

ANA Cargo Strategy For Growing Asian Market



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All Nippon Airways Co., Ltd.

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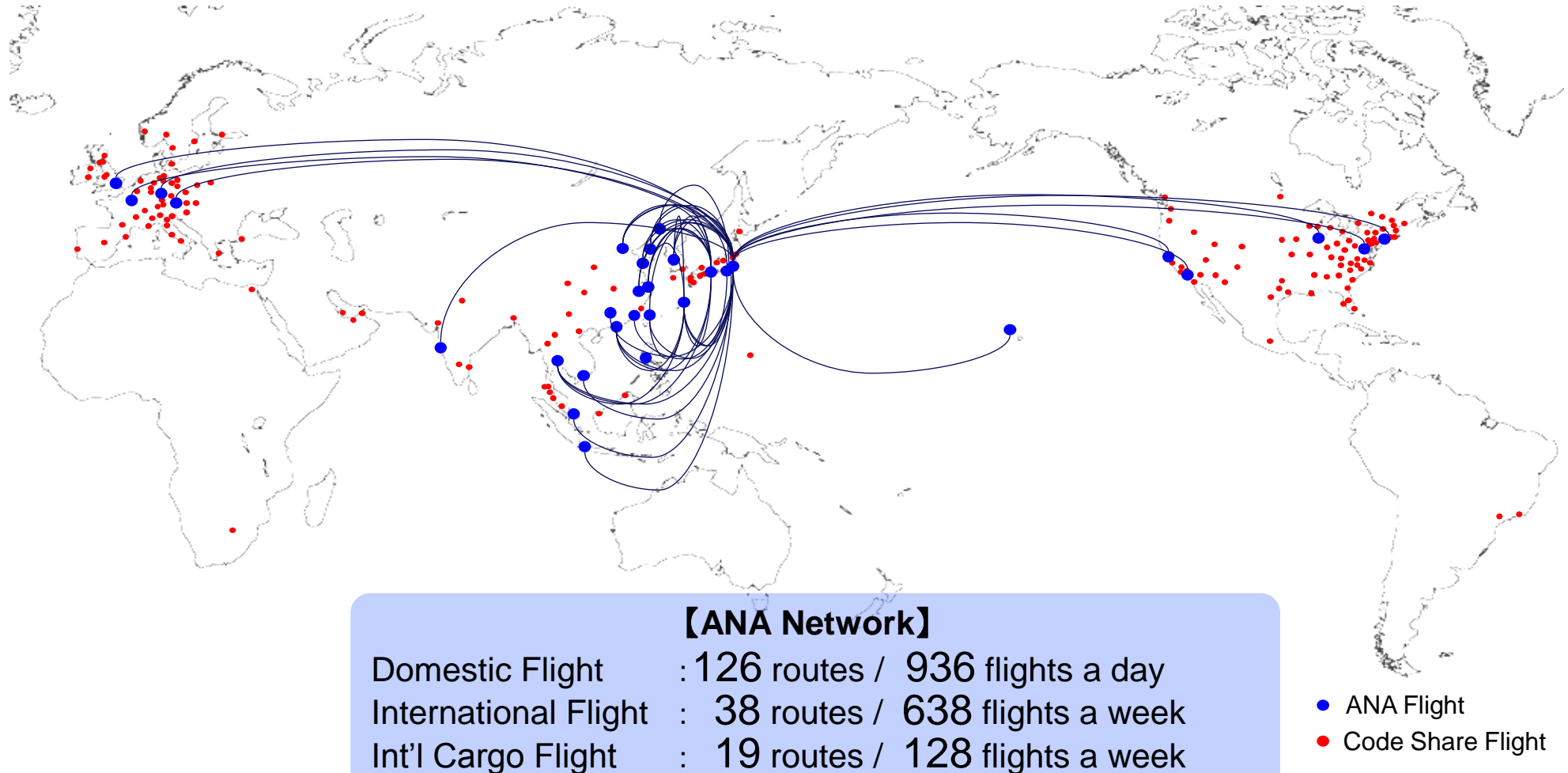


1. Introduction of ANA & ANA Cargo



1. ANA Network






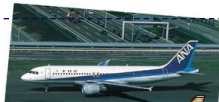



ANA's global network covers major cities in U.S., Europe and Asia, as well as dense domestic routes.
To the U.S., ANA operates 6 route, 42 flights per week.

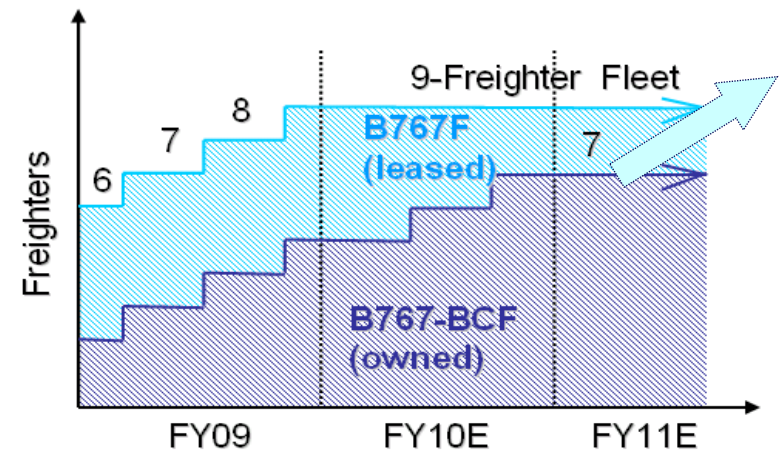


(*As of Jul. 2010)

2. Current Fleet and Fleet Strategy

ANA plans to switch-over to the most advanced fleet, minimizing the number of models, and to increase the number of freighters by B767-300ER conversion.

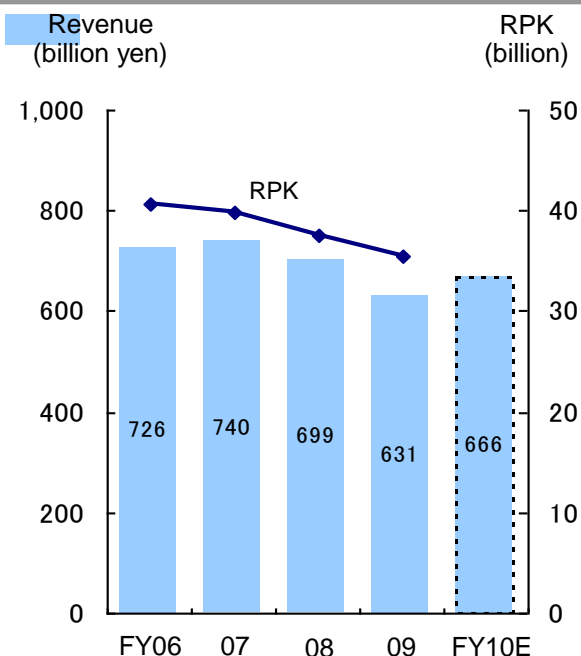
Type	ANA group fleet 216 (As of Sep. 2010)	Fleet Plan
Wide	 B777-300/ER (26)  B777-200/ER (23)  B747-400 (13)	Integrate into B777 Series
Medium	 B767-300/ER (52)  B767-300F/BCF (9)	Introduction of B787 and converting B767-300ER to Freighter
Narrow	 A320-200 (29)  B737-700/ER/800 (26)  B737-500 (19)	Switch over to fuel efficient and low emission aircraft
Regional (Prop)	 DHC-8-300/400 (19)	



3. ANA's Performance

ANA view the Cargo Business as the “Third Core Business” together with Domestic and International Passenger Business.

