



## JITI Aviation Seminar 2013 Presentation

### The Future of the U.S. – Japan Market ANA's Perspective

Yuji Hirako

Senior Vice President, The Americas



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# ANA Group's business overview

Operating revenues JPY 1,484 Billion \*

Operating income JPY 104 Billion \*

Net income JPY 43 Billion \*

Number of employees 32,634 \*

57 consolidated subsidiaries and 19 equity-method subsidiaries and affiliates \*

\* As of March 31, 2013

Ranked 14<sup>th</sup> globally in number of revenue passengers \*\*

\*\* IATA World Air Transport Statistics, 2012

## Passenger Service Network

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

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

Note: As of July 1, 2013

## Cargo Freighter Network

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

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

Note: As of July 1, 2013

## Achievements

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

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



Named  
**Airline of the Year**



Won On-Time Performance  
 Service Awards in  
**Two Categories**



Boeing 747 TTL 4



Boeing 787 TTL 20



Airbus A320 TTL 23



Bombardier DHC8 TTL 22



Boeing 777 TTL 54



Boeing 767 TTL 59



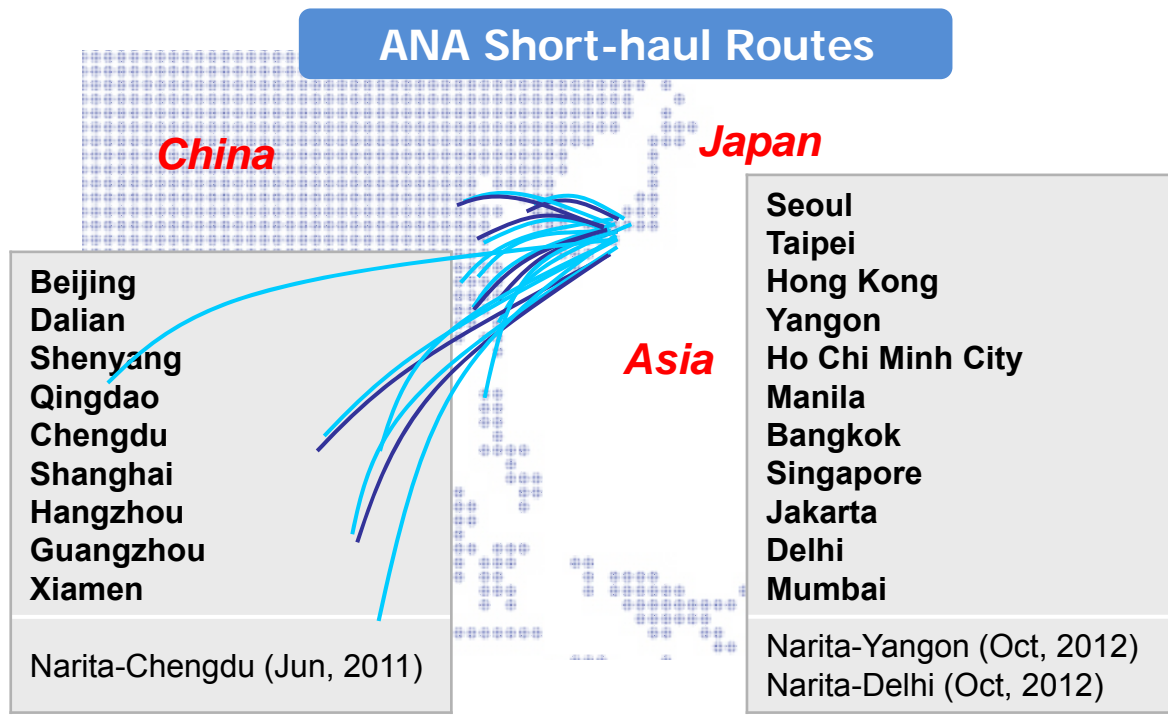
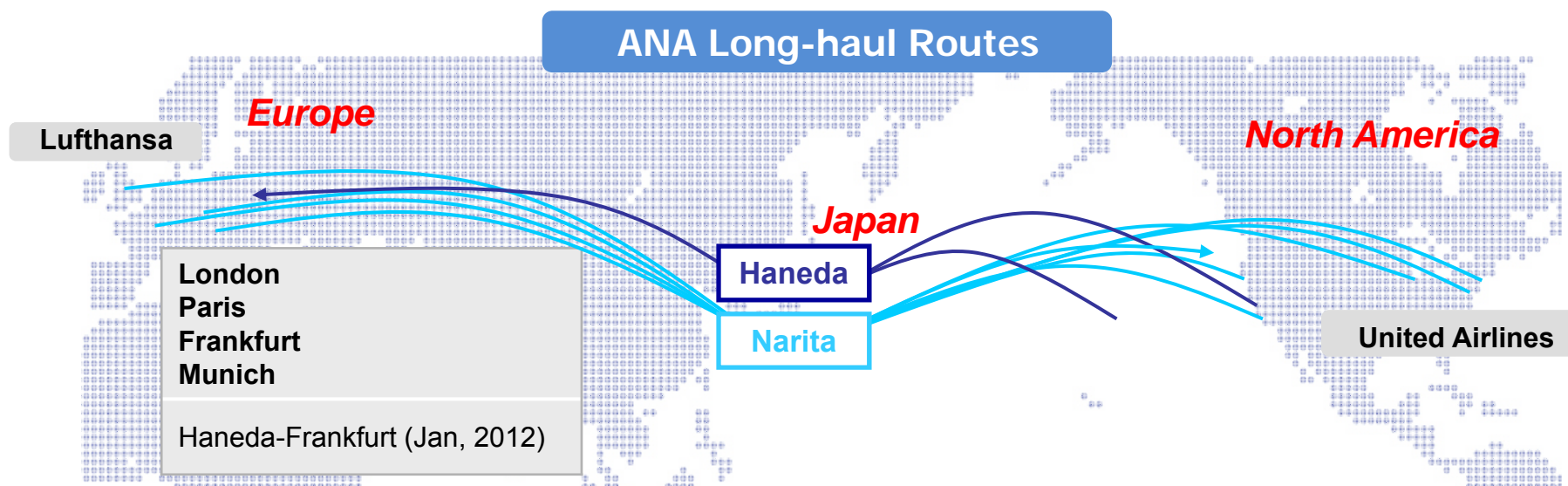
Boeing 737 TTL 53



