173,655)	(171,428)	(186,763)
Net amount unrecognized.....	50,267	52,220	70,049
	(123,388)	(119,208)	(116,714)
Prepaid pension cost.....	12	217	203
Accrued employees' retirement benefits.....	¥(123,400)	¥(119,425)	¥(116,917)
Net periodic pension and severance cost.....	¥ (22,705)	¥ (23,731)	¥ (20,984)
Discount rate.....	1.6~2.5%	2.5%	2.5%

On the other hand, the scale of the ANA Group's business on its international routes is expanding. The Group must therefore consider the correlation between revenue management tools, primarily fuel surcharges to fares, and fluctuations in the fuel market. In addition, the Group must manage foreign currency-denominated cash flows efficiently because operating revenues denominated in foreign currencies are increasing. Given these circumstances, the Group continues to hedge with the objective of stabilizing costs, while reviewing certain components of its hedging policies in light of the need for systems focused on maintaining the equilibrium of cash flow. The Group flexibly determines the optimum hedge ratio for fuel and currency exposure to maintain stable cash flow as part of its hedging operations.

The ANA Group conducts staggered fuel hedging three years in advance of the applicable period to achieve the target hedge ratios set according to the perspectives discussed above. As of April 2011, the Group had a hedge ratio of approximately 60% for the fiscal year ending March 2012, approximately 25% for the fiscal year ending March 2013, and approximately 5% for the fiscal year ending March 2014.

For foreign exchange, the ANA Group conducts staggered hedging of annual U.S. dollar payments for items including fuel and aircraft payments in excess of U.S. dollar-denominated revenues beginning a maximum of five years prior to the applicable period. As of April 2011, the Group had a hedge ratio of approximately 60% for the fiscal year ending March 2012, approximately 30% for the fiscal year ending March 2013, approximately 20% for the fiscal year ending March 2014, approximately 10% for the fiscal year ending March 2015, and approximately 5% for the fiscal year ending March 2016.

Fuel price sensitivity for the fiscal year ending March 2012 without hedging is as follows (as of June 30, 2011):

- Sensitivity to oil prices: approximately ¥2.0 billion increase in fuel cost per US\$1/BBL increase in unit price
- Sensitivity to foreign exchange rates: approximately ¥2.3 billion increase in fuel cost per ¥1 depreciation versus US\$1

Allocation of Profits

Basic Policy on Allocation of Profits

Shareholder returns are an important management priority. Given an increasingly challenging operating environment, ANA allocates profits to shareholders while considering its need to make substantial capital expenditures to secure a stable operating base and greater profitability over the medium-to-long term in addition to trends in business results for the relevant fiscal year.

Dividends for the Fiscal Year Ended March 2011 and Plans for the Fiscal Year Ending March 2012

For the fiscal year ended March 2011, ANA paid cash dividends of ¥2.00 per share after due consideration of the need to enhance its internal capital reserves and finances to support steady earnings growth in a competitive environment that is projected to become even more challenging.

ANA has decided dividends for the fiscal year ending March 2012 in light of its basic policy after comprehensively considering factors including the operating environment and performance. For the fiscal year ending March 2012, ANA expects to pay cash dividends of ¥2.00 per share based on its forecast (announced July 29, 2011) for recovery in demand after the Earthquake and its plan to implement additional cost reduction measures.

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, 2011.

(1) Risk of Economic Recession

An economic recession in Japan that causes personal consumption to decrease and corporate earnings to deteriorate could reduce demand for air transportation. A recession overseas could reduce passenger and logistics demand. Economic recession could therefore affect the ANA Group's performance.

(2) Risk from the Impact of the Great East Japan Earthquake

The impact of the Great East Japan Earthquake is expected to depress Japan's economy. Business demand decreased after the earthquake due to issues including corporate restrictions on business trips, while leisure demand decreased as a result of factors including cancellation of travel due to uncertainties about the future and voluntary restraint. Circumstances such as these could potentially become long-term issues.

In addition, the impact of the accident at the Fukushima Daiichi Nuclear Power Station, including rumors about the accident, has caused fears about radioactive contamination that have resulted in restrictions on business trips and travel cancellations. The impact on demand for inbound travel to Japan has been particularly pronounced. Circumstances such as these could potentially become long-term issues. As a result of the impact of the accident, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) implemented a no-fly zone with a radius of 30km from the Fukushima Daiichi Nuclear Power Station from March 15, 2011. On May 31, 2011 the radius of the no-fly zone was changed to 20km. Expansion of this no-fly zone in the future could stop service on existing routes and affect operations on routes to northeast Japan and Hokkaido.

Electricity supply constraints and the occurrence of large-scale power outages could render 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 operational continuity.

These effects of the Great East Japan Earthquake could affect the ANA Group's performance.

(3) Risks Related to ANA's Management Strategy

1. Risks Related to ANA'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 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, measures related to 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 its Fleet Strategy, the Company had ordered 97 aircraft as of March 31, 2011, 76 of which have been ordered from The Boeing Company (Boeing). Therefore, should Boeing be unable to fulfill its agreements with ANA due to financial or other issues, the Group would be unable to acquire aircraft in accordance with its Fleet Strategy. Such eventualities could significantly affect the ANA Group's performance.

Boeing announced a new Boeing 787 production schedule on January 18, 2011, and changed its scheduled date of delivery to the Company from between January and March 2011 to between July and September 2011. Further material delays in delivery could create obstacles to the ANA Group's medium-to-long-term operations.

Delay of Aircraft Development Plan

In accordance with its Fleet Strategy, the Company has decided to introduce the Mitsubishi Regional Jet (MRJ) that Mitsubishi Aircraft Corporation is developing. Any delays in development that result in a significant postponement of delivery, which is currently planned to start from the year ending March 2014, could create obstacles to the ANA Group's medium-to-long-term operations.

2. 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 an increase in arrival and departure slots at Haneda Airport in 2010. The additional slots at Haneda Airport that became available in 2010 have already been allocated, but the specific allocation of the second stage of slot increases covering 407 thousand slots annually has not been announced in detail and remains undecided. Given these circumstances, variance between the actual scale and timing of expansion of the two Tokyo-area airports (Haneda and Narita) and the ANA Group's projections could affect the ANA Group's strategy of generating significant growth by taking advantage of Tokyo-area airport capacity expansion, and could also affect achievement of the targets of the ANA Group management strategy.

3. Risks Related to Cargo Business Strategy

The 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.

(4) Risks Related to Crude Oil Price Fluctuations

Jet fuel is a crude oil derivative and its price tracks the price of crude oil. Jet fuel price fluctuations 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 jet fuel expenses, 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 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 had a hedge ratio of approximately 60% of fuel volume for the fiscal year ended March 2011. Because the prices of hedging instruments generally rise in tandem with the markets, in the event that crude oil prices once again 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.

(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. In addition, 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 its jet fuel purchases to limit 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. The occurrence of any future political instability, international conflicts, large-scale terrorist attacks, or other incidents could affect the ANA Group's performance due to the accompanying decrease in demand for travel on these international routes.

(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). 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.

1. U.S. Antitrust Laws

Since February 2006, ANA had been cooperating fully with a U.S. Department of Justice (USDOJ) investigation of charges including price fixing

for international air cargo and passenger services. Upon due consideration of the circumstances surrounding the investigation, ANA agreed to pay a fine of \$73 million (approximately ¥5,900 million) in October 2010 under a plea bargaining arrangement, and concluded the agreement in November 2010. Also in October 2010, ANA agreed to pay a fine of \$10.4 million (approximately ¥800 million) to settle a class action suit in connection with cargo services related to the USDOJ investigation. Consequently, for the fiscal year ended March 2011 ANA recognized settlement expenses totaling ¥6,800 million as a non-operating expense.

No specific damages have been sought in a class action suit in connection with air passenger services, making detailed analysis of the situation difficult.

2. Notice from the Korea Fair Trade Commission

The Korea Fair Trade Commission issued an Examiner's Report in October 2009 pointing out that ANA's air cargo operations might be violating Korean fair trade laws. In May 2010, the Commission announced its decision on measures subsequent to public hearings. In November 2010, ANA received a resolution notice ordering payment of a surcharge of 1,633 million won (approximately ¥100 million), but in December 2010 submitted an appeal to the Higher Court of Seoul for revocation of the surcharge.

In the fiscal year ended March 2010, the Company made provision of ¥600 million at an estimated amount of contingent losses that could arise from these antitrust proceedings. In the fiscal year ended March 2011, the Company recognized non-operating income of ¥500 million from reversal of this provision for loss on antitrust proceedings.

(10) Risks Related to Public-Sector Fees

Public-sector fees include landing and navigation fees. In the fiscal year ended March 2011, public-sector fees for the ANA Group totaled ¥93.8 billion. While the government is currently implementing measures to reduce landing fees, such measures could be later scaled back or terminated.

(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 aircraft emissions of CO₂ and other greenhouse gases, use of environmentally polluting substances and their disposal, and energy use at major offices. The ANA Group shoulders a considerable cost burden in order to adhere to such statutory regulations. However, the Group may have to shoulder a large additional cost burden 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 Open Skies agreements, the rise of discount airlines, and mergers and acquisitions among existing airline companies are among the developments taking place as significant changes occur in the competitive environment. In Japan, airline administrative policies are changing and the government is providing support for the operations of competitor Japan Airlines Co., Ltd. Material changes in the competitive and operating environment could affect the ANA Group's performance.

(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 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 and lead to the loss of customers to competitors. 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 Company enjoys a variety of benefits, including not only customer mix 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. In addition, on April 1, 2011 ANA, United Airlines and Continental Airlines initiated a joint venture covering trans-Pacific routes based on antitrust immunity (ATI). On June 1, 2011, ANA received ATI approval from MLIT enabling a joint venture with Deutsche Lufthansa AG covering routes between Japan and Europe. However, the benefits of Star Alliance membership would diminish if a strategic partner withdrew from the Star Alliance, an alliance between two of the member companies ended, operating conditions deteriorated or the Star Alliance was restructured, or restrictions on activities were 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. A major accident suffered by a competitor could similarly lead to a reduction in aviation demand that could affect the Group's performance. Although an aircraft accident would give rise to significant expenses including compensation for damages and the repair or replacement of aircraft, such direct expenses would be largely met by aviation insurance.