Domestic Passenger Business



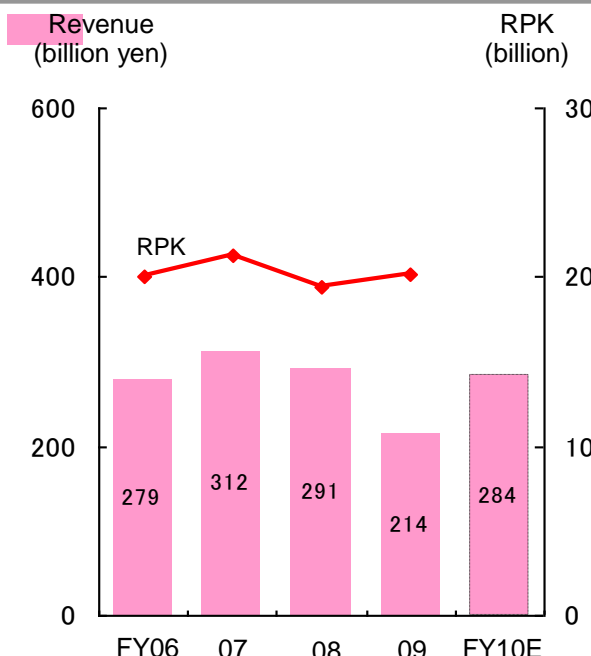
Number of Passengers Carried

6th

Passenger-Kilometres Flown

11th

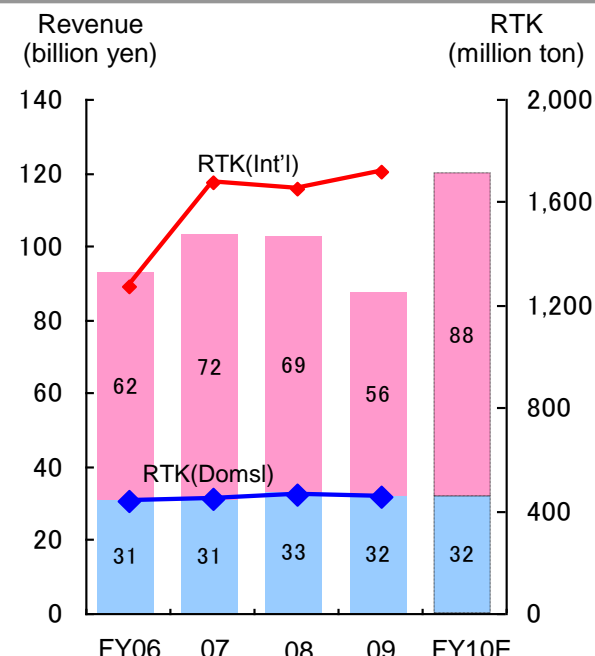
International Passenger Business



Passenger-Kilometres Flown

38th

Cargo Business



Freight Tonnes Carried

14th

Freight Tonne-Kilometres

25th

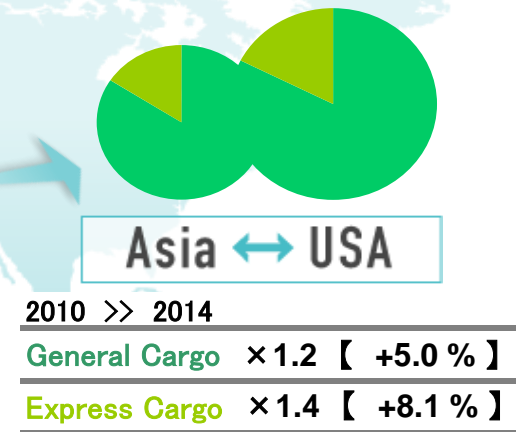
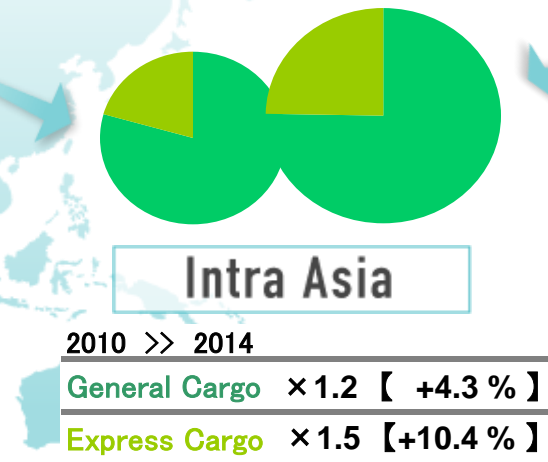
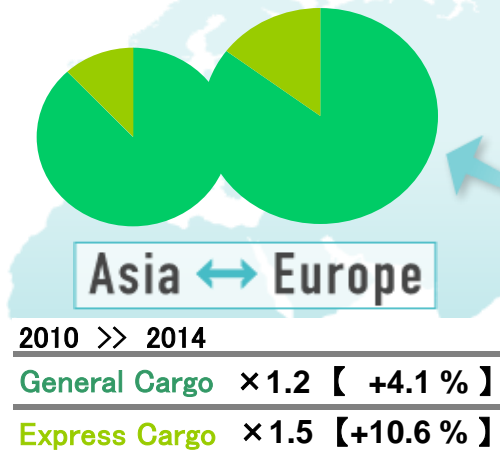
2. ANA Cargo Strategy (Summary)



1. Business Environment

Prospect: 1. Air cargo in Intra-Asia, between Asia and the U.S./Europe & 2. Express Service are to increase.

