

And it's all By Design.



Future Challenges of Open Skies Agreements

JITI Aviation Seminar
October 9th, 2015

ANA
Inspiration of JAPAN

ANA Business Overview

- Operating revenue JPY 1,713 Billion *
- Operating income JPY 91.54 Billion *
- Net income JPY 39.24 Billion *
- Number of employees 34,919 *

- 64 consolidated subsidiaries and 18 equity-method subsidiaries and affiliates *

* As of March 31, 2015

- 15th largest airline in the world by total passengers**

** IATA World Air Transport Statistics, 2014

ANA Business "STAGGERED"



- Awarded SKYTRAX exclusive 5 star rating for the third year running (2013-15)
- The world's Best Airport Services
- The world's Best Transpacific Airline



Boeing 787-9 TTL 3



Boeing 787 TTL 32



Airbus A320 TTL 18



Bombardier DHC8 TTL 21



Boeing 777 TTL 54



Boeing 767 TTL 55



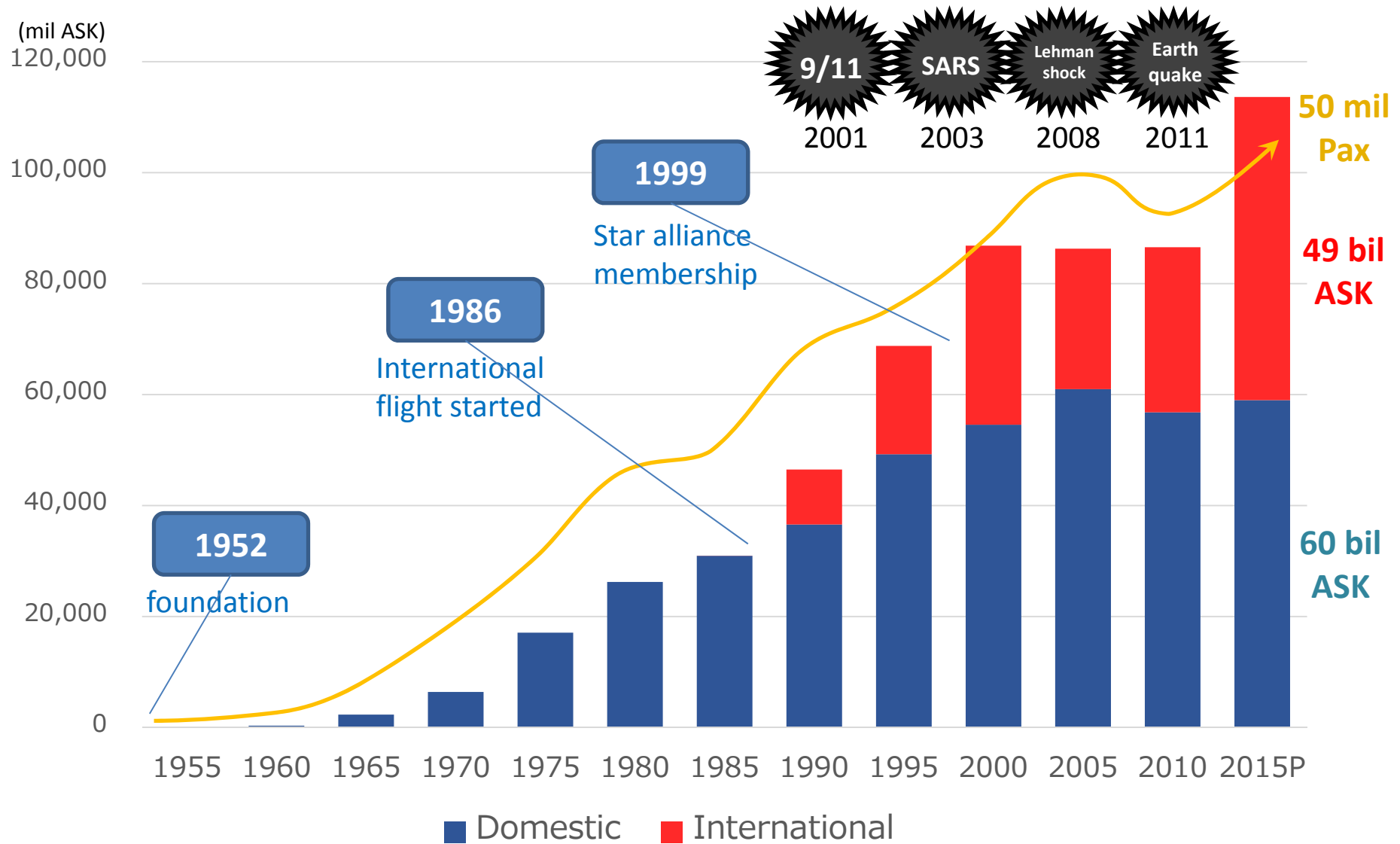
Boeing 737 TTL 59



Number of aircraft: 242

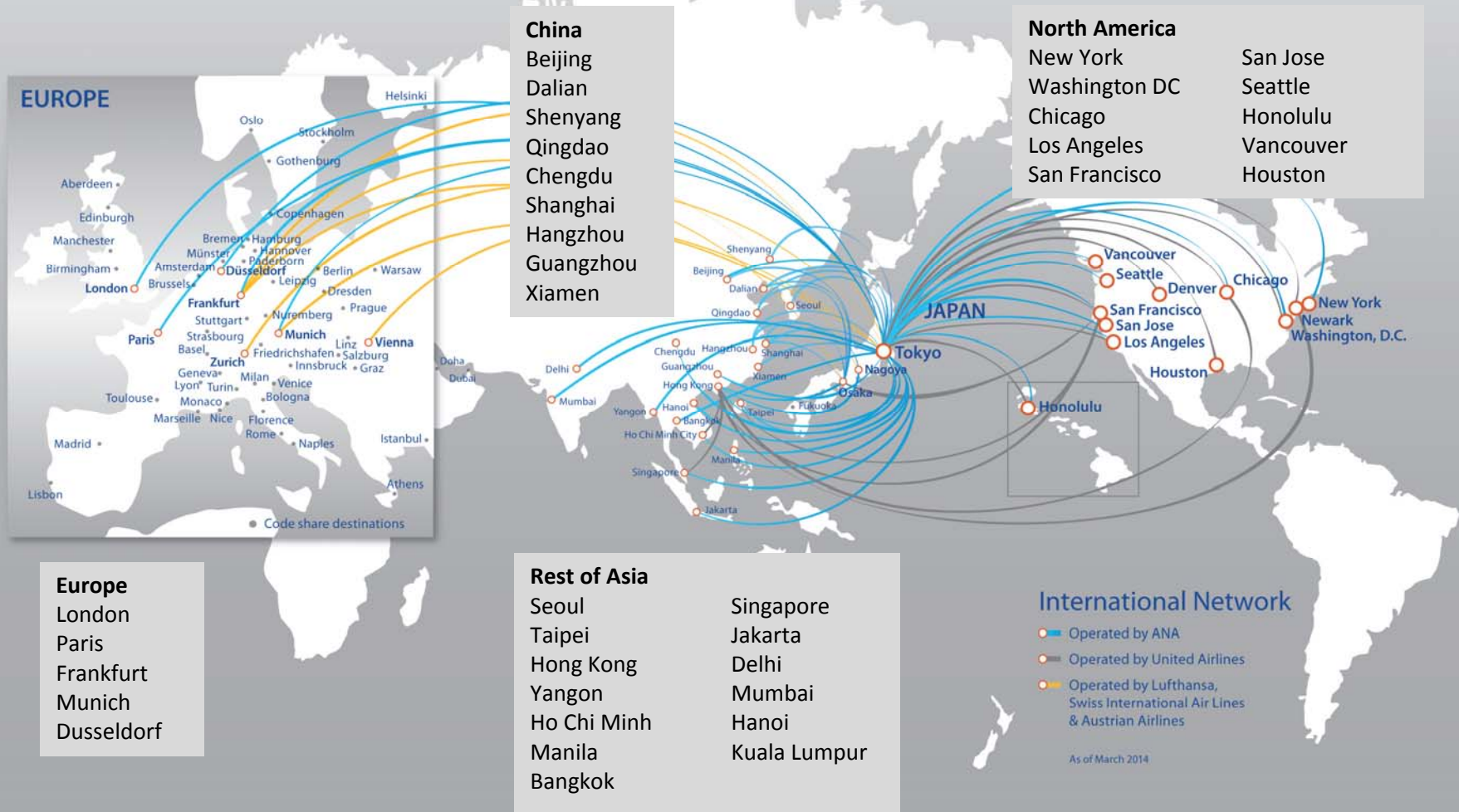
Including 6 aircraft operated by Vanilla Air (all leased aircraft)

*As of Mar 31, 2015




ANA International Network

- ANA operates **952/w** regular international passenger flight on **56** routes
- In winter 2015, ANA will add Brussels and Sydney (**58** routes in total)