2. Technical Circular Directives

If an issue arises that significantly compromises the safety of an aircraft, the MLIT by law issues a technical circular directive. In some cases, operations of the same type of aircraft are not permitted until the aircraft's safety has been confirmed. Further, even when the law does not require the issuance of a technical circular directive, in some cases, when safety cannot be confirmed, the operation of the same type of aircraft is voluntarily suspended in accordance with in-house regulations. The occurrence of such a situation could affect the ANA 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 22.00 million members (as of March 31, 2011) of the ANA Mileage Club. The Personal Information Protection Law requires proper management of such personal information. The 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 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. As a result, a major disaster, such as an earthquake, in the Tokyo area or a disaster, such as a fire, at the above-mentioned facilities could lead to a long-term

shutdown of the ANA Group's information systems or operational control functions that could significantly affect the ANA Group's performance.

In addition, the extended closure of airports outside of Tokyo, either in Japan or overseas, due to an earthquake, a tsunami, a typhoon, heavy snow or volcanic eruption could lead to the suspension of flight arrivals and departures at that airport during the period of closure and could affect flights by constraining flight paths using that airport, which could affect the ANA Group's performance.

(18) Risks Related to Cost Structure

Fixed costs such as aircraft expenses and personnel expenses 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.

(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 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) Financial Risks

1. Increase in the Cost of Raising Funds

The ANA Group raises funds to acquire aircraft primarily through bank loans, bond issuances and leasing. However, the cost of raising funds could increase due to turmoil in capital and financial markets, changes in the tax system, changes to systems at governmental financial agencies, or a downgrade of ANA's credit rating that makes it difficult or impossible to raise funds on terms advantageous to the Company. Such eventualities could affect the ANA Group's performance.

2. Risks Related to Asset Impairment

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 in the future.

Consolidated Balance Sheets

All Nippon Airways Co., Ltd. and its consolidated subsidiaries
As of March 31, 2011 and 2010

ASSETS	Yen (Millions)		U.S. dollars (Thousands) (Note 3)
	2011	2010	2011
Current assets:			
Cash on hand and in banks.....	¥ 36,956	¥ 13,246	\$ 444,449
Marketable securities (Note 4).....	173,874	180,576	2,091,088
Accounts receivable, less allowance for doubtful accounts (¥1,242 million in 2011 and ¥746 million in 2010).....	95,855	98,786	1,152,796
Accounts receivable from and advances to non-consolidated subsidiaries and affiliates.....	2,959	1,285	35,586
Inventories.....	55,459	56,910	666,975
Deferred income taxes – current (Note 9).....	38,618	24,715	464,437
Prepaid expenses and other current assets.....	68,466	45,998	823,403
Total current assets.....	472,187	421,516	5,678,737
Investments and long-term receivables:			
Investments in securities (Note 4).....	31,028	38,346	373,156
Investments in and advances to non-consolidated subsidiaries and affiliates (Note 5).....	23,494	14,395	282,549
Lease and guaranty deposits.....	12,345	12,451	148,466
Other long-term receivables.....	31,732	24,079	381,623
Total investments and long-term receivables.....	98,599	89,271	1,185,796
Property and equipment (Notes 6 and 11):			
Flight equipment.....	1,344,806	1,221,837	16,173,253
Ground property and equipment.....	486,578	465,322	5,851,809
	1,831,384	1,687,159	22,025,063
Less accumulated depreciation.....	(904,815)	(841,552)	(10,881,719)
	926,569	845,607	11,143,343
Leased assets.....	35,904	43,796	431,797
Advance payments on aircraft purchase contracts.....	219,974	250,212	2,645,508
Construction in progress.....	6,753	12,739	81,214
Net property and equipment.....	1,189,200	1,152,354	14,301,864
Deferred income taxes – non-current (Note 9).....	93,116	124,558	1,119,855
Other assets.....	74,919	71,386	901,010
Total assets.....	¥1,928,021	¥1,859,085	\$ 23,187,263

See accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Yen (Millions)		U.S. dollars (Thousands) (Note 3)
	2011	2010	2011
Current liabilities:			
Short-term loans, including current portion of long-term debt, and finance lease obligations (Note 6).....	¥ 146,395	¥ 180,775	\$ 1,760,613
Accounts and notes payable – trade	160,630	155,929	1,931,809
Accounts payable to non-consolidated subsidiaries and affiliates ...	1,561	984	18,773
Advance ticket sales	50,832	53,033	611,328
Accrued expenses	46,383	27,703	557,823
Accrued income taxes	4,787	2,670	57,570
Asset retirement obligations (Note 8)	1,614	—	19,410
Other current liabilities	35,389	51,519	425,604
Total current liabilities	447,591	472,613	5,382,934
Long-term liabilities:			
Long-term debt, less current portion, and finance lease obligations (Note 6).....	792,424	760,916	9,530,054
Accrued employees' retirement benefits (Note 7)	123,400	119,425	1,484,064
Deferred income taxes – non-current (Note 9).....	1,951	406	23,463
Asset retirement obligations (Note 8)	977	—	11,749
Other long-term liabilities	35,324	25,636	424,822
Total long-term liabilities	954,076	906,383	11,474,155
Commitments and contingent liabilities (Note 13)			
Net assets (Notes 9 and 12):			
Shareholders' equity	516,803	485,510	6,215,309
Common stock:			
Authorized – 5,100,000,000 shares			
Issued – 2,524,959,257 shares at March 31, 2011 and 2010 ..	231,381	231,381	2,782,693
Capital surplus	196,330	196,635	2,361,154
Retained earnings	94,892	64,510	1,141,214
Less treasury common stock, at cost (15,903,528 shares at March 31, 2011 and 18,528,413 shares at March 31, 2010) ..	(5,800)	(7,016)	(69,753)
Accumulated other comprehensive income	3,451	(11,958)	41,503
Net unrealized holding (loss) gain on securities	(810)	1,516	(9,741)
Deferred gain (loss) on hedging instruments.....	5,010	(13,212)	60,252
Foreign currency translation adjustments	(749)	(262)	(9,007)
Minority interests	6,100	6,537	73,361
Total net assets	526,354	480,089	6,330,174
Total liabilities and net assets	¥1,928,021	¥1,859,085	\$23,187,263

Consolidated Statements of Income and Comprehensive Income

All Nippon Airways Co., Ltd. and its consolidated subsidiaries
Years ended March 31, 2011, 2010 and 2009

Consolidated Statements of Income

	Yen (Millions)			U.S. dollars (Thousands) (Note 3)
	2011	2010	2009	2011
Operating revenues:				
Passenger	¥ 933,248	¥ 845,100	¥ 990,466	\$11,223,668
Cargo	118,470	87,579	102,166	1,424,774
Incidental and other	305,935	295,674	299,949	3,679,314
	1,357,653	1,228,353	1,392,581	16,327,757
Operating expenses:				
Aircraft and flight operations	389,091	377,954	433,316	4,679,386
Aircraft maintenance	103,001	110,433	114,796	1,238,737
In-flight services	68,367	64,935	69,696	822,212
Flight control and ground handling	260,561	252,057	268,020	3,133,625
Reservations, sales and advertising	160,225	172,390	204,762	1,926,939
General and administrative	44,578	46,994	42,575	536,115
Depreciation and amortization	118,440	113,806	112,881	1,424,413
Others	145,582	144,031	138,946	1,750,835
	1,289,845	1,282,600	1,384,992	15,512,266
Operating income (loss)	67,808	(54,247)	7,589	815,490
Non-operating expenses:				
Interest and dividend income	2,597	2,672	2,868	31,232
Gain on sale of property and equipment	414	1,115	15,020	4,978
Interest expenses	(19,314)	(18,160)	(14,832)	(232,279)
Loss on sale or disposal of property and equipment	(12,161)	(14,182)	(8,213)	(146,253)
Impairment loss (Note 18)	(315)	(1,253)	—	(3,788)
Valuation loss on investments in securities	(3,536)	(644)	(3,893)	(42,525)
Valuation loss on other investments	—	(13)	(25)	—
Equity in income (loss) of affiliates	684	(204)	271	8,226
Gain on sale of investments in securities	—	18	324	—
Reversal of provision for loss on antitrust proceedings	16,729	—	—	201,190
Gain on return of substituted portion of welfare pension fund	38	1,723	—	457
Amortization of net transitional retirement benefit obligation	(6,425)	(6,423)	(6,534)	(77,269)
Special retirement benefit expenses	(192)	(4,467)	(660)	(2,309)
Gain on insurance adjustment	—	—	2,869	—
Loss on antitrust settlement	(6,835)	—	—	(82,200)
Loss on adjustment for changes of accounting standard for asset retirement obligations	(2,130)	—	—	(25,616)
Expenses related to antitrust proceedings	(693)	(856)	(2,105)	(8,334)
Refurbishment expense for return of lease aircraft	(2,846)	(1,899)	(303)	(34,227)
Provision for loss on antitrust proceedings	—	(648)	—	—
Others	1,235	1,875	3,179	14,852
	(32,750)	(41,346)	(12,034)	(393,866)
Income (loss) before income taxes and minority interests	35,058	(95,593)	(4,445)	421,623
Income taxes (Note 9):				
Current	4,657	2,796	1,334	56,007
Deferred	7,377	(40,821)	(1,277)	88,719
	12,034	(38,025)	57	144,726
Net income (loss) before minority interests	23,024	(57,568)	(4,502)	276,897
Minority interests	(281)	(181)	(242)	(3,379)
Net income (loss)	¥ 23,305	¥ (57,387)	¥ (4,260)	\$ 280,276
		Yen		U.S. dollars (Note 3)
Net income (loss) per share (Note 2 (p))	¥ 9.29	¥ (24.67)	¥ (2.19)	\$ 0.11

See accompanying notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Yen (Millions)		U.S. dollars (Thousands) (Note 3)
	2011	2010	2011
Income before minority interests	¥23,024		\$276,897
Other comprehensive income:			
Net unrealized holding loss on securities	(2,350)		(28,262)
Deferred gain on hedging instruments	18,222		219,146
Foreign currency translation adjustments	(492)		(5,917)
Share of other comprehensive income of associates accounted for by the equity-method	(27)		(324)
Total other comprehensive income (Note 10)	¥15,353		\$184,642
Comprehensive income	¥38,377		\$461,539
Total comprehensive income attributable to:			
Owners of All Nippon Airways Co., Ltd.	¥38,662		\$464,966
Minority interests	¥ (285)		\$ (3,427)