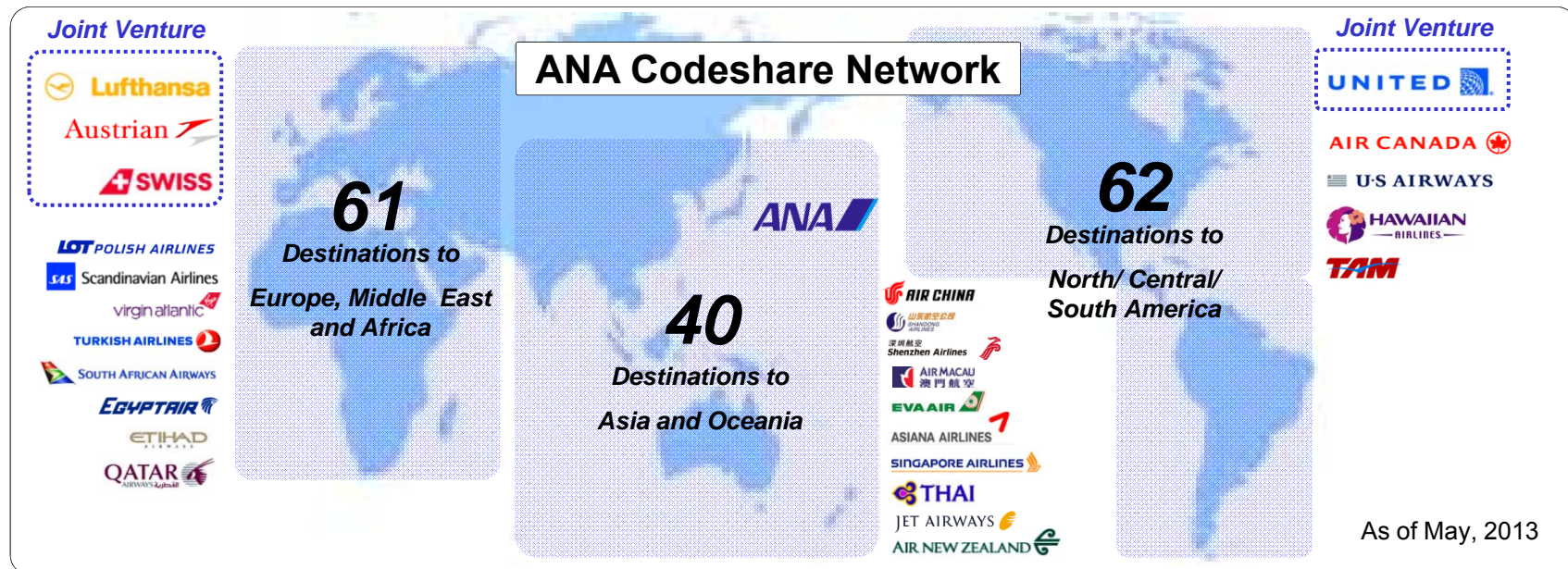
Number of aircraft 235

Including 5 aircraft operated by  
 Vanilla Air (all leased aircraft)

As of June 30, 2013







Philadelphia  
New York (LGA)  
Indianapolis  
Charlotte  
Cincinnati  
St. Louis  
Nashville  
Pittsburgh  
Baltimore  
Minneapolis  
Washington DC (DCA)  
Omaha  
Kansas City  
Grand Rapids  
Cleveland  
Greensboro  
Columbus  
Dallas  
Tampa  
Dayton  
Detroit  
Des Moines  
Toronto  
Hartford

Jacksonville  
Charleston (CRW)  
New Orleans  
Norfolk  
Burlington  
Portland  
Manchester  
Memphis

**Chicago**

Madison  
Milwaukee  
Atlanta  
Albany  
Allentown  
Winnipeg  
Westchester

Orlando  
Ottawa  
Columbia  
San Antonio  
Syracuse  
Charleston (CHS)  
New York (EWR)  
Knoxville  
Birmingham  
Buffalo  
Harrisburg  
Houston  
Providence  
Miami  
Montreal  
Richmond  
Louisville  
Lexington  
Roanoke  
Raleigh-Durham  
Rochester  
Washington (IAD)  
Austin  
Greenville

Orlando  
Chicago  
Charlotte  
Philadelphia  
Boston  
Columbus  
Raleigh-Durham  
Atlanta  
Albany  
Ottawa  
Cleveland  
Greenville  
Greensboro  
Roanoke  
Rochester  
Norfolk  
Miami

Columbia  
Jacksonville  
Syracuse  
Tampa

**Washington DC**

Charleston (CHS)  
Detroit  
Toronto  
New York (EWR)  
New York (JFK)  
New York (LGA)  
Burlington  
Buffalo  
Harrisburg  
Pittsburgh  
Providence  
Montreal  
Richmond