General Cargo	Intra Asia	2,270 kt (2010) ⇒ 2,680 kt (2014) [4.3 %]
	Worldwide	15,970 kt (2010) ⇒ 18,630 kt (2014) [3.9 %]
Express Cargo	Intra Asia	590 kt (2010) ⇒ 870 kt (2014) [10.4 %]
	Worldwide	2,550 kt (2010) ⇒ 3,570 kt (2014) [8.8 %]



Area of Circle = Volume of Cargo
 Left Circle = 2010
 Right Circle = 2014

[AAGR] : Annual Average Growth Rate

General
Express

2. ANA Cargo Strategy (Summary)

ANA is developing a “High Speed Shipping” network, focusing on growing “Intra Asia” markets and “Express” business.

Keyword	
Intra Asia	Express
<ul style="list-style-type: none">▪ The high growth of Asian air cargo market	<ul style="list-style-type: none">▪ The high growth of express market▪ The low profitability of legacy business model and the high growth of integrator

Constructing a high-speed shipping network called “ANA Model”

Okinawa Hub Network	Haneda & Narita Int’l Network	ANA Domestic Network
Construct the freighter network to acquire of Intra Asia cargo demand	Exploit the big change of air cargo market in Tokyo due to internationalization of Haneda	Develop Japanese local market by utilizing ANA Domestic network



Expansion of Business Domain

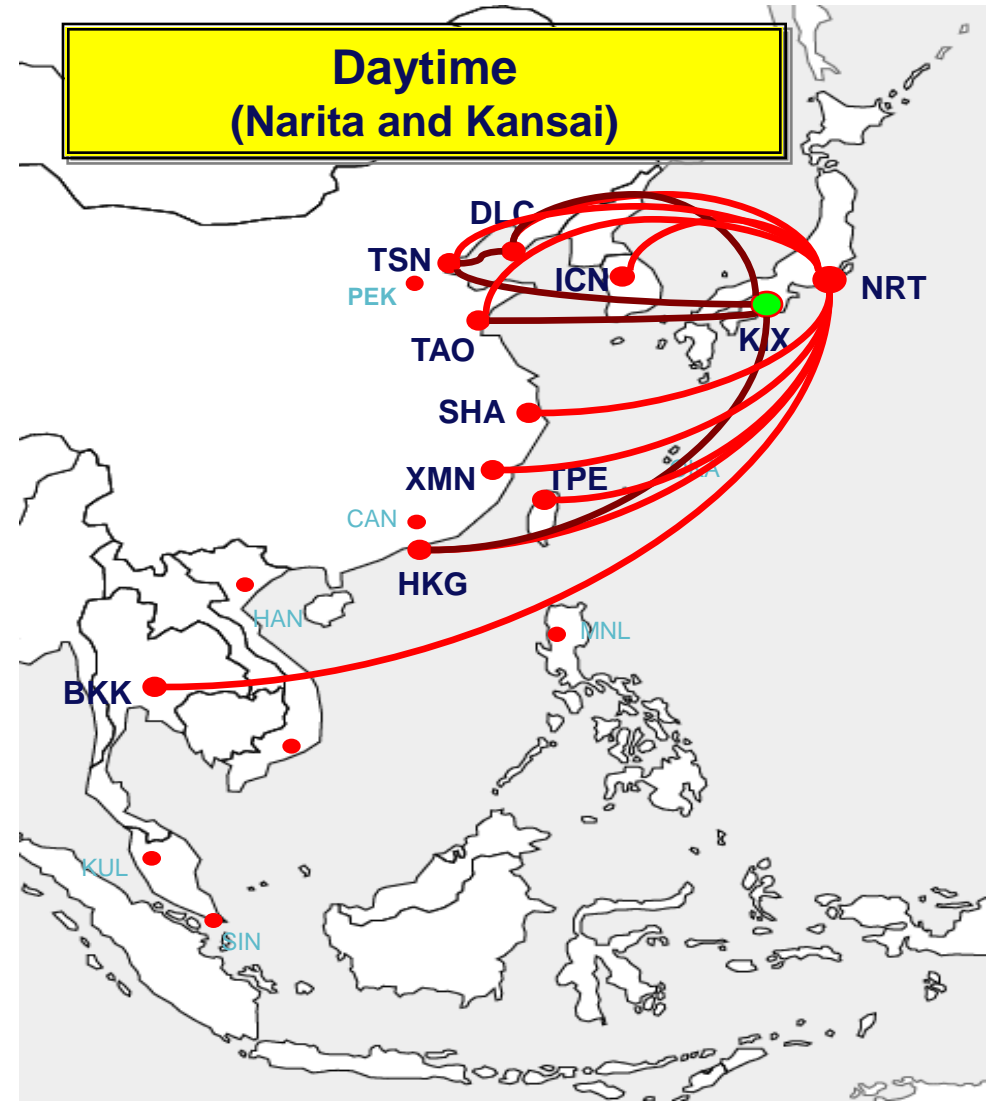
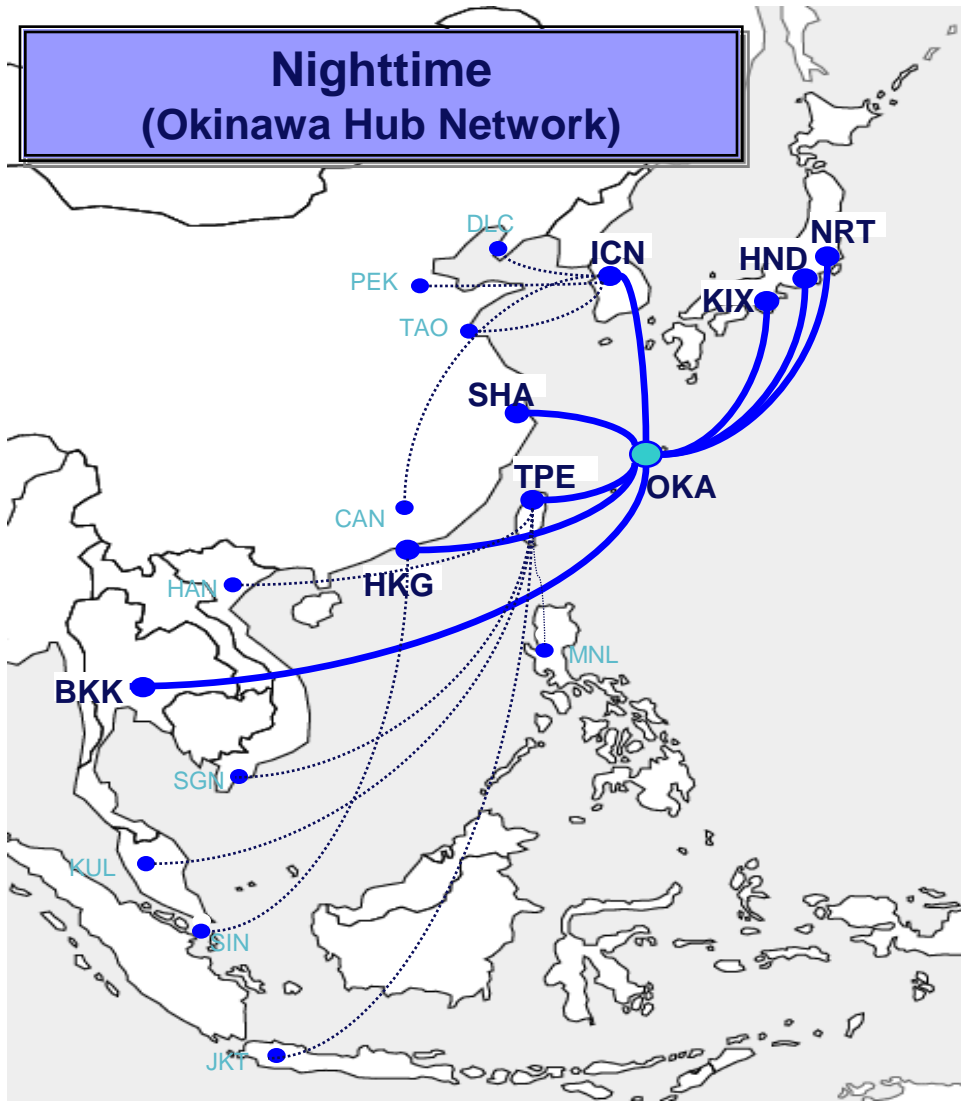
Express/ Logistics Business