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

All Nippon Airways Co., Ltd. and its consolidated subsidiaries
Years ended March 31, 2009, 2010 and 2011

	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 on securities	Deferred gain (loss) on hedging instruments	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at March 31, 2008	¥160,001	¥125,750	¥137,829	¥ (923)	¥422,657	¥ 7,858	¥ 22,269	¥ 188	¥ 30,315	¥2,974	¥ 455,946
Cash dividends paid			(9,739)		(9,739)						(9,739)
Net loss.....			(4,260)		(4,260)						(4,260)
Decrease resulting from purchase of treasury stock.....				(6,121)	(6,121)						(6,121)
Disposition of treasury stock.....		(30)		650	620						620
Net changes of items other than shareholders' equity during the period.....						(6,467)	(104,866)	(256)	(111,589)	940	(110,649)
Total changes during the period	—	(30)	(13,999)	(5,471)	(19,500)	(6,467)	(104,866)	(256)	(111,589)	940	(130,149)
Balance at March 31, 2009	160,001	125,720	123,830	(6,394)	403,157	1,391	(82,597)	(68)	(81,274)	3,914	325,797
Issuance of stock by public offering and allocation to third party.....	71,380	71,380			142,760						142,760
Cash dividends paid			(1,933)		(1,933)						(1,933)
Net loss.....			(57,387)		(57,387)						(57,387)
Decrease resulting from purchase of treasury stock.....				(2,463)	(2,463)						(2,463)
Disposition of treasury stock.....		(465)		1,841	1,376						1,376
Net changes of items other than shareholders' equity during the period.....						125	69,385	(194)	69,316	2,623	71,939
Total changes during the period	71,380	70,915	(59,320)	(622)	82,353	125	69,385	(194)	69,316	2,623	154,292
Balance at March 31, 2010	231,381	196,635	64,510	(7,016)	485,510	1,516	(13,212)	(262)	(11,958)	6,537	480,089
Net income			23,305		23,305						23,305
Decrease resulting from purchase of treasury stock.....				(56)	(56)						(56)
Disposition of treasury stock.....		(305)		1,373	1,068						1,068
Changes in scope of consolidation and application of the equity method			7,077	(101)	6,976	52			52		7,028
Net changes of items other than shareholders' equity during the period.....						(2,378)	18,222	(487)	15,357	(437)	14,920
Total changes during the period	—	(305)	30,382	1,216	31,293	(2,326)	18,222	(487)	15,409	(437)	46,265
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

	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 on securities	Deferred gain (loss) on hedging instruments	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at March 31, 2010	\$2,782,693	\$2,364,822	\$ 775,826	\$(84,377)	\$5,838,965	\$ 18,232	\$(158,893)	\$(3,150)	\$(143,812)	\$78,616	\$5,773,770
Net income			280,276		280,276						280,276
Decrease resulting from purchase of treasury stock.....				(673)	(673)						(673)
Disposition of treasury stock.....		(3,668)		16,512	12,844						12,844
Changes in scope of consolidation and application of the equity method			85,111	(1,214)	83,896	625			625		84,521
Net changes of items other than shareholders' equity during the period.....						(28,598)	219,146	(5,856)	184,690	(5,255)	179,434
Total changes during the period	—	(3,668)	365,387	14,624	376,343	(27,973)	219,146	(5,856)	185,315	(5,255)	556,404
Balance at March 31, 2011	\$2,782,693	\$2,361,154	\$1,141,214	\$(69,753)	\$6,215,309	\$ (9,741)	\$ 60,252	\$(9,007)	\$ 41,503	\$73,361	\$6,330,174

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

All Nippon Airways Co., Ltd. and its consolidated subsidiaries
Years ended March 31, 2011, 2010 and 2009

	Yen (Millions)			U.S. dollars (Thousands) (Note 3)
	2011	2010	2009	2011
Cash flows from operating activities:				
Income (loss) before income taxes and minority interests	¥ 35,058	¥ (95,593)	¥ (4,445)	\$ 421,623
Adjustments to reconcile income (loss) before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	118,440	113,806	112,881	1,424,413
Impairment loss.....	315	1,253	—	3,788
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,130	—	—	25,616
Loss on antitrust settlement	6,835	—	—	82,200
Loss (gain) on disposal and sale of property and equipment	11,749	13,134	(6,696)	141,298
Increase in allowance for doubtful accounts.....	153	606	164	1,840
Increase in accrued employees' retirement benefits	4,517	882	4,671	54,323
Interest expenses.....	19,314	18,160	14,832	232,279
Interest and dividend income	(2,597)	(2,672)	(2,868)	(31,232)
Exchange loss.....	359	43	675	4,317
Decrease (increase) in accounts receivable	1,088	(5,699)	29,024	13,084
Decrease in other current assets	14,835	6,214	7,022	178,412
Increase (decrease) in accounts and notes payable – trade	9,738	1,551	(34,342)	117,113
Other, net	10,025	13,045	(28,171)	120,565
Cash generated from operations	231,959	64,730	92,747	2,789,645
Interest and dividends received	2,235	2,801	2,887	26,879
Interest paid	(19,137)	(18,083)	(14,591)	(230,150)
Income taxes (paid) received.....	(3,392)	37,386	(120,166)	(40,793)
Loss on antitrust settlement paid	(6,985)	—	—	(84,004)
Other, net	(791)	(3,843)	(660)	(9,512)
Net cash provided by (used in) operating activities	203,889	82,991	(39,783)	2,452,062
Cash flows from investing activities:				
Payment for purchase of marketable securities	(106,460)	(116,000)	—	(1,280,336)
Proceeds from redemption of marketable securities	142,860	71,000	—	1,718,099
Payment for purchase of property and equipment	(188,113)	(186,173)	(116,386)	(2,262,333)
Proceeds from sale of property and equipment	38,190	9,963	42,588	459,290
Payment for purchase of intangible assets	(23,585)	(23,764)	(29,323)	(283,644)
Proceeds from sale of investments in securities	502	338	72	6,037
Payment for sale of subsidiary's stock with changes in scope of consolidation.....	—	(2,374)	—	—
Proceeds from sale of subsidiary's stock with changes in scope of consolidation.....	—	—	741	—
Payment for advances	(3,126)	(3,289)	(1,675)	(37,594)
Proceeds from collection of advances	765	2,201	1,446	9,200
Other, net	(652)	(3,795)	(8,602)	(7,841)
Net cash used in investing activities	(139,619)	(251,893)	(111,139)	(1,679,122)
Cash flows from financing activities:				
(Decrease) increase in short-term loans, net	(28,930)	(17,475)	43,991	(347,925)
Proceeds from long-term debt	161,504	194,320	205,722	1,942,321
Repayment of long-term debt	(109,736)	(94,063)	(75,327)	(1,319,735)
Proceeds from issuance of bonds	19,909	—	19,900	239,434
Repayment of bonds	(40,000)	(30,000)	(50,000)	(481,058)
Repayment of finance lease obligations	(14,269)	(12,286)	(16,148)	(171,605)
Proceeds from issuance of new stock by public offering and allocation to third party.....	—	141,841	—	—
Payment for dividends	—	(1,933)	(9,739)	—
Other, net	926	(6,613)	(3,895)	11,136
Net cash (used in) provided by financing activities	(10,596)	173,791	114,504	(127,432)
Effect of exchange rate changes on cash and cash equivalents	(257)	(136)	(110)	(3,090)
Net increase (decrease) in cash and cash equivalents	53,417	4,753	(36,528)	642,417
Cash and cash equivalents at beginning of year	148,189	143,436	179,964	1,782,188
Cash and cash equivalents at end of year (Note 17)	¥ 201,606	¥ 148,189	¥ 143,436	\$ 2,424,606

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

All Nippon Airways Co., Ltd. and its consolidated subsidiaries

1 Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of All Nippon Airways Co., Ltd. (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 Law 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.

(Additional information)

The Company and its domestic consolidated subsidiaries have adopted "Accounting Standard for Presentation of Comprehensive Income" (Accounting Standards Board of Japan Statement No. 25, June 30, 2010), "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Accounting Standards Board of Japan Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Accounting Standards Board of Japan Implementation Guidance No. 20, March 21, 2008).

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 (64 subsidiaries for 2011, 72 subsidiaries for 2010 and 76 subsidiaries for 2009). All significant inter-company accounts and transactions have been eliminated in consolidation.

Investments in certain subsidiaries and significant affiliates (25 companies for 2011, 24 companies for 2010 and 2009) 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 non-consolidated subsidiaries and affiliates not accounted for by the equity method of accounting (66 companies for 2011, 68 companies for 2010 and 48 companies for 2009) 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.

(Change in accounting policy)

Effective April 1, 2009, the Company and its consolidated subsidiaries have adopted "Accounting Standard for Construction Contracts" (Financial Accounting Standard No. 15 issued by the Accounting Standards Board of Japan on December 27, 2007) and "Implementation Guidelines for Accounting Standard for Construction Contracts" (Financial Accounting Standard Implementation Guidelines No. 18 issued by the Accounting Standards Board of Japan on December 27, 2007). Under the new accounting standard and implementation guidelines, revenues and costs of construction contracts that commenced on or after April 1, 2009, of which the percentage of completion can be reliably estimated, are recognized by the percentage-of-completion method. The completed-contract method continues to be applied for contracts for which the percentage of completion cannot be reliably estimated.

This adoption had no impact on operating revenues, operating loss and loss before income taxes and minority interests for the year ended March 31, 2010.

(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 sheets.

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 contracts.

(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. 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 equipmentDeclining balance method

The Company and certain subsidiaries employ principally the following useful lives, based upon the Company's estimated durability of such aircraft:

- International type equipment20 years
- Domestic type equipment.....17 years

(Supplementary information)

Effective April 1, 2008, the Company and certain subsidiaries have changed their useful life of machinery and equipment based on an amendment to the Corporation Tax Law of Japan. The effect of the change on operating income and loss before income taxes and minority interests for the year ended March 31, 2009 was immaterial.

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 over a period of three years.

(i) Bond issuance costs

Bond issuance costs are principally capitalized and amortized over a period of redemption of bonds by the straight-line method.