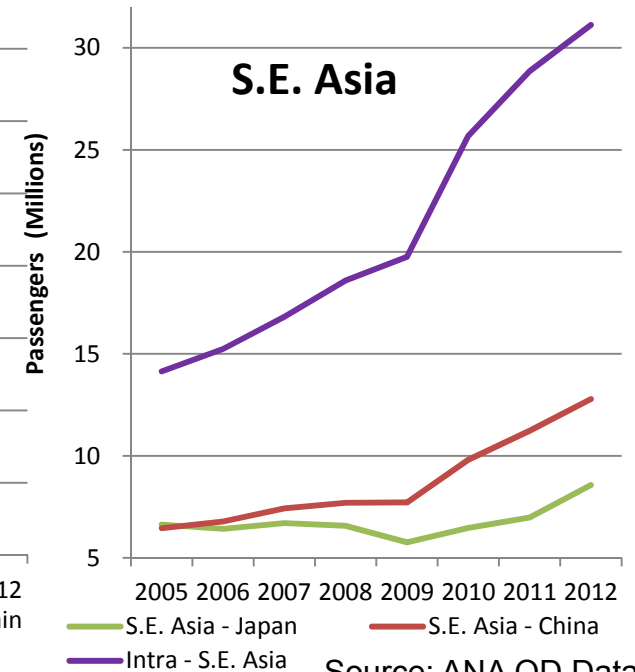
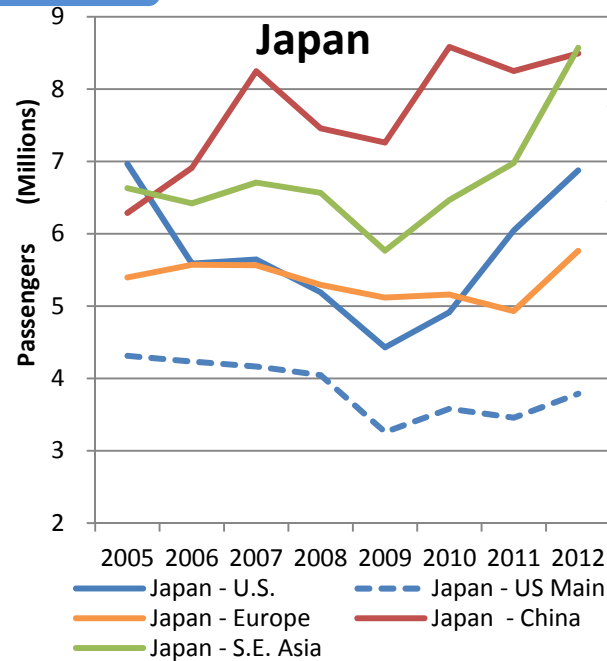
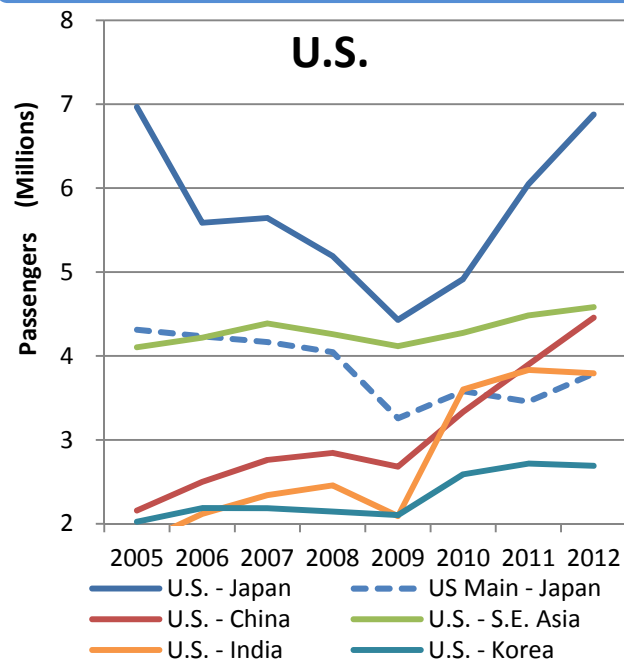
San Antonio  
Santa Ana  
Salt Lake City  
Vancouver  
Houston  
Boise  
Baltimore  
Mexico City  
Reno  
Orlando  
Tucson  
New York (EWR)  
Palm Springs  
Philadelphia  
Bakersfield  
Boston

Los Angeles  
Las Vegas  
Phoenix  
Fresno  
San Diego  
Seattle  
Portland  
Sacramento  
Santa Barbara  
Denver  
Monterey

**San Francisco**

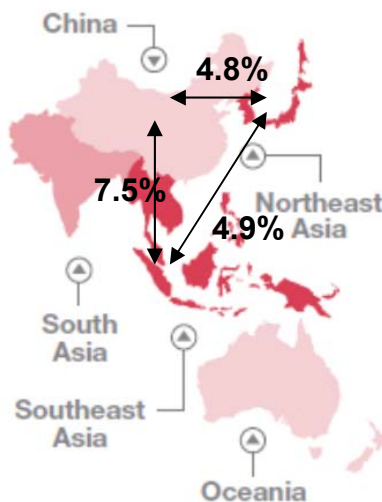
Albuquerque  
Austin

## Current Passenger O&D Demand

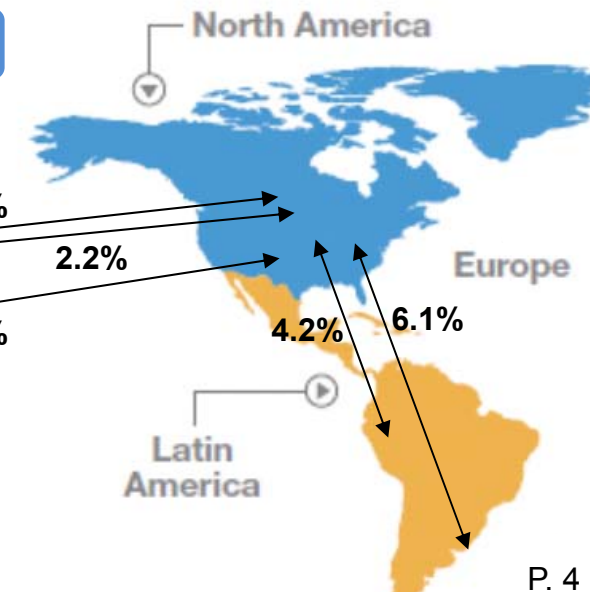
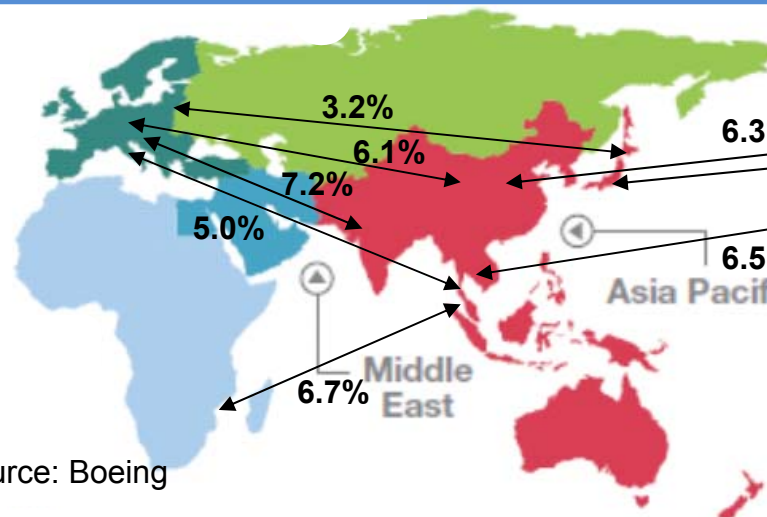


Source: ANA OD Data

## Market Outlook – Passenger growth from 2012 to 2032



Source: Boeing



1. Enhance Narita as I-I connecting hub
2. Enhance Haneda as both I-I and I-D connecting hub
3. Enhance Alliance and JVs
4. Enhance overseas PoS

Build competitive hubs in Tokyo by developing routes which take maximum advantage of the expansion in Narita and Haneda arrival/departure slots