Aspire to becoming “Regional Integrator in Asia” with subsidiary company OCS

Provide the high-speed shipping “ANA model” and combined “Airport to Airport transport focused on Asia” and “Door to Door Express products”

3. Freighter Network

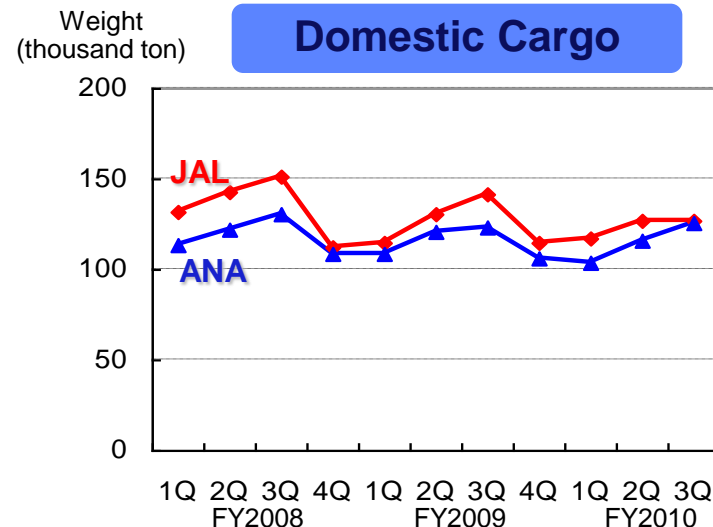
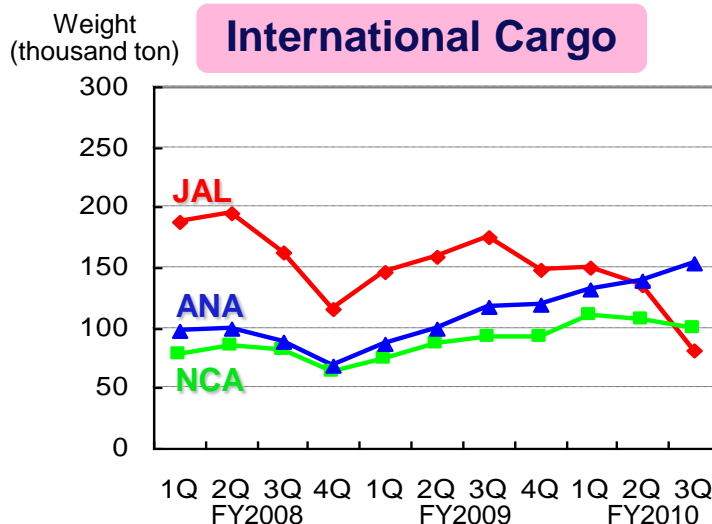
“Hub and Spoke Network” based in Okinawa at night.
“Point to Point Network” from Narita and Kansai in the daytime.



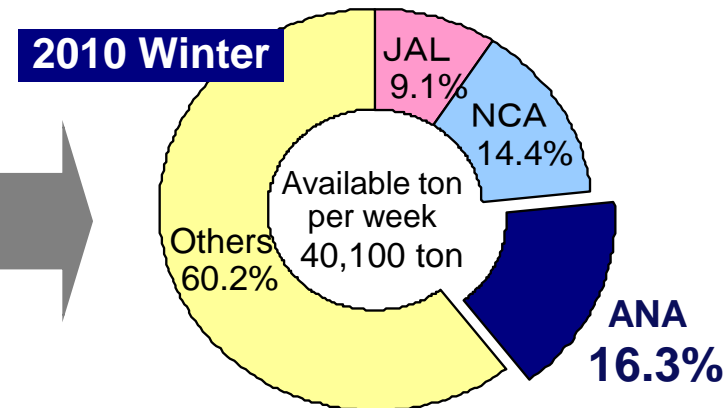
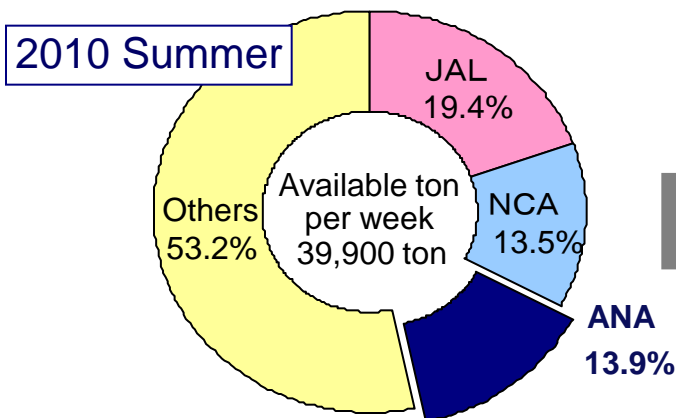
4. ANA's position in Japanese Market

ANA's international cargo performance shows gradual growth.
ANA became the leading airline in Japan since the 3rd Qtr, FY 2010.

Traffic Result of Japanese Carrier



Capacity Share from/to Japan



ANA

New Asian Gateway

ANA CARGO

ANA's
OKINAWA HUB

NARITA HANEDA KANSAI
SEOUL SHANGHAI HONG KONG TAIPEI BANGKOK

ANA CARGO

3. ANA Okinawa Hub Network

1. Overview of ANA Okinawa Hub Network

Based in Okinawa (Naha Airport), ANA's "Hub & Spoke" Air Cargo Network provides optimal efficient air shipping model.