(j) Provision for loss on antitrust proceedings

In December 2007, the European Commission antitrust authorities pointed out that the Company might be violating EU

competition law with regard to cargo transportation. However, the Company received a notice that the Commission closed proceedings in November 2010. As a consequence, no surcharge will be imposed on the Company.

The Company posted the reversal of the antitrust law-related reserves as non-operating income for the year ended March 31, 2011.

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 the South Korea's Antitrust Law in its air freight transport services and the Company received a corrective order from the Commission in November 2010. However, a revocation of that disposition was sought, with the case presented to the Seoul High Court in December 2010. The estimated amount may change as the proceedings progress.

(k) 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.

Several subsidiaries have tax-qualified pension plans which cover all or part of the lump-sum benefits.

The Company and certain consolidated subsidiaries adopt defined contribution pension plans as well as 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 periods (principally 8 years through 19 years) which are shorter than the average remaining service years of employees. Prior service cost is being amortized as incurred by the straight-line method over periods (principally 8 years through 19 years) which are 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, 2011, 2010 and 2009 are as follows:

	2011	2010	2009
Discount rate	1.6%~2.5%	2.5%	2.5%
Expected return on plan assets	1.0%~6.6%	1.0%~10.3%	1.0%~5.5%

(Change in accounting policy)

Effective April 1, 2009, the Company and its consolidated subsidiaries have adopted "Partial Revisions to Accounting Standard for Employees' Retirement Benefits (Part 3)" (Financial Accounting Standard No. 19 issued by the Accounting Standards Board of Japan on July 31, 2008).

This adoption had no impact on operating loss and loss before income taxes and minority interests for the year ended March 31, 2010.

(l) 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.

(m) Leased assets and amortization

Leased assets arising from transactions under finance lease contract which do not transfer ownership to lessee are amortized to residual value of zero by the straight-line method using the term of contract as useful life.

(n) 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.

(o) 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.

(p) Net income (loss) per share

The computation of net income (loss) per share of common stock is based on the weighted average number of shares outstanding during each year.

Net Income (loss) per share assuming full dilution is not disclosed due to nonexistence of dilutive shares.

(q) Revenue recognition

Passenger revenues, cargo and other operating revenues are recorded when services are rendered.

(r) 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.

(s) Reclassification

Certain reclassifications have been made to the 2009 and 2010 financial information in the accompanying financial statements to conform with the 2011 presentation.

(t) 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.

(u) 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 to obtain 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 sheets, consolidated statements of income, consolidated statements of changes in net assets and consolidated statements of cash flows of the Company. The number of the Company's shares owned by the ESOP Trust as of March 31, 2011 was 10,233,000.

(Change in accounting policy)

① *Accounting standards for Asset Retirement Obligations*

Effective April 1, 2010, the Company and its domestic consolidated subsidiaries have adopted "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Statement No. 18, March 31, 2008) and "Implementation Guidance on Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Implementation Guidance No. 21, March 31, 2008) for consolidated financial statements beginning with the fiscal year ending March 31, 2011.

② *Accounting standards for business combinations and related matters*

Effective the year ended March 31, 2011, the Company has applied the following accounting standards. All of these accounting standards, partial amendments to existing accounting standards, and guidance were issued by the ASBJ on December 26, 2008.

- "Accounting Standard for Business Combinations" (ASBJ Statement No. 21)
- "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22)
- "Partial amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23)
- "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7)
- "Revised Accounting Standard for Equity Methods of Accounting for Investments" (ASBJ Statement No. 16)
- "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10)

These changes had no effect on profit and loss for the year ended March 31, 2011.

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 ¥83.15=US\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2011. 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, 2011 and 2010 is summarized as follows:

Held-to-maturity securities having market value are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2011	2010	2011
Gross unrealized gain:			
Cost	¥ 1	¥ 1	\$ 12
Market value	1	1	12
	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)
	2011	2010	2011
Gross unrealized gain:			
Cost	¥ 5,762	¥ 12,245	\$ 69,296
Market value	8,880	16,975	106,794
	3,118	4,730	37,498
Gross unrealized loss:			
Cost	184,732	185,054	2,221,671
Market value	182,750	184,239	2,197,835
	(1,982)	(815)	(23,836)
Net unrealized gain	¥ 1,136	¥ 3,915	\$ 13,662

Other securities sold having market value in the years ended March 31, 2011, 2010 and 2009 are as follows:

	Yen (Millions)			U.S. dollars (Thousands)
	2011	2010	2009	2011
Proceeds	¥ 5	¥ 99	¥34	\$60
Gain on sale	0	5	1	0
Loss on sale	—	121	1	—

Breakdown of securities for which it is extremely difficult to determine the fair value at March 31, 2011 and 2010 is as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2011	2010	2011
Held-to-maturity bonds	¥ —	¥ —	\$ —
Other securities	23,063	25,855	277,366
	¥23,063	¥25,855	\$277,366

The redemption schedule of other securities and held-to-maturity debt securities as of March 31, 2011 and 2010 is summarized as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2011	2010	2011
Bonds:			
Within 1 year	¥ 12	¥ 2	\$ 144
Over 1 year to 5 years	1	11	12
Others:			
Within 1 year	173,862	180,574	2,090,944
Over 1 year to 5 years	200	200	2,405
Total:			
Within 1 year	¥173,874	¥180,576	\$2,091,088
Over 1 year to 5 years	201	211	2,417

5 Investments in and advances to non-consolidated subsidiaries and affiliates

Investments in and advances to non-consolidated subsidiaries and affiliates at March 31, 2011 and 2010 consisted of the following:

	Yen (Millions)		U.S. dollars (Thousands)
	2011	2010	2011
Investments in capital stock	¥20,051	¥12,242	\$241,142
Advances	3,443	2,153	41,407
	¥23,494	¥14,395	\$282,549

6 Short-term loans and long-term debt

Short-term loans at March 31, 2011 and 2010 consisted of the following:

	Yen (Millions)		U.S. dollars (Thousands)
	2011	2010	2011
Short-term bank loans	¥ 166	¥ 29,096	\$ 1,996
Current portion of long-term loans	115,036	99,820	1,383,475
Current portion of bonds and notes	20,000	40,000	240,529
Current portion of finance lease obligations	11,193	11,859	134,612
	¥146,395	¥180,775	\$1,760,613

The interest rates on the above short-term loans were between 0.02% and 1.48% per annum in 2011 and between 0.04% and 1.48% per annum in 2010.

Long-term debt at March 31, 2011 and 2010 consisted of the following:

	Yen (Millions)		U.S. dollars (Thousands)
	2011	2010	2011
Bonds and notes:			
3.2% notes due 2017	¥ 20,000	¥ 20,000	\$ 240,529
3% notes due 2011	10,000	10,000	120,264
1.7% notes due 2011	—	10,000	—
2.27% notes due 2014	10,000	10,000	120,264
1.44% notes due 2011	10,000	10,000	120,264
2.09% notes due 2014	10,000	10,000	120,264
1.97% notes due 2015	15,000	15,000	180,396
1.24% notes due 2011	—	30,000	—
1.84% notes due 2013	10,000	10,000	120,264
2.45% notes due 2018	10,000	10,000	120,264
1.71% notes due 2015	20,000	—	240,529
	115,000	135,000	1,383,042
Loans, principally from banks:			
Secured, bearing interest from 0.67% to 2.70% in 2011 and 0.81% to 2.70% in 2010, maturing in installments through 2025	407,786	401,026	4,904,221
Unsecured, bearing interest from 1.09% to 2.29% in 2011 and 1.09% to 5.59% in 2010, maturing in installments through 2018.....	372,411	327,403	4,478,785
	780,197	728,429	9,383,006
Finance lease obligations			
Finance lease agreements expiring through 2024	43,456	49,166	522,621
	938,653	912,595	11,288,671
Less current portion	146,229	151,679	1,758,616
	¥792,424	¥760,916	\$ 9,530,054

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, 2011:

	Yen (Millions)	U.S. dollars (Thousands)
Property and equipment, at net book value:		
Flight equipment	¥678,034	\$8,154,347
Ground property and equipment	41,596	500,252
	¥719,630	\$8,654,600

The aggregate annual maturities of long-term debt after March 31, 2011 are as follows:

Year ending March 31,	Yen (Millions)	U.S. dollars (Thousands)
2012	¥146,229	\$ 1,758,616
2013	109,897	1,321,671
2014	119,583	1,438,159
2015 and thereafter	562,944	6,770,222
	¥938,653	\$11,288,671

7 Retirement benefit plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., welfare pension fund plans, tax qualified pension 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.

One domestic consolidated subsidiary applied for an exemption from the payment of the benefits related to future and past employee services and received approval from the Minister of Health, Labour and Welfare on February 1, 2008 and April 1, 2009 and paid the minimum policy reserve to the Japanese government on March 11,

2010. As a result, gain on return of substituted portion of welfare pension fund was recognized in the amount of ¥1,723 million for the year ended March 31, 2010.

One domestic consolidated subsidiary applied for an exemption from the payment of the benefits related to future and past employee services and received approval from the Minister of Health, Labour and Welfare on May 1, 2008 and January 1, 2011, and gain on return of substituted portion of welfare pension fund was recognized in the amount of ¥38 million (\$457 thousand) for the year ended March 31, 2011.

The following table sets out the funded and accrued status of the plans and the amounts recognized in the consolidated balance sheets as of March 31, 2011 and 2010 for the Company and consolidated subsidiaries' defined benefit plans:

	Yen (Millions)		U.S. dollars (Thousands)
	2011	2010	2011
Retirement benefit obligation	¥(269,579)	¥(268,131)	\$(3,242,080)
Plan assets at fair value	95,924	96,703	1,153,625
Unfunded retirement benefit obligation	(173,655)	(171,428)	(2,088,454)
Unrecognized net transitional retirement benefit obligation	25,700	32,125	309,079
Unrecognized actuarial loss	41,327	40,501	497,017
Unrecognized prior service cost	(16,760)	(20,406)	(201,563)
	¥(123,388)	¥(119,208)	\$(1,483,920)
Prepaid pension cost	12	217	144
Accrued employees' retirement benefits	¥(123,400)	¥(119,425)	\$(1,484,064)

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, 2011, 2010 and 2009 are as follows:

	Yen (Millions)			U.S. dollars (Thousands)
	2011	2010	2009	2011
Service cost	¥10,766	¥10,778	¥10,407	\$129,476
Interest cost	6,527	6,682	6,508	78,496
Expected return on plan assets	(3,466)	(3,302)	(4,022)	(41,683)
Amortization of net transitional retirement benefit obligation	6,425	6,423	6,534	77,269
Amortization of actuarial loss	6,284	7,147	5,411	75,574
Amortization of prior service cost	(3,831)	(3,997)	(3,854)	(46,073)
Net periodic pension and severance cost	¥22,705	¥23,731	¥20,984	\$273,060

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 ¥980 million (\$11,785 thousand) and ¥192 million (\$2,309 thousand),

respectively, for the year ended March 31, 2011, and ¥921 million and ¥4,467 million for the year ended March 31, 2010, and ¥789 million and ¥660 million for the year ended March 31, 2009.