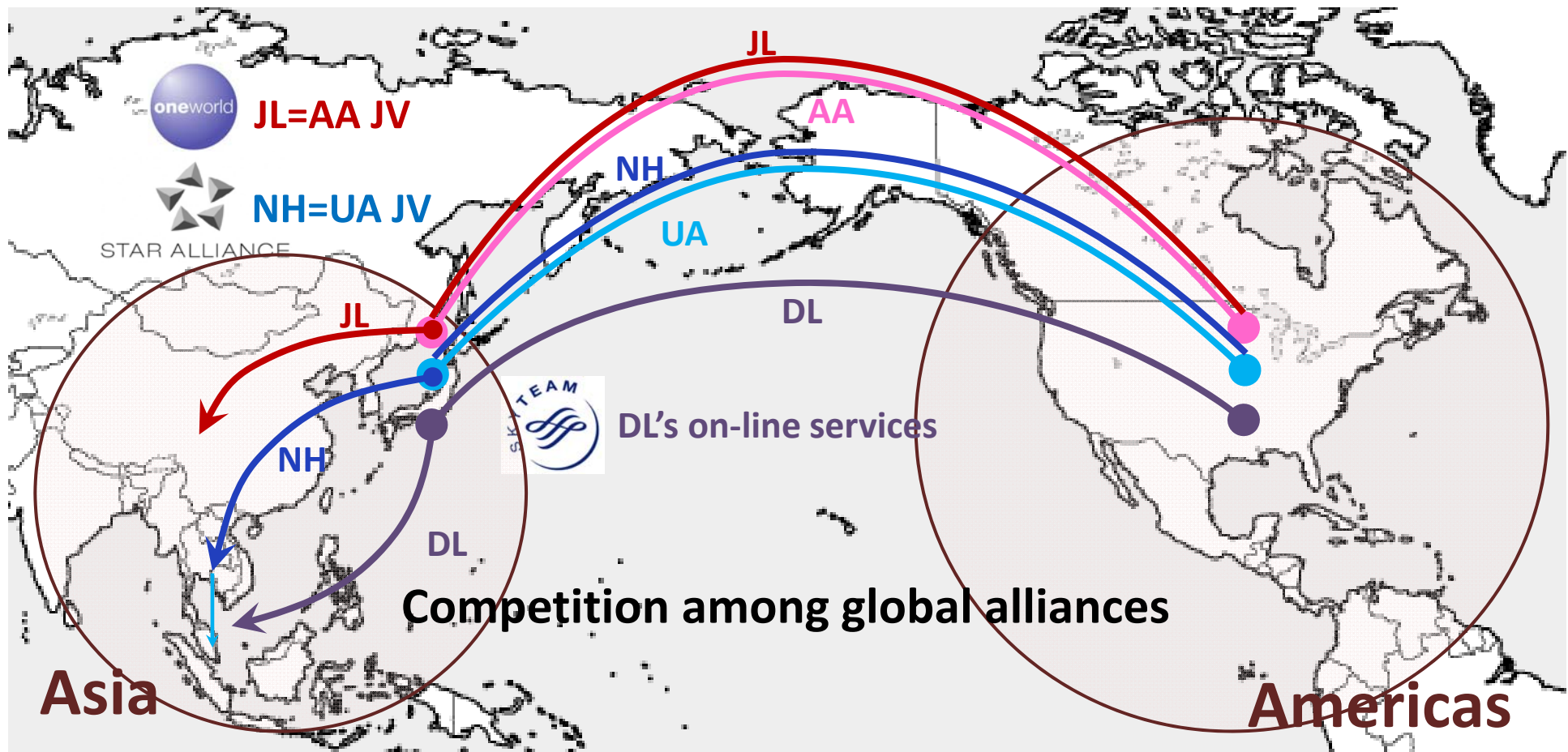


* As of Sept., 2015

- ANA's flights are marketed by **23** partners (15 from STAR ALLIANCE )
- ANA markets flights of **26** partners (18 from STAR ALLIANCE )



- Japan-US Openskies enabled metal neutral JVs by JPN & US airlines
- Passengers will enjoy choice out of three global alliances



Openskies

- Open market/de-regulation oriented
- Entry barrier removed
- Pro-competitive/efficient management



Openskies increases users' benefits through competition

Set Back of Openskies

- Protectionist/regulation oriented
- Government dependent/spoiled management

Level Playing Field is essential for fair competition

Subsidy justification:

- MEIP (Market Economy Investor Principle)

Subsidy may be justified (case by case):

- Sustainable services for remote area
- Turn-around program for airlines in difficulty under open rules
- Fostering infant industry in developing countries



Increased users' benefit through fair competition

Agenda for State Owned airlines

- Proper disclosure/transparency
- Privatization
- Independent from government influences
- Market oriented/efficient management



Fair competition among private and state owned airlines

Thanks.