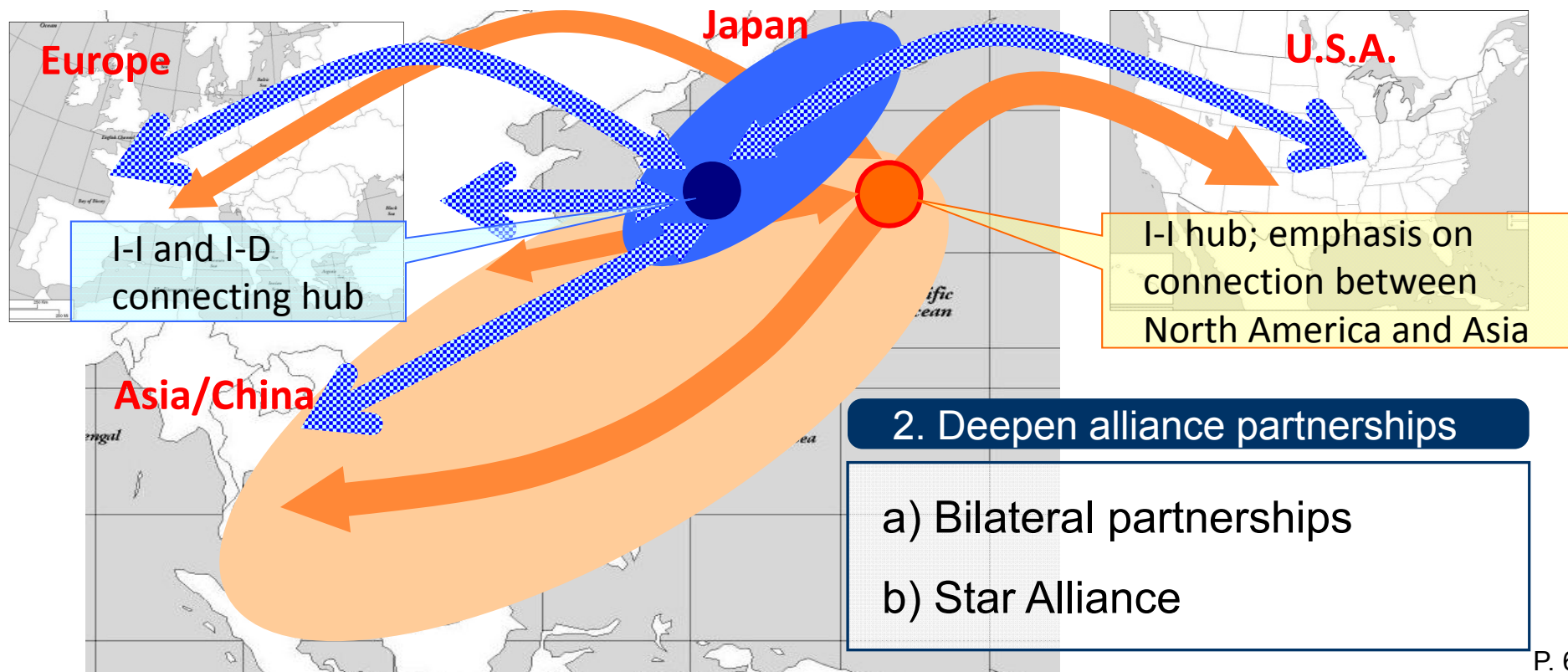
## 1. Build dual-hub model

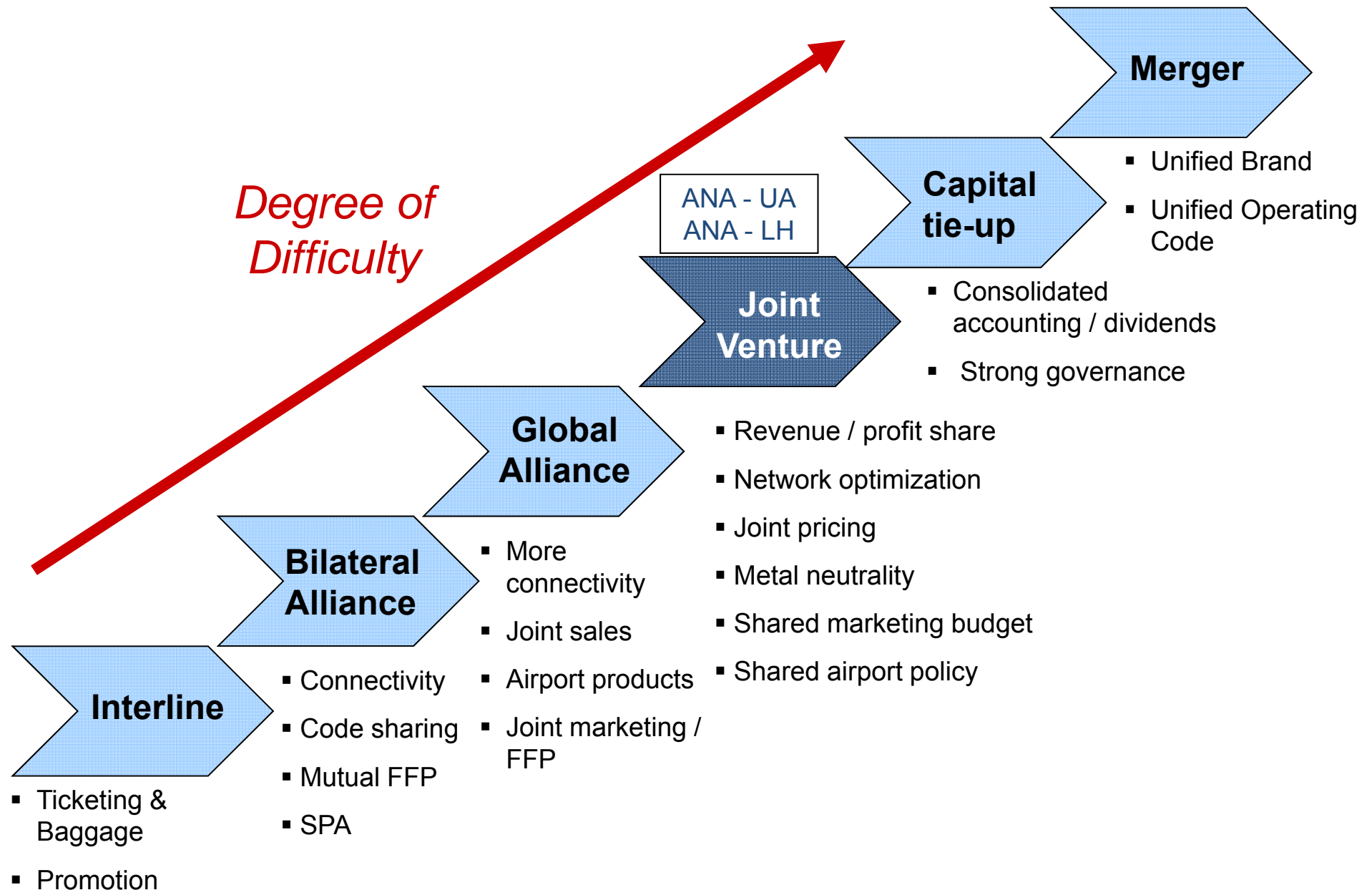
Convenience for  
local demand

Haneda

Narita

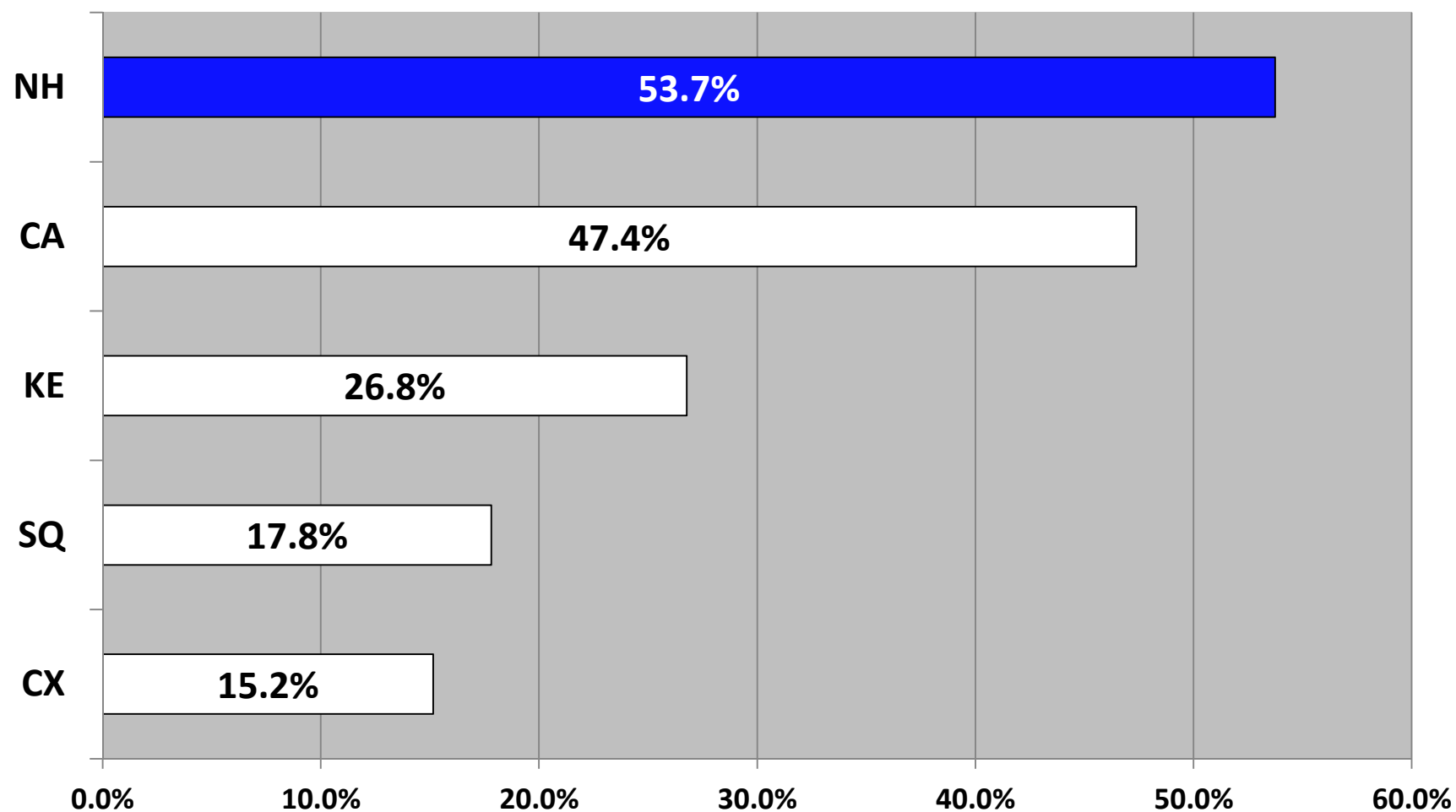