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 Balance Sheet as asset retirement obligations.

(b) Calculation of asset retirement obligations

The Company and its subsidiaries estimate the expected period of use as 4 to 32 years and calculate the amount of asset retirement obligations with a discount rate of 0.13% to 2.27%.

The following table indicates the changes in asset retirement obligations for the year ended March 31, 2011:

	Yen (Millions)	U.S. dollars (Thousands)
Balance at April 1, 2010	¥2,980	\$35,838
Accretion expense	89	1,070
Liabilities settled	(270)	(3,247)
Others	(208)	(2,501)
Balance at March 31, 2011	¥2,591	\$31,160

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 40.16% in 2011 and 2010.

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, 2011 and 2010 is as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2011	2010	2011
Deferred tax assets:			
Tax loss carry-forward	¥ 58,411	¥ 77,120	\$ 702,477
Accrued employees' retirement benefits	49,433	47,986	594,503
Loss on evaluation for hedging exchange	13,850	8,870	166,566
Unrealized gain on inventories and property and equipment	13,720	13,342	165,003
Accrued bonuses to employees	11,619	4,674	139,735
Valuation loss on investments in securities	2,534	2,306	30,475
Asset retirement obligations	1,026	—	12,339
Accrued enterprise and office tax	1,022	595	12,291
Other	8,201	13,207	98,628
Total gross deferred tax assets	159,816	168,100	1,922,020
Less valuation allowance	(5,589)	(12,463)	(67,215)
Total net deferred tax assets	154,227	155,637	1,854,804
Deferred tax liabilities:			
Gain on evaluation for hedging exchange	(17,207)	—	(206,939)
Special depreciation reserve	(4,987)	(4,060)	(59,975)
Unrealized holding gain on securities	(1,139)	(1,724)	(13,698)
Other	(1,111)	(986)	(13,361)
Total gross deferred tax liabilities	(24,444)	(6,770)	(293,974)
Net deferred tax assets	¥129,783	¥148,867	\$1,560,829

A reconciliation of the difference between the statutory tax rate and the effective income tax rate for the years ended March 31, 2010 and March 31, 2009 is not disclosed because of the loss before income taxes and minority interests.

The reconciliation for the year ended March 31, 2011 is as follows:

	2011
Statutory tax rate	40.16%
Reconciliation:	
Entertainment expenses not qualifying for deduction	1.78
Inhabitants tax per capita levy	0.53
Loss on antitrust proceedings	6.81
Change in valuation allowance and related adjustments	(13.46)
Other	(1.49)
Effective income tax rate	34.33%

10 Other comprehensive income

The components of other comprehensive income for the year ended March 31, 2010 are as follows:

	Yen (Millions)
	2010
Other comprehensive income:	
Net unrealized holding gain on securities.....	¥ 130
Deferred gain on hedging instruments.....	69,385
Foreign currency translation adjustments.....	(194)
Share of other comprehensive income of associates accounted for by the equity-method.....	6
Total other comprehensive income	¥69,327
Total comprehensive income attributable to:	
Owners of All Nippon Airways Co., Ltd.....	¥11,929
Minority interests.....	¥ (170)

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, 2011 and 2010 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2011	2010	2011
Current portion of operating lease obligations	¥ 31,362	¥ 33,974	\$ 377,173
Long-term operating lease obligations	145,595	143,343	1,750,992
	¥176,957	¥177,317	\$2,128,165

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, 2011 and 2010 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2011	2010	2011
Current portion of operating lease obligations	¥1,153	¥1,331	\$13,866
Long-term operating lease obligations	2,188	3,636	26,313
	¥3,341	¥4,967	\$40,180

Note: No impairment loss was allocated to leased assets.

12 Supplementary information for consolidated statements of changes in net assets

Supplementary information for consolidated statements of changes in net assets at March 31, 2011 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	2,524,959	—	—	2,524,959
Total	2,524,959	—	—	2,524,959
Treasury stock:				
Common stock (*1, *2, *3)	18,528	1,026	3,651	15,903
Total	18,528	1,026	3,651	15,903

(*1) Treasury stock increased by 188 thousand shares due to the repurchase of shares less than one unit and one thousand shares due to the purchase by the affiliate and 836 thousand shares due to the change of scope of equity method.

(*2) Treasury stock decreased by 48 thousand shares due to the sale of shares less than one unit and 3,603 thousand shares due to the sale by the ESOP Trust.

(*3) Treasury stock includes 10,233 thousand shares of the Company owned by the ESOP Trust as of March 31, 2011.

(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)	Amount per share (Yen)	Amount per share (U.S. dollars)	Shareholders' cut-off date	Effective date
None								

(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)	Amount per share (Yen)	Amount per share (U.S. dollars)	Shareholders' cut-off date	Effective date
June 20, 2011	Annual general meeting of shareholders	Common stock (*1)	¥5,018	\$60,348	Retained earnings	¥2.00	\$0.02	March 31, 2011 / June 21, 2011

(*1) The ¥22 million (\$264 thousand) paid to the ESOP Trust and the affiliates is not included in total dividends amount because the Company's shares owned by the ESOP Trust and 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, 2011, commitments outstanding for the acquisition or construction of property and equipment amounted to ¥773,686 million (\$9,304,702 thousand).

The Company and consolidated subsidiaries were contingently liable as guarantor of loans, principally to affiliates, amounting to ¥814 million (\$9,789 thousand) at March 31, 2011.

At March 31, 2010, commitments outstanding for the acquisition or construction of property and equipment amounted to ¥914,286 million.

The Company and consolidated subsidiaries were contingently liable as guarantor of loans, principally to affiliates, amounting to ¥482 million at March 31, 2010.

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 their 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 and overseas travel service procurements. 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 such fuel costs.

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, 2011 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, 2011

	Yen (Millions)		
	Carrying value	Estimated fair value	Difference
Assets:			
Cash on hand and in banks	¥ 36,956	¥ 36,956	¥ —
Accounts receivable (**)	95,756	95,756	—
Marketable securities and investments in securities (**)	201,890	198,582	(3,308)
Total assets	334,602	331,294	(3,308)
Liabilities:			
Trade notes and accounts payable (**)	¥ 160,755	¥ 160,755	¥ —
Short-term bank loans	166	166	—
Bonds and notes	115,000	120,128	5,128
Long-term loans	780,197	803,277	23,080
Total liabilities	1,056,118	1,084,326	28,208
Derivatives (*)	¥ 8,357	¥ 8,357	¥ —

As of March 31, 2011

	U.S. dollars (Thousands)		
	Carrying value	Estimated fair value	Difference
Assets:			
Cash on hand and in banks	\$ 444,449	\$ 444,449	\$ —
Accounts receivable (**)	1,151,605	1,151,605	—
Marketable securities and investments in securities (**)	2,428,021	2,388,238	(39,783)
Total assets	4,024,076	3,984,293	(39,783)
Liabilities:			
Trade notes and accounts payable (**)	\$ 1,933,313	\$ 1,933,313	\$ —
Short-term bank loans	1,996	1,996	—
Bonds and notes	1,383,042	1,444,714	61,671
Long-term loans	9,383,006	9,660,577	277,570
Total liabilities	12,701,358	13,040,601	339,242
Derivatives (*)	\$ 100,505	\$ 100,505	\$ —

(*) 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

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 if similar new borrowings.

2. Financial instruments for which it is extremely difficult to determine the fair value

As of March 31, 2011	Yen (Millions)	U.S. dollars (Thousands)
Unlisted stocks	¥23,063	\$277,366

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, 2011 is summarized as follows.

As of March 31, 2011

	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.....	¥ 36,127	¥ —	¥ —	¥ —
Accounts receivable	95,756	—	—	—
Held-to-maturity bonds	—	1	—	—
Other marketable securities with maturities	173,874	200	—	—
Total.....	¥305,757	¥201	¥—	¥—

As of March 31, 2011

	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.....	\$ 434,479	\$ —	\$ —	\$ —
Accounts receivable	1,151,605	—	—	—
Held-to-maturity bonds	—	12	—	—
Other marketable securities with maturities	2,091,088	2,405	—	—
Total.....	\$3,677,173	\$2,417	\$—	\$—

4. Redemption schedule for bonds, long-term debt and other interest-bearing liabilities is summarized as follows.

As of March 31, 2011

	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.....	¥ 166	¥ —	¥ —	¥ —
Bonds and notes	20,000	65,000	30,000	—
Long-term loans.....	115,036	444,383	175,046	45,732
Total.....	¥135,202	¥509,383	¥205,046	¥45,732

As of March 31, 2011

	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.....	\$ 1,996	\$ —	\$ —	\$ —
Bonds and notes	240,529	781,719	360,793	—
Long-term loans.....	1,383,475	5,344,353	2,105,183	549,993
Total.....	\$1,626,001	\$6,126,073	\$2,465,977	\$549,993

(Supplementary information)

Effective April 1, 2009, the Company and its consolidated subsidiaries have adopted "Accounting Standard for Financial Instruments" (Financial Accounting Standard No. 10 issued by the Accounting Standards Board of Japan on March 10, 2008) and "Implementation Guidelines for Disclosures about Fair Value of Financial Instruments" (Financial Accounting Standard Implementation Guidelines No. 19 issued by the Accounting Standards Board of Japan on March 10, 2008).

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, 2011, for which hedged accounting has been applied.