Features of the network

① Best schedule for midnight departures and early-morning arrivals

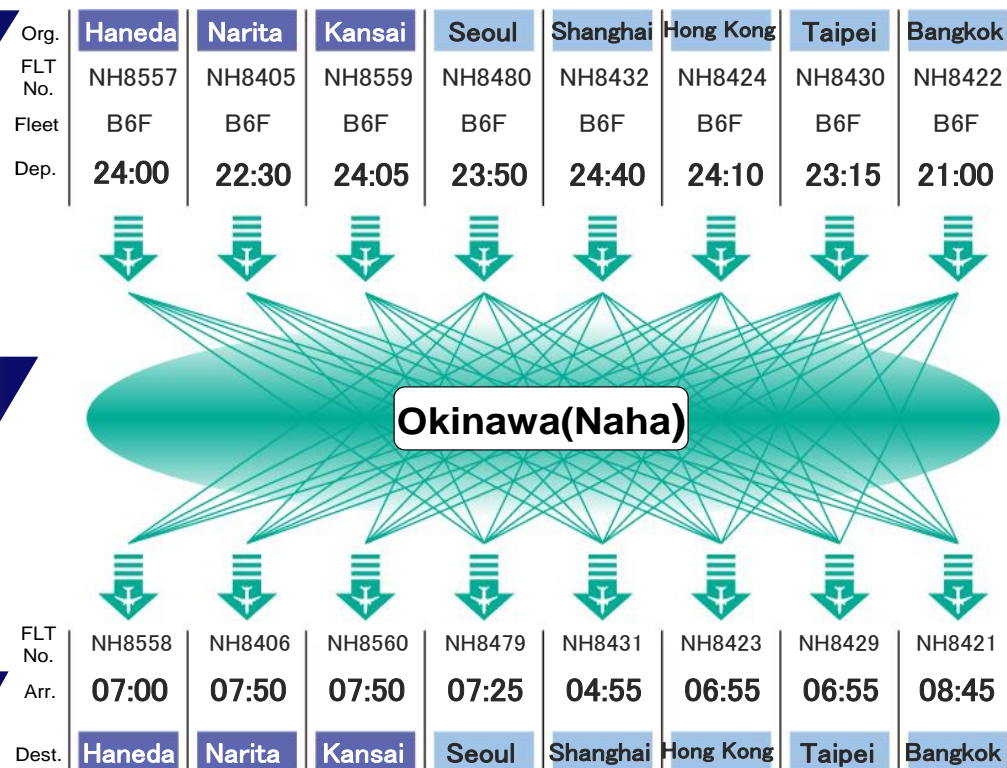
We provide the best flight schedule for "midnight departure and early-morning arrival at various locations" that is most suitable for air cargo logistics.

② Catering for Intra-Asia shipments

We also support Japanese & Global companies expanding business to Asia by transporting not only for shipments to/ from Japan but within Asia as well ! !

③ Connections available throughout Japan

We provide the best access to any location within Japan via dense domestic network.



2. Why ANA chose Okinawa

Taking full advantage of Naha Airport's location & its 24-hour operation, ANA realized the optimal network schedule of high-speed cargo shipping.

Advantages of Okinawa

① Okinawa's geographical advantage

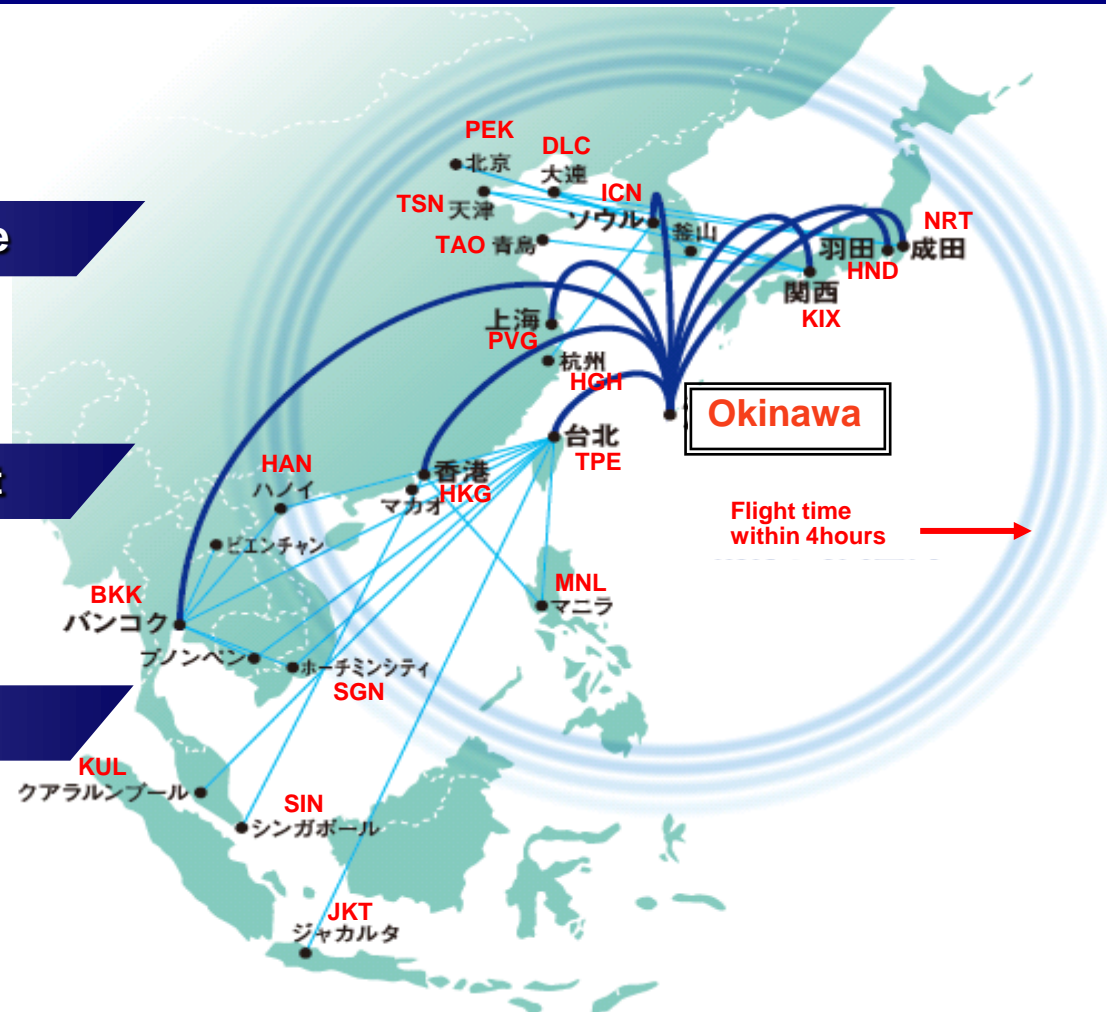
- ✈ The key markets in Asia (Japan, China, Hong Kong, Taiwan, Thailand) are all within four hours flying time.