Incorporate Asia's  
growth





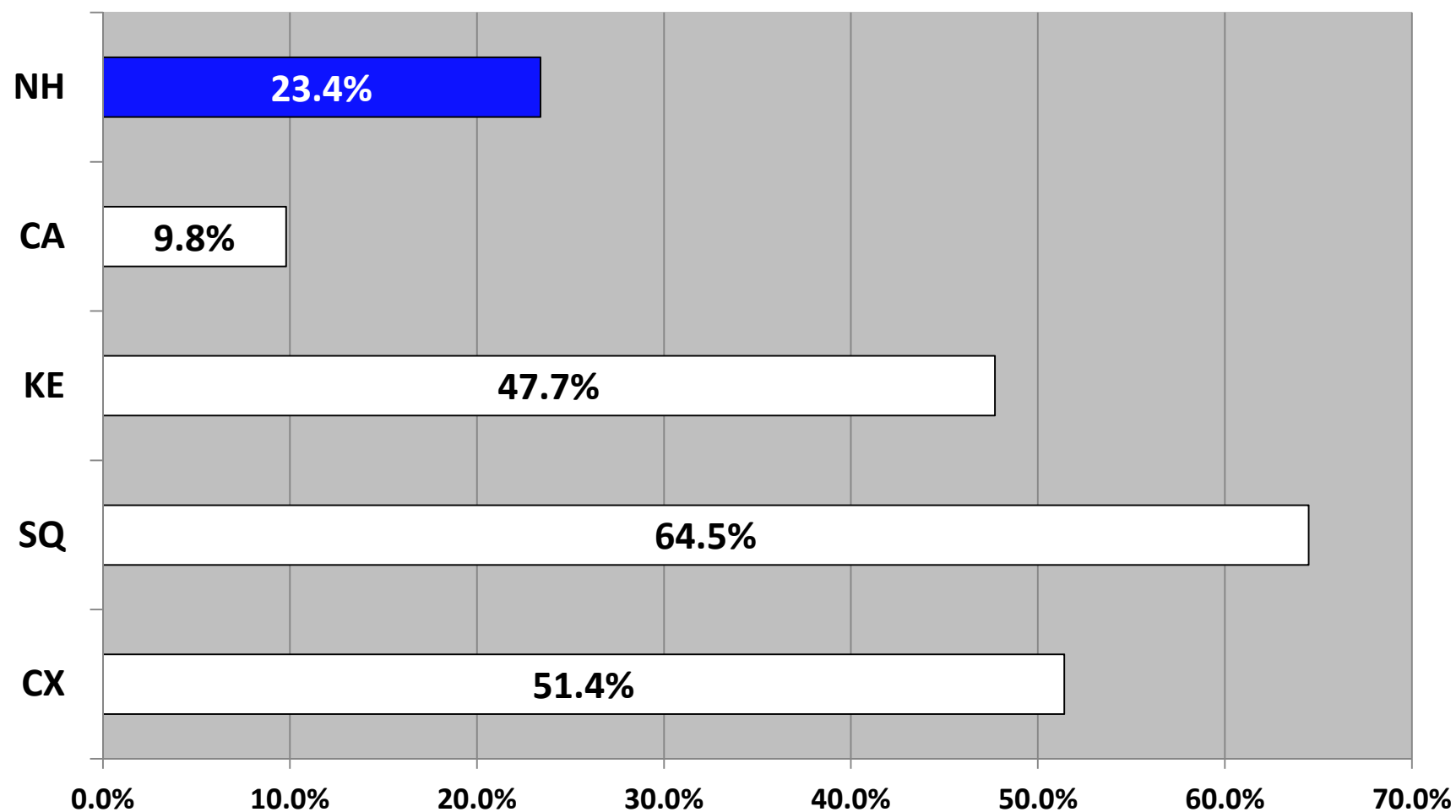


## Ratio of Point of Sale Home Country (US - Asia Traffic Only, 2012)



Source: ANA OD Data