(a) Currency-related transactions

As of March 31, 2011

	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	¥ 3,021	¥ —	¥ (55)
Buy:			
USD	359,897	215,152	(32,879)
Currency option contracts for accounts payable, accounted for by deferral method:			
Sell:			
USD (Put)	42,109	25,203	(267)
Buy:			
USD (Call)	45,888	27,969	(1,134)
Currency swap contracts for accounts payable, accounted for by deferral method:			
Receive/USD and pay/JPY	3,566	1,464	(154)
Forward foreign exchange contracts, accounted for as part of accounts payable:			
Buy:			
USD	9,481	—	(*)
EUR	161	—	(*)
Others	9	—	(*)
Total	¥464,132	¥269,788	¥(34,489)

As of March 31, 2011

	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	\$ 36,331	\$ —	\$ (661)
Buy:			
USD	4,328,286	2,587,516	(395,417)
Currency option contracts for accounts payable, accounted for by deferral method:			
Sell:			
USD (Put)	506,422	303,102	(3,211)
Buy:			
USD (Call)	551,870	336,368	(13,638)
Currency swap contracts for accounts payable, accounted for by deferral method:			
Receive/USD and pay/JPY	42,886	17,606	(1,852)
Forward foreign exchange contracts, accounted for as part of accounts payable:			
Buy:			
USD	114,022	—	(*)
EUR	1,936	—	(*)
Others	108	—	(*)
Total	\$5,581,864	\$3,244,594	\$(414,780)

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 hedged accounting. See Note 14.

(b) Interest-related transactions

As of March 31, 2011

	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	¥355,113	¥307,108	(*)

As of March 31, 2011

	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	\$4,270,751	\$3,693,421	(*)

(*) 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 hedged accounting. See Note 14.

(c) Commodity-related transactions

As of March 31, 2011

	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	¥114,260	¥36,158	¥39,585
Commodity (crude oil) option contracts, accounted for by deferral method: Sell: Crude oil (Put).....	33,088	13,450	(13)
Buy: Crude oil (Call).....	30,132	14,947	4,709
Crude oil (Put).....	10,098	—	(1,435)
Total	¥187,578	¥64,555	¥42,846

As of March 31, 2011

	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	\$1,374,143	\$434,852	\$476,067
Commodity (crude oil) option contracts, accounted for by deferral method: Sell: Crude oil (Put).....	397,931	161,755	(156)
Buy: Crude oil (Call).....	362,381	179,759	56,632
Crude oil (Put).....	121,443	—	(17,257)
Total	\$2,255,898	\$776,368	\$515,285

Note: Calculation of fair value is based on the data obtained from financial institutions.

16 Segment information

Effective the fiscal year ended March 31, 2011 the Company has adopted new accounting standards for disclosures about segments of an enterprise and related information. Segment information for the year ended March 31, 2010 has been restated in accordance with such accounting standards for comparative purposes. The segment information for year ended March 31, 2009 has not been restated as it was impracticable.

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, 2011, 2010 and 2009 is as follows:

As of and for the year ended March 31, 2011	Yen (Millions)						
	Reportable Segments			Other	Total	Adjustments	Consolidated
	Air transportation	Travel services	Subtotal				
Sales, profits or losses and assets by reportable segments							
Operating revenues	¥1,121,272	¥146,945	¥1,268,217	¥ 89,436	¥1,357,653	¥ —	¥1,357,653
Intra-group sales and transfers	97,020	12,436	109,456	49,527	158,983	(158,983)	—
Total	¥1,218,292	¥159,381	¥1,377,673	¥138,963	¥1,516,636	¥(158,983)	¥1,357,653
Segment profit	¥ 60,504	¥ 2,637	¥ 63,141	¥ 4,813	¥ 67,954	¥ (146)	¥ 67,808
Segment assets	¥1,848,754	¥ 36,602	¥1,885,356	¥119,350	¥2,004,706	¥ (76,685)	¥1,928,021
Other items							
Depreciation and amortization	¥ 116,287	¥ 223	¥ 116,510	¥ 1,930	¥ 118,440	¥ —	¥ 118,440
Increase in tangible and intangible fixed assets	¥ 210,592	¥ 68	¥ 210,660	¥ 4,734	¥ 215,394	¥ (3,696)	¥ 211,698

As of and for the year ended March 31, 2011	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	\$13,484,930	\$1,767,227	\$15,252,158	\$1,075,598	\$16,327,757	\$ —	\$16,327,757
Intra-group sales and transfers	1,166,806	149,561	1,316,368	595,634	1,912,002	(1,912,002)	—
Total	\$14,651,737	\$1,916,788	\$16,568,526	\$1,671,232	\$18,239,759	\$(1,912,002)	\$16,327,757
Segment profit	\$ 727,648	\$ 31,713	\$ 759,362	\$ 57,883	\$ 817,245	\$ (1,755)	\$ 815,490
Segment assets	\$22,233,962	\$ 440,192	\$22,674,155	\$1,435,357	\$24,109,512	\$ (922,248)	\$23,187,263
Other items							
Depreciation and amortization	\$ 1,398,520	\$ 2,681	\$ 1,401,202	\$ 23,211	\$ 1,424,413	\$ —	\$ 1,424,413
Increase in tangible and intangible fixed assets	\$ 2,532,675	\$ 817	\$ 2,533,493	\$ 56,933	\$ 2,590,426	\$ (44,449)	\$ 2,545,977

As of and for the year ended March 31, 2010	Yen (Millions)						
	Reportable Segments			Other	Total	Adjustments	Consolidated
	Air transportation	Travel services	Subtotal				
Sales, profits or losses and assets by reportable segments							
Operating revenues	¥ 989,991	¥150,763	¥1,140,754	¥ 87,599	¥1,228,353	¥ —	¥1,228,353
Intra-group sales and transfers	98,677	16,213	114,890	49,887	164,777	(164,777)	—
Total	¥1,088,668	¥166,976	¥1,255,644	¥137,486	¥1,393,130	¥(164,777)	¥1,228,353
Segment profit (loss)	¥ (57,976)	¥ (18)	¥ (57,994)	¥ 3,343	¥ (54,651)	¥ 404	¥ (54,247)
Segment assets	¥1,779,757	¥ 41,488	¥1,821,245	¥117,096	¥1,938,341	¥ (79,256)	¥1,859,085
Other items							
Depreciation and amortization	¥ 111,366	¥ 295	¥ 111,661	¥ 2,179	¥ 113,840	¥ (34)	¥ 113,806
Increase in tangible and intangible fixed assets	¥ 207,930	¥ 33	¥ 207,963	¥ 3,409	¥ 211,372	¥ (1,435)	¥ 209,937

As of and for the year ended March 31, 2009	Yen (Millions)						
	Air transportation	Travel services	Other businesses	Total	Intercompany eliminations	Consolidated	
Operating revenues	¥1,120,945	¥171,117	¥100,519	¥1,392,581	¥ —	¥1,392,581	
Intra-group sales and transfers	108,580	17,663	47,687	173,930	(173,930)	—	
Total	1,229,525	188,780	148,206	1,566,511	(173,930)	1,392,581	
Operating expenses	1,224,734	189,408	144,858	1,559,000	(174,008)	1,384,992	
Operating income (loss)	¥ 4,791	¥ (628)	¥ 3,348	¥ 7,511	¥ 78	¥ 7,589	
Identifiable assets	¥1,673,813	¥ 41,727	¥132,196	¥1,847,736	¥ (86,671)	¥1,761,065	
Depreciation and amortization	110,064	437	2,380	112,881	—	112,881	
Impairment loss	—	—	—	—	—	—	
Capital expenditure	143,362	203	3,721	147,286	(1,577)	145,709	

17 Supplementary cash flow information

Reconciliation of the difference between cash stated in the consolidated balance sheets as of March 31, 2011, 2010 and 2009 and cash and cash equivalents for the purpose of the statements of cash flows is as follows:

	Yen (Millions)			U.S. dollars (Thousands)
	2011	2010	2009	2011
Cash on hand and in banks	¥ 36,956	¥ 13,246	¥ 59,668	\$ 444,449
Time deposits with maturities of more than three months	(612)	(631)	(713)	(7,360)
Marketable securities	173,874	180,576	84,483	2,091,088
Marketable securities with maturities of more than three months	(8,612)	(45,002)	(2)	(103,571)
Cash and cash equivalents	¥201,606	¥148,189	¥143,436	\$2,424,606

18 Impairment loss

Due to slumping performance in 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 the recoverable amounts and impairment losses of ¥315 million (\$3,788 thousand) in the year ended March 31, 2011.

As of and for the year ended March 31, 2011			Yen (Millions)	U.S. dollars (Thousands)
Application	Location	Category	Impairment loss	
Business assets	3 in Chiba, 1 in Niigata, 1 in Shizuoka	Land	¥201	\$2,417
		Total	¥201	\$2,417
Assets expected to be sold	1 in Chiba	Land	¥114	\$1,371
		Total	¥114	\$1,371

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%

As of and for the year ended March 31, 2010			Yen (Millions)
Application	Location	Category	Impairment loss
Business assets	1 in Hokkaido	Aircraft	¥ 284
		Buildings and Others	785
		Total	¥1,069
Assets expected to be sold	1 in Shizuoka, 1 in Gunma	Buildings	¥ 13
		Land	15
		Total	¥ 28
Idle assets	1 in Osaka	Land	¥ 156
		Total	¥ 156

As of and for the year ended March 31, 2009			Yen (Millions)
Application	Location	Category	Impairment loss
None			

19 Subsequent event

On June 7, 2011, the Company entered into a ¥150,000 million (\$1,803,968 thousand) long-term loan agreement with syndicate banks with terms of ten years in order to finance purchase of property and equipment.



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Report of Independent Auditors

The Board of Directors
All Nippon Airways Co., Ltd.

We have audited the accompanying consolidated balance sheets of All Nippon Airways Co., Ltd. and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income, changes in net assets, and cash flows for each of the three years in the period ended March 31, 2011, and consolidated statement of comprehensive income for the year ended March 31, 2011, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of All Nippon Airways Co., Ltd. and consolidated subsidiaries at March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2011, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3.

Ernst & Young ShinNihon LLC

June 17, 2011

Glossary

Passenger Operation Terms

Available Seat-Kilometers

Indicates passenger transport capacity in the airline industry. 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, which includes non-paying passengers.