② 24 hours operation at Naha Airport

- ✈ Due to Naha being 24 hours operating airport, we have a high degree of flexibility in fixing the flight schedules.

③ Few restrictions on traffic rights

- ✈ Because Naha Airport is located in Japan, there are minimal restrictions in terms of traffic rights.



3. The Okinawa Cargo Hub is a joint project between Okinawa prefecture and ANA

On July 5, 2007, ANA and Okinawa prefecture signed an agreement, which officially being the foundation of both parties cooperation.



July 5, 2007 Signing Ceremony

Mr.Akinori Nomoto
(ANA)
former
Executive Vice
President Cargo
Marketing &
Services

Mr.Mineo Yamamoto
(ANA)
former President
and CEO (deceased)

Mr.Zenki Nakazato
(Okinawa Pref.)
former Vice-
Governor

Mr.Yoshiyuki Uehara
(Okinawa Pref.)
Vice-Governor



Advantage for Okinawa prefecture

Creation of new business
such as logistics

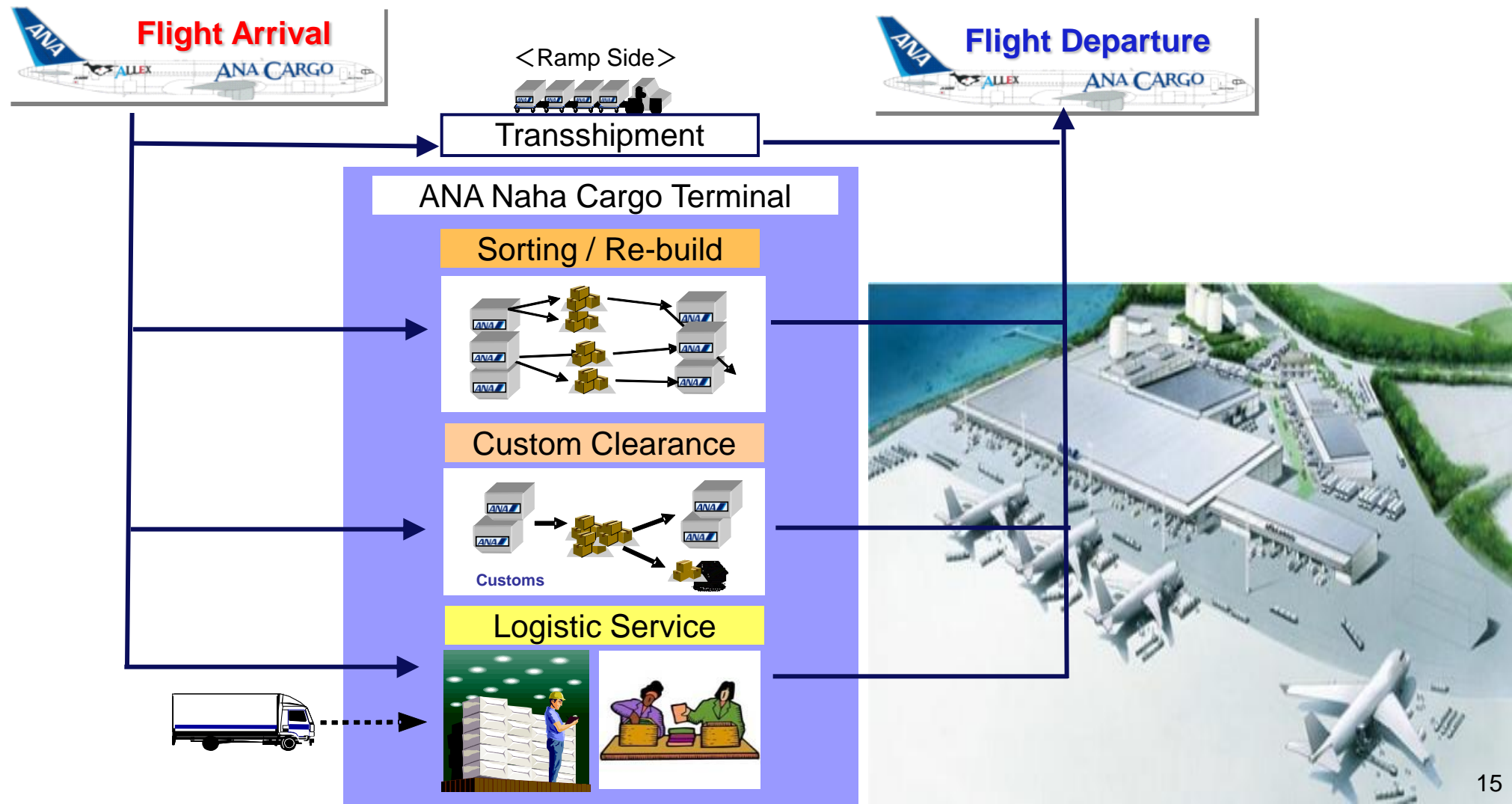
Attracting air flights to
and from Okinawa

Increasing export of
Okinawa local products

Creation of new job

4. Overview of ANA Okinawa Air Cargo Terminal

① Trans Shipment ② Custom Clearance ③ Logistic services are available at ANA Naha Airport Cargo Terminal



4. ANA Haneda Network



1. Internationalization of Haneda Airport

On 31 October, 2010, scheduled international flights resumed. ANA group is to further expand business at this strategic base = Haneda.

Shift in aviation policy

- Japanese government changed the aviation policy to improve the international competitiveness in Asia.