## Ratio of 6th Freedom Traffic (US - Asia Traffic Only, 2012)



Source: ANA OD Data

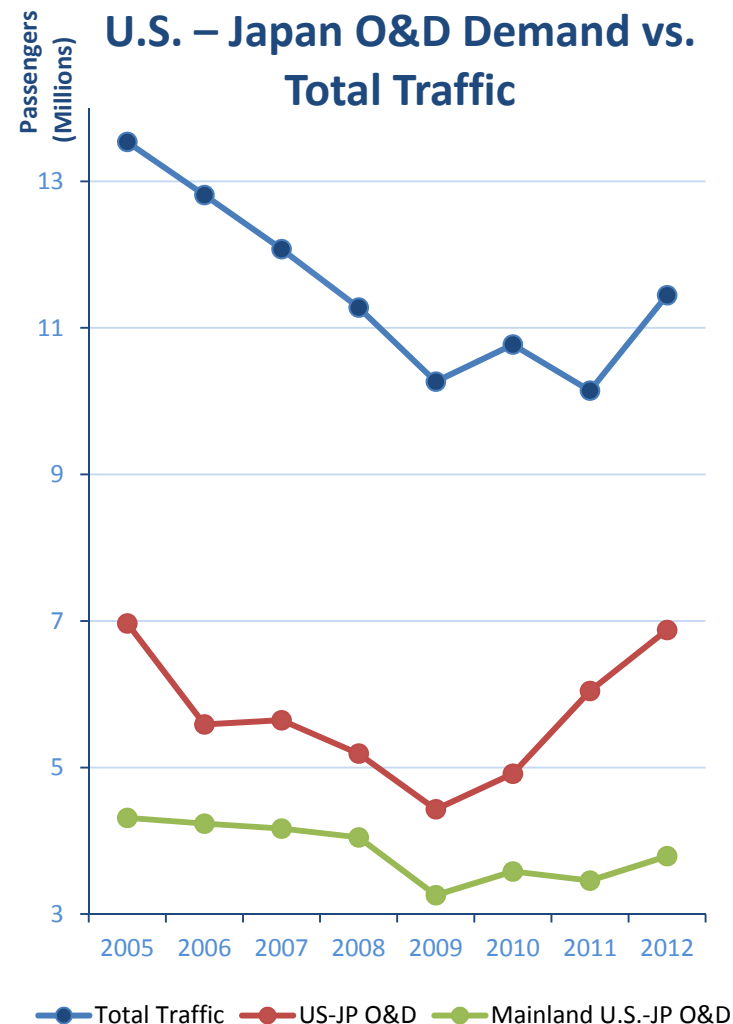
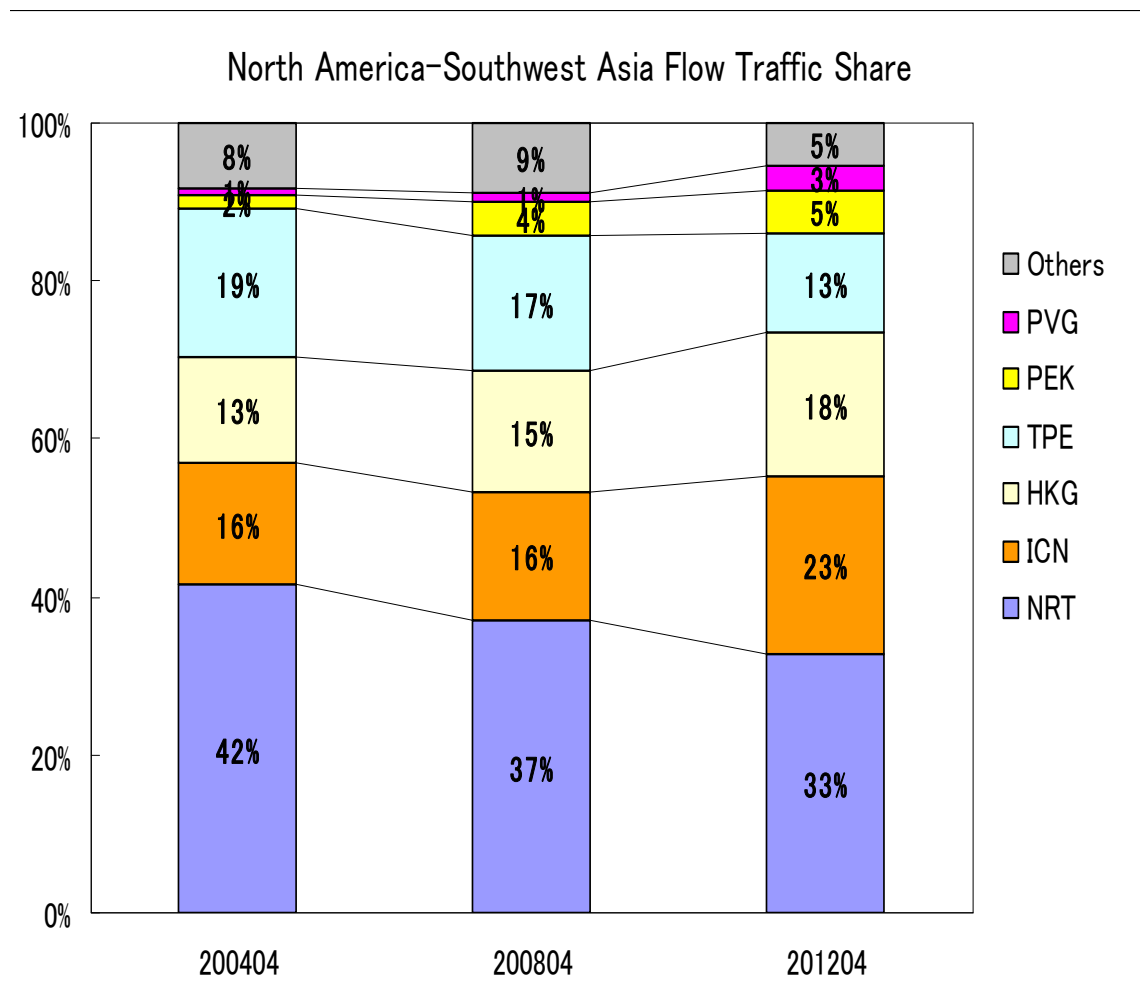
### Asian American Population Growth