Unit Revenues

Quantifies revenue management performance by showing unit revenue per seat kilometer. Revenue ÷ available seat-kilometers = seat utilization x yield.

Yield

Unit revenue per revenue-paying passenger per kilometer (or mile). Calculated as revenue ÷ revenue passenger-kilometers.

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.

Unit Cost

Indicates cost per unit in the airline industry. Calculated as cost per seat per transport distance (kilometer). Total cost ÷ available seat-kilometers.

Passenger Mix

Component ratio of multiple passenger groups including businesses, individual and tourist travelers. Also refers to management of this ratio.

Cargo Operation Terms

Cargo Deadweight Tons

Total weight (tons) of cargo transported.

Freight Ton Kilometers

Unit of total cargo transported. Cargo deadweight (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.

Other General Air Transportation Terms

Code Sharing

Code sharing is when airlines allow alliance partners to operate under their own flight numbers. The frequent result is that multiple companies sell seats on one flight. Also known as jointly operated flights.

Antitrust Immunity (ATI)

Predicated on Open Skies, which is an international policy of applying market principles in global aviation markets, authorities such as the U.S. Department of Transportation may exempt alliances involving airlines in their home country from antitrust regulations.

ATI approval allows airline alliance partners to operate joint ventures in which the parties can jointly set route and schedule plans, fares and products, and coordinate marketing and sales strategies.

Joint Venture (JV)

A new company formed and jointly managed by two or more companies to conduct specified businesses. In the airline industry, joint ventures refer to strategic alliances enabled by ATI approval.

Network Carrier

An airline company that serves a broad array of markets based on a route network that includes connecting flights. Features of network carriers include providing full-service on long-haul international routes and offering multiple classes of seats. Network carriers are also called legacy carriers or full-service carriers when compared to a low-cost carrier (LCC).

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 where demand is lower to hub airports in large cities.

Tokyo-Area Dual Hub

The ANA Group is using the two major Tokyo-area airports of Haneda Airport and Narita Airport, where further expansion in arrival and departure slots is planned, as hubs serving spoke airports in peripheral regions in a network that offers convenient connecting flights.

The ANA Group has constructed a network that leverages the advantages of each airport, with domestic routes and international connecting routes at Haneda Airport, and international routes and international connecting routes at Narita Airport. (Terminology used in the ANA corporate strategy)

ANA Route System

(As of July 1, 2011)

International Network

Passengers

Number of routes: 46

Number of flights: 764 per week

(ANA Group flights only)

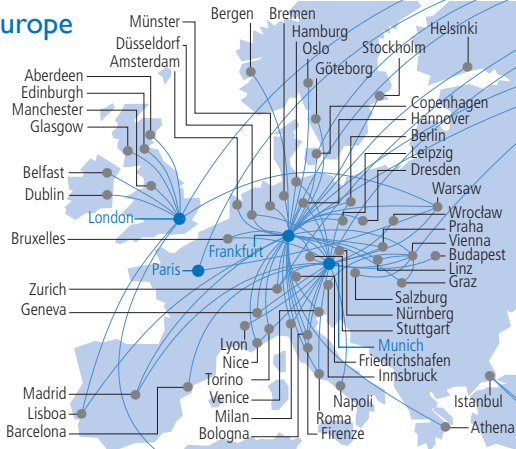
Cargo

Number of routes: 20

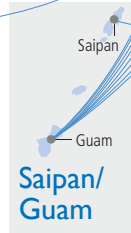
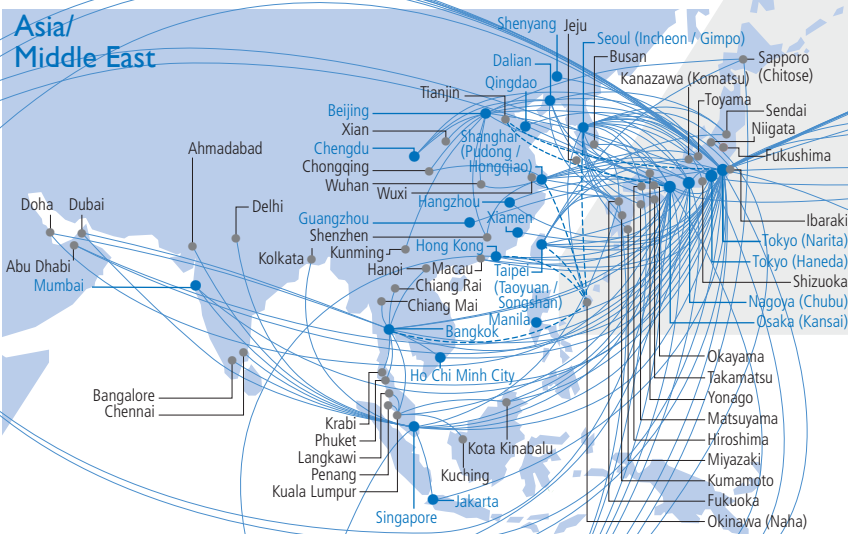
Number of flights: 148 per week

- Cities served by the ANA Group
- Cities served by code-sharing
- Cargo-only routes

Europe



Asia/Middle East



Domestic Network

Passengers

Number of routes: 124

Number of flights: 1,002 per day

Cargo

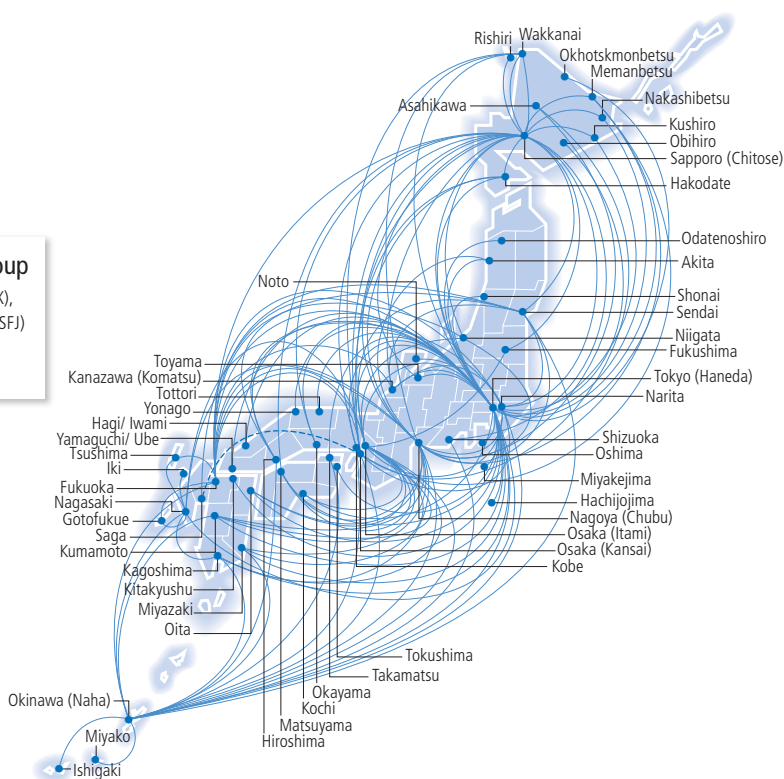
Number of routes: 7

Number of flights: 10 per day

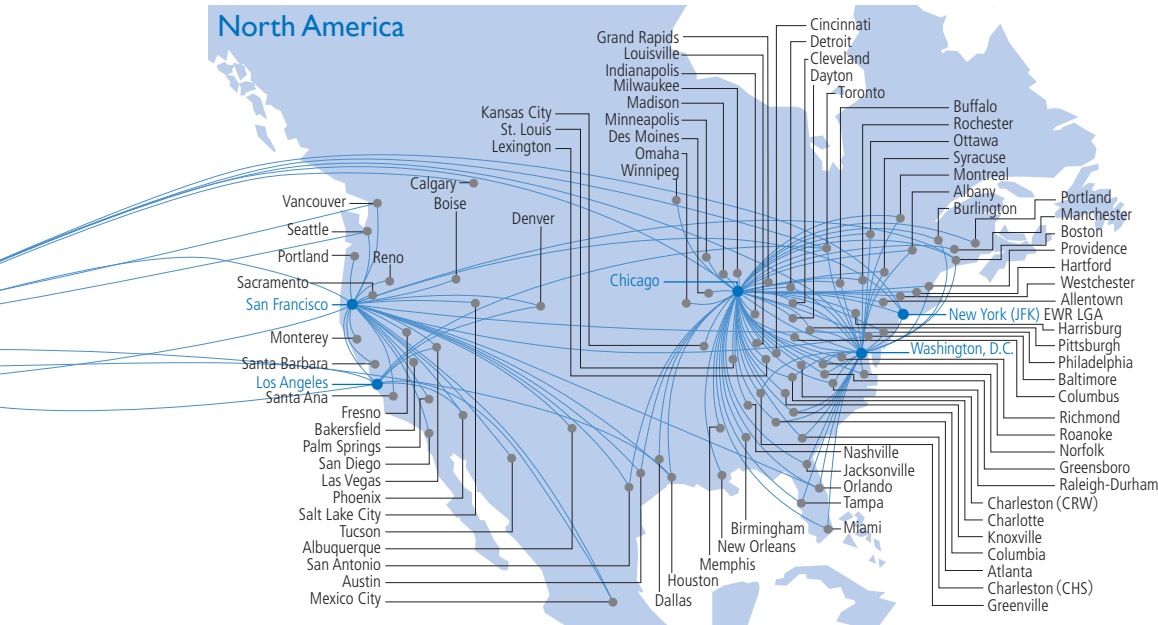
- Cities served by the ANA Group

Includes code-sharing with IBEX Airlines (IBX), Air Do (ADO), Skynet Asia (SNA), Star Flyer (SF) and Oriental Air Bridge (ORC)