Before

Int'l flight from **NRT**/ Domestic flight from **HND**

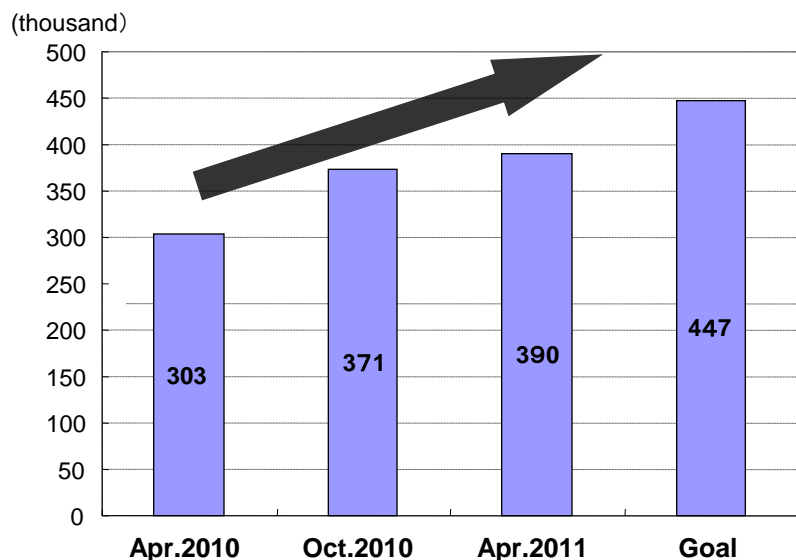
2010 ~

Combination with **NRT** and **HND** for Int'l flight

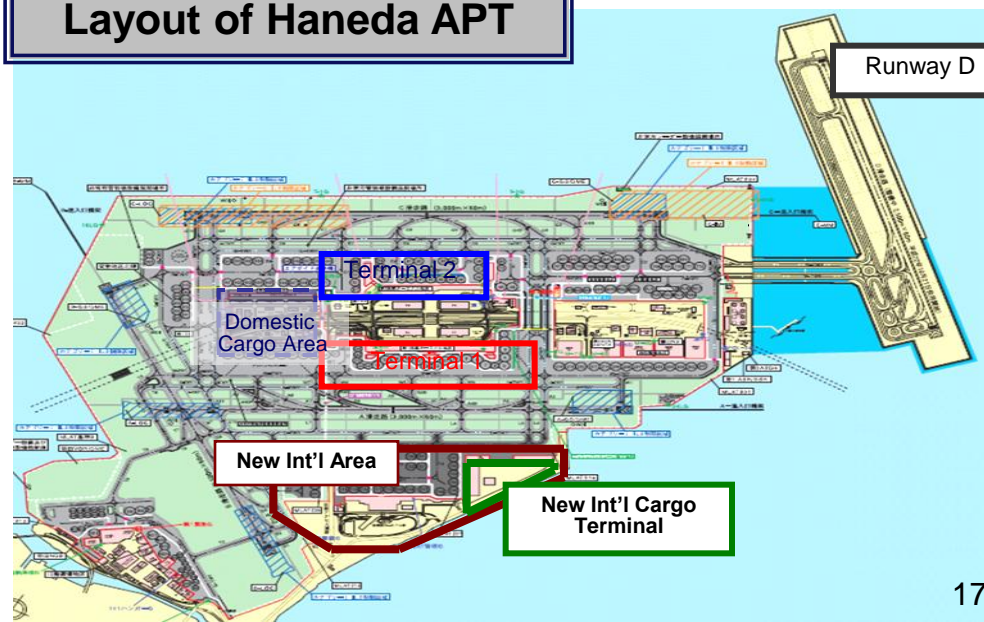
Open of new 4th Runway

- The capacity of Haneda airport has been increased due to the 4th runway, and accordingly, scheduled international flights resumed on 31 October, 2010.

Yearly Slot of Haneda APT

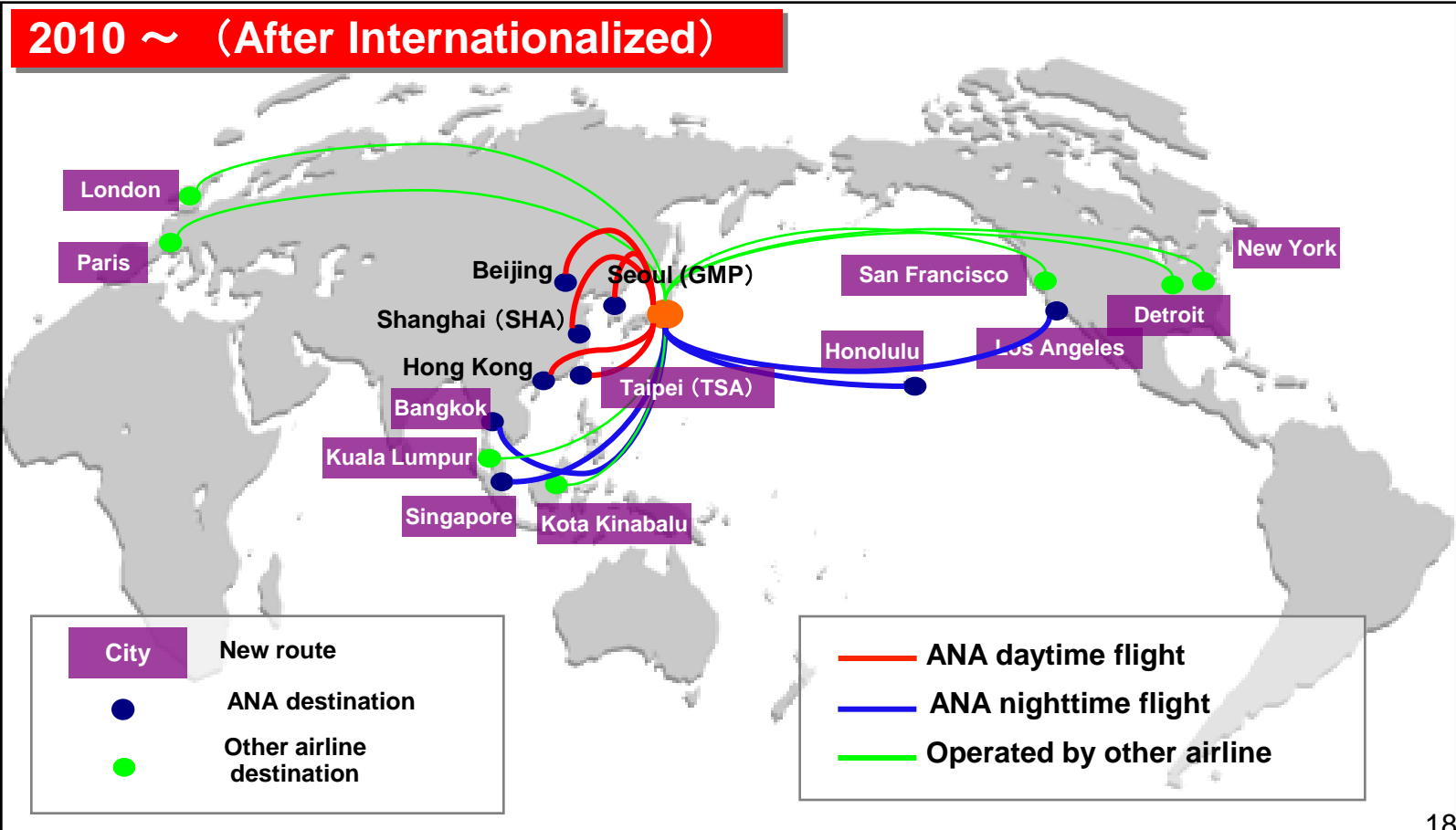
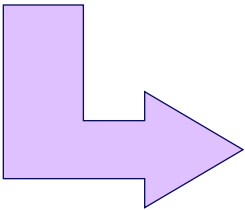


Layout of Haneda APT



51 international scheduled flights operate between 10 countries / 16 cities a day. Mid-night departure / early morning arrival flight, most suitable for air cargo logistics, has been increased.