Group	Population 2000	Population 2010	Percent change
Chinese	2,564,190	3,535,382	37.9%
Indian	1,718,778	2,918,807	69.8%
Filipino	1,908,125	2,649,973	38.9%
Vietnamese	1,169,672	1,632,717	39.6%
Korean	1,099,422	1,463,474	33.1%
Japanese	852,237	841,824	-1.2%
<b>Total</b>	<b>10,242,998</b>	<b>14,674,252</b>	<b>43.3%</b>

Source: Census 2010 - United States Census Bureau

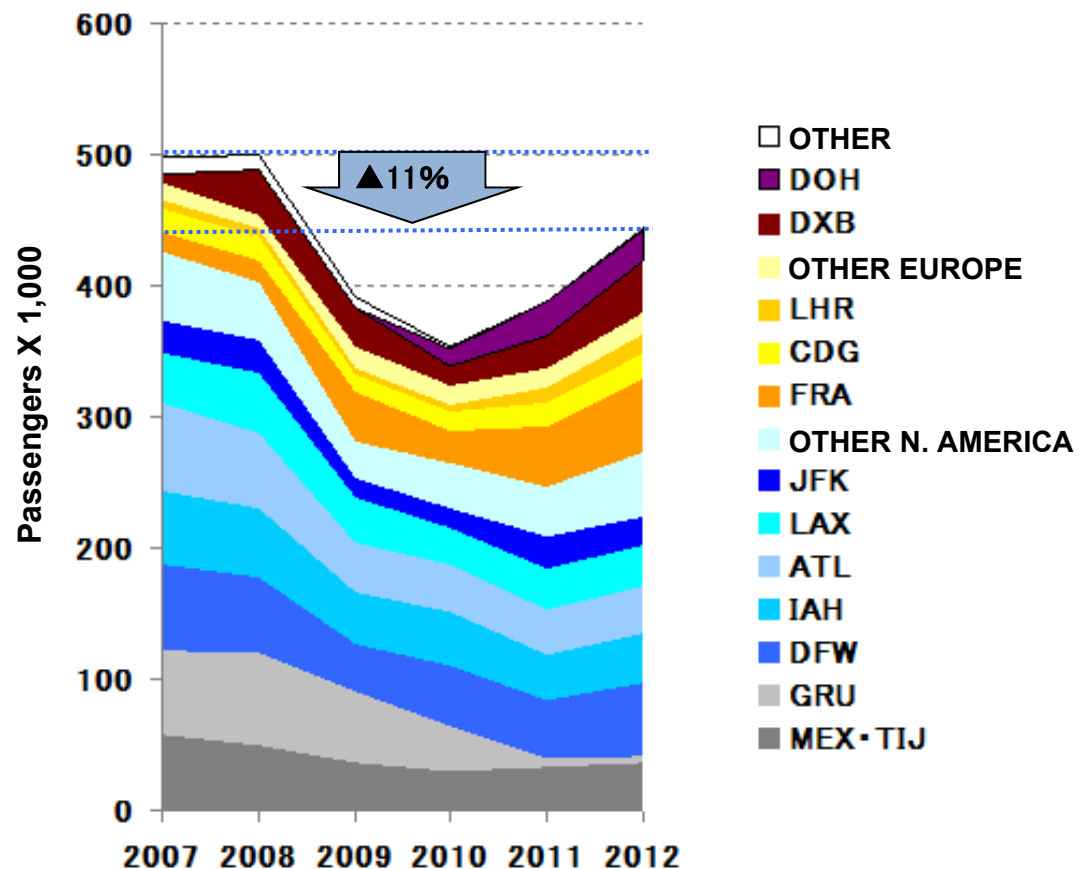
## North America – Southeast Asia

### Connecting Traffic by Hub





## Connection Hubs Between Latin America and Japan



**Overall demand between Latin America and Japan down 11% since 2007**

**North America has seen a significant decrease in traffic**

**Europe and the Middle East have been growing rapidly**

Source: ANA OD Data

		International Passengers (000)			Share (%)		
		1995	2012	diff	1995	2012	diff
HKG		27,424	55,664	+ 103%	21.2%	17.6%	-3.6%
SIN		21,743	49,910	+ 130%	16.8%	15.8%	-1.0%
BKK		15,119	39,358	+ 160%	11.7%	12.4%	0.8%
SEL		13,367	38,351	+ 187%	10.3%	12.1%	1.8%
TYO	NRT	21,488	29,638	+ 38%	16.6%	9.4%	-7.2%
	HND	759	7,900	+ 940%	0.6%	2.5%	1.9%
	Total	22,247	37,538	+ 69%	17.2%	11.9%	-5.3%
KUL		7,304	27,625	+ 278%	5.6%	8.7%	3.1%
TPE		12,586	23,129	+ 84%	9.7%	7.3%	-2.4%
SHA		1,716	17,393	+ 914%	1.3%	5.5%	4.2%
PEK		3,241	15,454	+ 377%	2.5%	4.9%	2.4%
CGK		4,584	11,790	+ 157%	3.5%	3.7%	0.2%



Narita faces a heavy concentration of competing airports in the region.