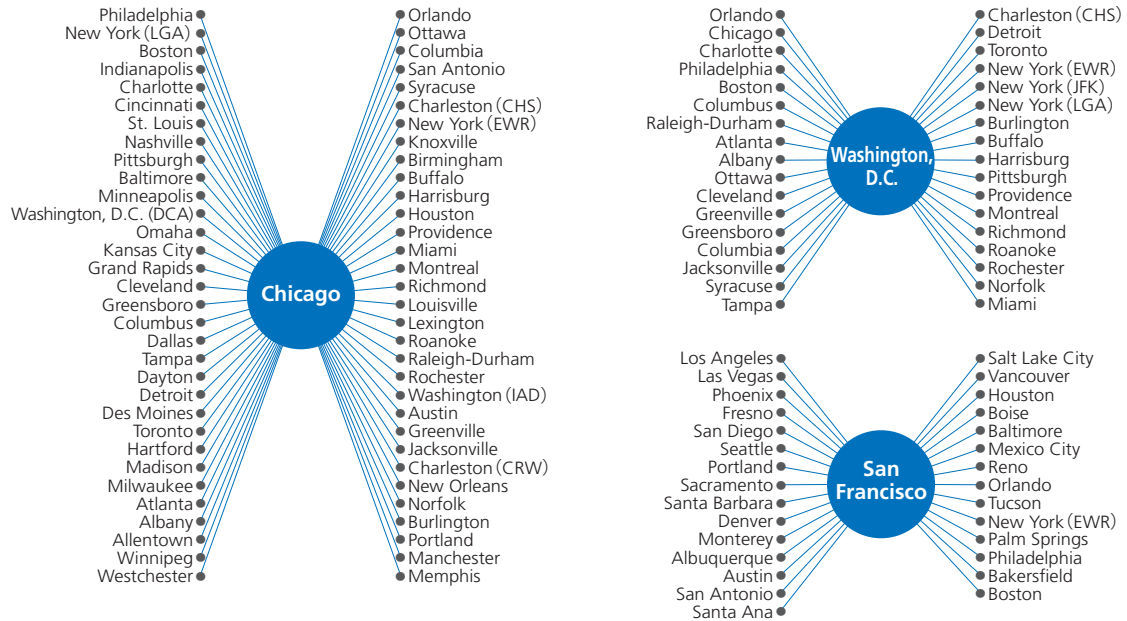
- Cargo-only route



North America



North America



Europe



The ANA Group

All Nippon Airways Co., Ltd. and its consolidated subsidiaries
(As of March 31, 2011)

Number of Subsidiaries and Affiliates

Operating Segment	Subsidiaries			Affiliates	
	Total of Subsidiaries	of which, consolidated	of which, equity method	Total of Affiliates	of which, equity method
Air Transportation	48	36	—	10	5
Travel Services	5	5	—	1	1
Other Businesses	54	23	5	37	14
Total	107	64	5	48	20

Major Subsidiaries

Yen (Millions)

ANA and Principal Subsidiaries and Affiliates	Principal Businesses	Revenues ¹	Paid-in Capital ¹	Percentage Owned by the Parent
Air Transportation				
All Nippon Airways Co., Ltd. (ANA)	Air transportation	¥1,191,571	¥231,381	Parent
Air Nippon Co., Ltd. (ANK)	Air transportation (mainly domestic mid/long-distance routes using narrow-body aircraft)	29,349	100	100.0%
ANA WINGS CO., LTD. ² (AKX)	Air transportation (mainly within Hokkaido and Itami arrival/departure routes using turbo-prop aircraft)	13,923	50	100.0
Air Japan Co., Ltd. (AJX)	Air transportation (mainly Asian resort routes)	16,936	50	100.0
ANA Catering Service Co., Ltd.	Preparation of in-flight meals	14,314	100	100.0
International Airport Utility Co., Ltd.	Haneda Airport aircraft taxi/towing operations	12,013	100	100.0
New Tokyo Airport Service Co., Ltd.	Narita Airport aircraft taxi/towing operations	10,919	60	100.0
ANA Aircraft Maintenance Co., Ltd.	Maintenance, repair, and improvement of aircraft and equipment	3,507	100	100.0
ANA Logistic Service Co., Ltd.	Air cargo imports warehousing and import/export administration	11,139	465	95.0
Overseas Courier Service Co., Ltd.	Express shipping	25,476	120	73.4
Travel Services				
ANA Sales Co., Ltd.	Travel services (development, support, and sales of domestic and international travel packages)	¥ 156,119	¥ 1,000	100.0
Other Businesses				
ANA Business Create Co., Ltd.	Air ticket inspection/HR dispatch and introduction services	¥ 6,344	¥ 100	100.0
ANA Information Systems Planning Co., Ltd.	System consulting and system integration services	20,259	52	100.0
All Nippon Airways Trading Co., Ltd.	Trading and retail (development of airport stores and other stores and direct sales through ANA in-flight magazine and other methods)	76,423	1,000	100.0
Sky Building Service Co., Ltd.	Contracting of building/facility maintenance, management, and cleaning services	11,730	80	93.6

Notes: 1. Figures for revenues and paid-in capital of each company are stated before intercompany eliminations.

2. During the fiscal year ended March 2011, Air Nippon Network Co., Ltd. changed its corporate name to ANA WINGS CO., LTD.

Investor Information

(As of March 31, 2011)

Trade Name

All Nippon Airways Co., Ltd.

Date of Foundation

December 27, 1952

Head Office

Shiodome City Center, 1-5-2 Higashi-Shimbashi,
Minato-ku, Tokyo 105-7133, Japan
Tel: 81-3-6735-1000
Fax: 81-3-6735-1005
URL: <http://www.ana.co.jp/eng/index.html>

Offices

◆ Japan

Sapporo, Tokyo, Nagoya, Osaka, Fukuoka, Okinawa,
and 29 offices in other cities

◆ Overseas

• United States

Los Angeles, New York, Washington, D.C., Chicago,
San Francisco, Honolulu

• Europe

London, Paris, Frankfurt, Dusseldorf, Hamburg, Zurich,
Geneva, Brussels, Moscow, Rome

• Asia

Beijing, Tianjin, Shenyang, Dalian, Qingdao, Shanghai,
Xiamen, Hangzhou, Guangzhou, Hong Kong, Chengdu,
Taipei, Seoul, Mumbai, Bangkok, Yangon, Ho Chi Minh City,
Singapore, Kuala Lumpur, Jakarta, Manila

Number of Employees

32,731 (Consolidated)

Paid-in Capital

¥231,381 million

Fiscal Year-End

March 31

Number of Shares of Common Stock

Authorized: 5,100,000,000 shares

Issued: 2,524,959,257 shares

Number of Shareholders

379,276

Stock Listings

Tokyo, Osaka and London

Ticker Code

9202

Major Shareholders

	Number of shares held (Thousands)	Percentage of total shares in issue
Nagoya Railroad Co., Ltd.	71,982	2.85%
The Master Trust Bank of Japan Ltd. (trust account)	59,009	2.34%
Japan Trustee Service Bank, Ltd. (trust account)	55,074	2.18%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	40,397	1.60%
All Nippon Airways Co., Ltd. Employee Stock Ownership Association	30,872	1.22%
Mitsui Sumitomo Insurance Co., Ltd.	30,770	1.22%
Nippon Life Insurance Company	30,681	1.22%
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	29,746	1.18%
Merrill Lynch Japan Securities Co., Ltd.	29,724	1.18%
Aioi Nissay Dowa Insurance Co., Ltd.	28,547	1.13%

Contact:

Investor Relations E-mail: ir@ana.co.jp
CSR E-mail: csr@ana.co.jp

All Nippon Airways Co., Ltd.
Shiodome City Center, 1-5-2 Higashi-Shimbashi,
Minato-ku, Tokyo 105-7133, Japan

Administrator of Register of Shareholders

The Sumitomo Trust and Banking Co., Ltd.
(Stock Transfer Agency Department)
3-1, Yaesu 2-chome, Chuo-ku, Tokyo

Independent Auditors

Ernst & Young ShinNihon LLC

American Depositary Receipts

Ratio (ADR:ORD): 1:2
Exchange: OTC (Over-the-Counter)
Symbol: ALNPY
CUSIP: 016630303

Depository:

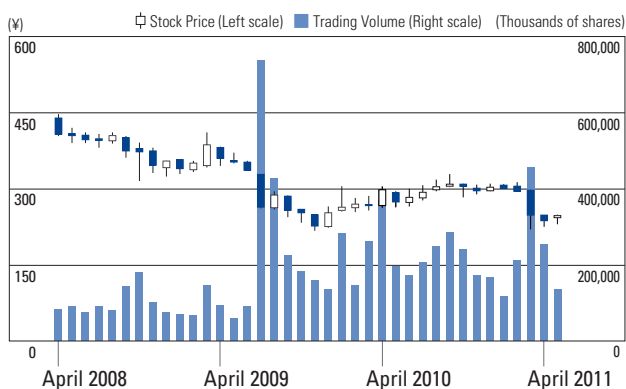
The Bank of New York Mellon
101 Barclay Street, 22 West, New York, NY 10286, U.S.A.
TEL: 1-201-680-6825
U.S. Toll Free: 1-888-269-2377 (888-BNY-ADRS)
URL: <http://www.adrbnymellon.com>

Stock Price and Ratios (Consolidated)

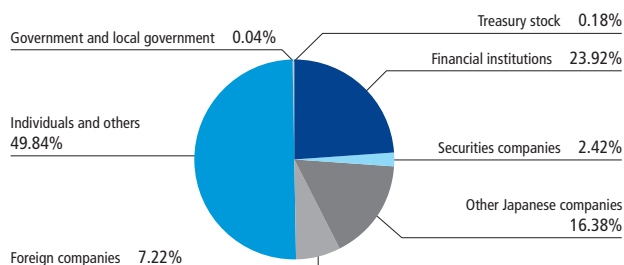
	2011	2010	2009	2008	2007
Stock Price* (¥):					
High	329	382	446	486	489
Low	220	218	316	385	392
PER (times):					
High	35.4	—	—	14.8	29.2
Low	23.7	—	—	11.7	23.4
Price / Cash Flow Ratio (times):					
High	5.8	15.8	8.0	5.2	7.9
Low	3.9	9.0	5.7	4.1	6.3
PBR (times):					
High	1.6	2.0	2.7	2.1	2.4
Low	1.1	1.2	1.9	1.7	1.9
Net Income per Share (¥)	9.29	(24.67)	(2.19)	32.93	16.77
Equity per Share (¥)	207.35	188.93	166.50	232.58	204.42
Cash Dividends per Share (¥)	2.00	—	1.00	5.00	3.00

* Tokyo Stock Exchange

Stock Price Range and Trading Volume



Composition of Shareholders (by number of shares)



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