Before



3. The advantages of Haneda Airport

Haneda has advantages compared to Narita, expected to be the future new air logistics base in Tokyo area.

The Advantages of Haneda

① 24 hours operation

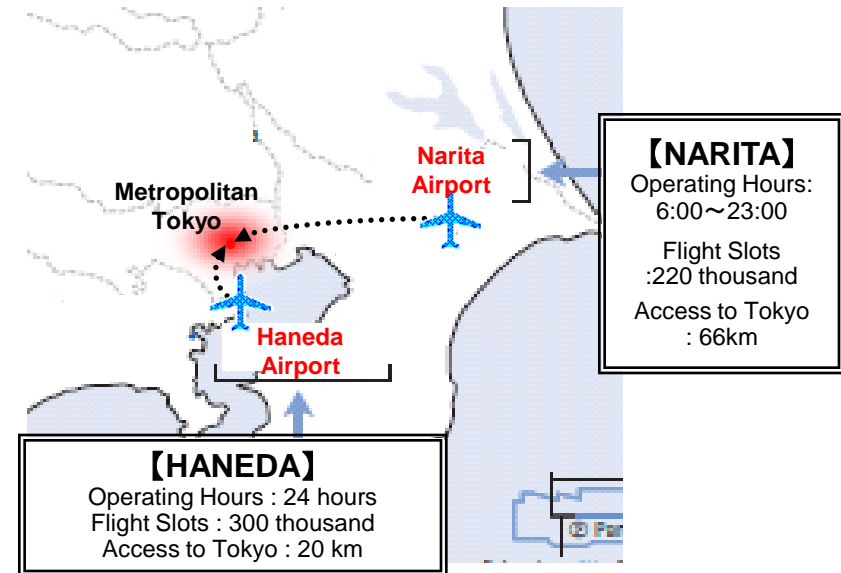
Possible to schedule midnight departure and early morning arrival which covers the high speed cargo shipping needs.

② Good access to Tokyo

Only 20 kilometers from Tokyo metropolitan area which is one of the biggest air cargo market in Asia.

③ Connection to local airport in Japan

Expand the high-speed shipping network to all over Japan connecting with ANA's various domestic flights.



4. ANA Haneda Strategy

Utilizing Haneda's advantages, ANA is developing its original distinguished "High-speed" service.

Advantages of Haneda

24 hour operation

Good access to metropolitan Tokyo

Connection to local airports in Japan

ANA High-Speed Shipping Service

Operation during nighttime

Passenger flights : 4 destination (LAX, HNL, BKK, SIN)
Freighter: to Okinawa Hub

Provide "Priority Handling Service"

Export : Late Accept 45 minutes before departure
Import : Fast Deliver within 60 minutes after arrival

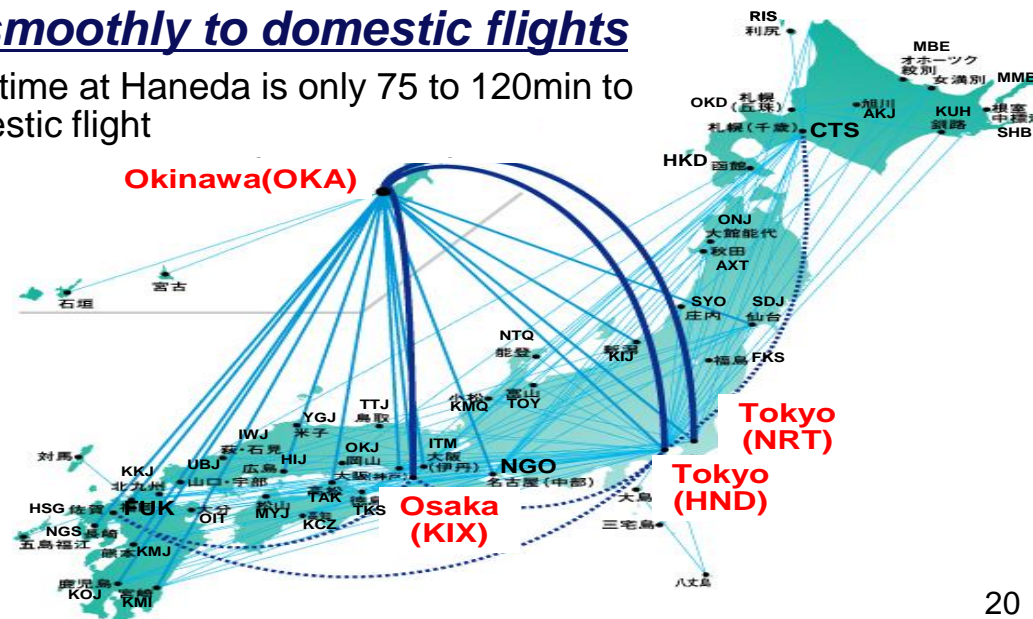
Connect smoothly to domestic flights

Connection time at Haneda is only 75 to 120min to ANA domestic flight

ANA Domestic Network

126 route / 936 flights a day

(* from/to Haneda: 36 route / 424 flights a day)



5. ANA Express Service



1. ANA Group Express Co. (OCS)



Acquiring OCS as subsidiary co., ANA entered into Express business, as the first “Integrator” established in Japan by utilizing Okinawa hub.

Company Profile

The only Japanese express company with world-wide network

Company Name : Overseas Courier Service Co., Ltd. (OCS)

Date of Establishment : September 1957

Business Outline : International Air Express Business
Media Subscription Business

Number of Office : 82 countries
(Japan 14/Overseas 227)

History : 1957: Founded in Tokyo as the sole international transporter of newspapers with the support of major Japanese newspaper companies.

2009: Acquired Capital by ANA

2010: Start operation of OCS-JET



2. A high-speed express products using ANA Okinawa Cargo Hub

OCS provides high-speed express service combining Okinawa Hub Network + customs clearance at Okinawa + ANA domestic network.



OCS International Express Service

Various business cargo bound for Japan and major cities in East Asia can be delivered, at the earliest next morning.



If priority service is specified, delivery before 10 A.M. is guaranteed.

Example : Hongkong to Tokyo

Using ANA Okinawa Cargo Hub



Thank you very much for your attention.