US East Coast ↔ Southeast Asia



US West Coast ↔ Southeast Asia



# Connectivity of Hub Airports in East Asia

	TOKYO			ICN	PEK	PVG	TPE	HKG	BKK	SIN	CGK
	NRT	HND	Total								
Japan	14	50	52	22	5	19	19	7	6	5	1
China	12	3	12	39	109	72	48	44	27	23	6
Others	23	7	23	36	43	27	22	43	58	63	47
	49	60	87	97	157	118	89	94	91	91	54

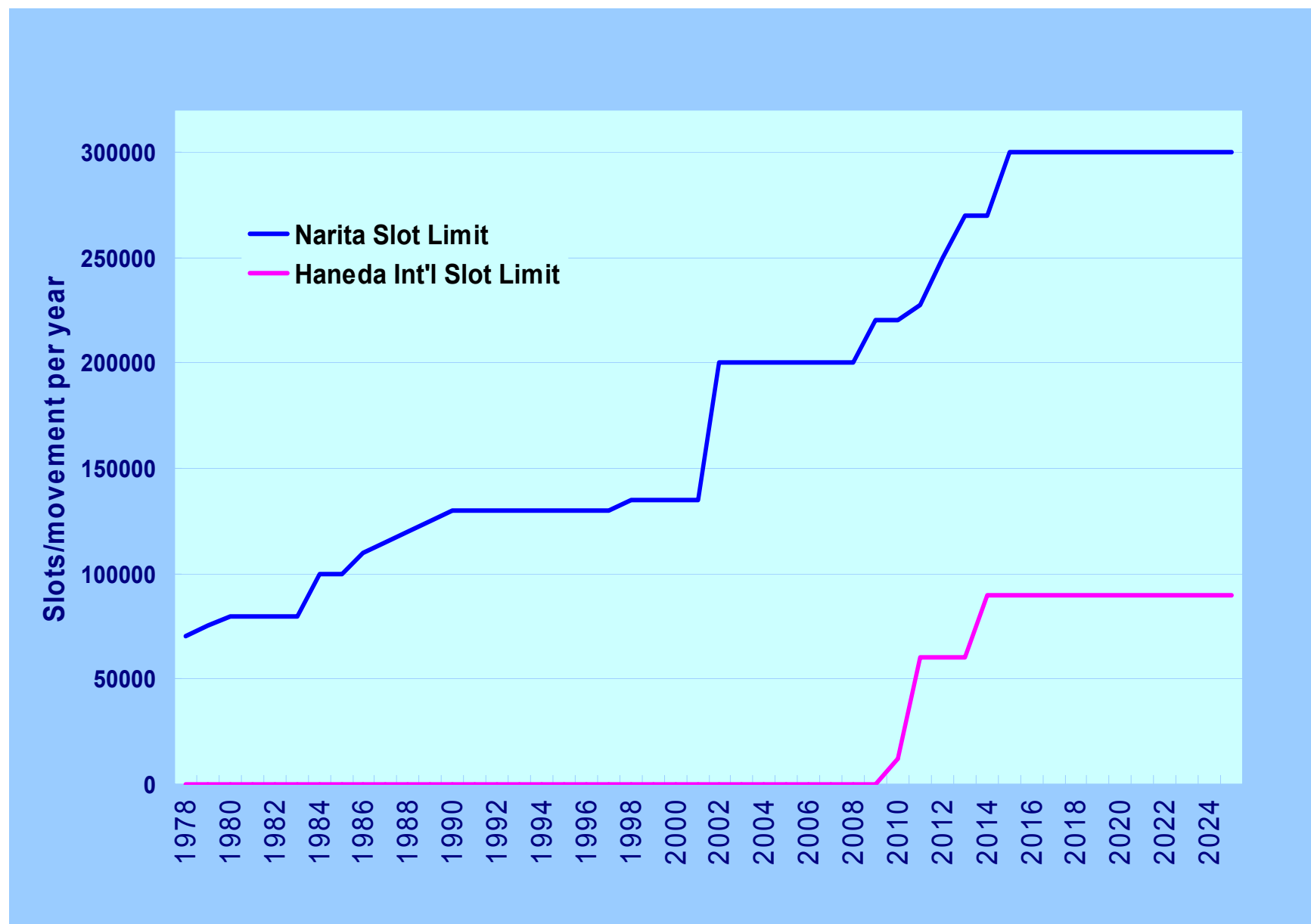
  

Mainland USA	17	4	17	10	8	7	5	5	0	2	0
HNL,GUM,SPN	3	1	3	3	1	2	1	1	0	0	0
	20	5	20	13	9	9	6	6	0	2	0

Source: IATA JUN 2013

- Kuala Lumpur, 1998
- Hong Kong (Chek Lap Kok), 1998
- Shanghai Pudong, 1999; Terminal 2, 2008
- Seoul Incheon, 2001
- Narita 2<sup>nd</sup> Runway, 2002
- Guangzhou, 2004
- Bangkok Suvarnabhumi, 2006
- Singapore Changi Terminal 3, 2008
- Beijing Capital 3<sup>rd</sup> Runway, 2007; Terminal 3, 2008
- *Shanghai Pudong, 3<sup>rd</sup> Runway, 2015*
- *New Beijing Airport, 2017*
- *Seoul Incheon, 4<sup>th</sup>/5<sup>th</sup> Runway, 2022~*





## Progress of Bilateral Air Service Agreements for incremental slots at Haneda

	Japanese Carriers	Foreign Carriers	Total
United Kingdom	2	2	4
France	2	2	4
China	2	2	4
Singapore	2	2	4
Thailand	2	1	3
Germany	2	2	4
Vietnam	1	1	2
Indonesia	1	1	2
Philippines	1	1	2
Canada	1	1	2
<b>Sub Total</b>	<b>16</b>	<b>15</b>	<b>31</b>
Slots remains to be allocated			9

Source : MLIT  
(As of Oct 2, 2013)

Allocation of daytime slots at Haneda to U.S. flights is essential for increasing the traffic between Japan and the U.S.

Total slots to be allocated from Apr 2014

40



Prime Minister Shinzo Abe has called 2020 Olympics the fourth arrow of Abenomics.



## News reports on reinforcing airports in the greater Tokyo

- ◆ The number of takeoff and landing slots at Haneda and Narita airports will be increased and construction of infrastructure will be brought forward. (September 9, Nikkei Shinbum)
- ◆ It is necessary to strengthen the function of airports in the greater Tokyo metropolitan area from the perspective of strengthening Japan's international competitiveness as a business hub (September 10, press conference with the Minister of Land, Infrastructure, Transport and Tourism)
- ◆ Tokyo's Haneda and Narita airports may get more flights (September 10, Japan Times)



***Increase the number of departure and landing slots at Haneda Airport and Narita Airport***



***Build a new railroad that directly connects Narita and Haneda airports with the center of Tokyo***



***Measures to combat the aging of Shuto Expressway***