

June 7, 2005

To Shareholders

Mineo Yamamoto
President & Chief Executive Officer
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1-5-2 Higashi-Shimbashi
Minato-ku, Tokyo 105-7133, Japan

Notice of the 60th Ordinary General Meeting of Shareholders

We are pleased to announce that the 60th Ordinary General Meeting of Shareholders will be held as below. We would highly appreciate your attendance at the meeting.

In the event that you will not be able to attend the meeting, you can exercise your proxy voting rights in writing or by electronic means. To do so, please examine the Supplementary Information for Exercise of Shareholder Voting Rights enclosed herein together with this notice. Please indicate whether you are FOR or AGAINST each of the Agenda Items shown on the enclosed Form for Exercise of Shareholder Voting Rights by placing a check mark in the appropriate box, signing the form or affixing your seal and returning the form to the address indicated. In the case of electronic voting, please vote in accordance with the instructions at the end of this notice.

Thank you

Date, Location and Agenda of the Meeting

1. Date of the meeting: June 28, 2005 (Tuesday), 10:00 AM
2. Location: ANA Hotel Tokyo, Prominence Room;
12-33, Akasaka 1-chome, Minato-ku, Tokyo
3. Objectives:
Matters to be reported:
(a) Consolidated Balance Sheets and Consolidated Statement of Income for the 55th term (from April 1, 2004 to March 31, 2005), and Audit

Report of Consolidated Financial Statements of Independent Auditors and the Board of Corporate Auditors.

- (b) Business Report, Non-consolidated Balance Sheets and Non-consolidated Statement of Income for the 55th term (from April 1, 2004 to March 31, 2005), and Acquisition of treasury stock by a resolution of the Board of Directors as authorized by the Articles of Incorporation.

Matters to be resolved:

1 .

Approval of Proposal for Appropriation of Profit for the 55th term

2 . Changes in certain sections of the Articles of Incorporation

(Please refer to the Supplementary Information for Exercise of Shareholder Voting Rights presented on pages 42 to 43 of this notice)

3 . Election of 15 Directors of the Company

4 . Election of 2 Corporate Auditors of the Company

5 .Revision of the Amount of Remuneration of Corporate Auditors

If you attend the meeting, please show the enclosed Form for Exercise of Shareholder Voting Rights at the reception desk.

APPENDIX

Business Report for Fiscal 2004 (the 55th term)

(April 1, 2004 to March 31, 2005)

1. Overview

(1) Operations and Results of ANA Group as well as Issues to be Addressed

In the first half of the current fiscal year, the Japanese economy steadily recovered thanks to export growth supported by favorable economic conditions in the U.S. and China, and the increase in capital investment attributable to improved corporate earnings. In the latter half of the current fiscal year, however, crude oil prices stabilized at high levels, meaning that raw material prices rose sharply. The growth rate for capital investment slowed due to fear of the adverse effect on exports of a strong yen. Under such circumstances, economic recovery appears to have paused, leaving uncertainties about the future.

In the Japanese airline industry, although demand for domestic services was sluggish, demand for international leisure and business travel was robust, enjoying a rebound from the adverse influence of SARS in the previous year.

Large, new airport facilities have opened in succession: the second terminal at Tokyo's Haneda Airport (opened December 1, 2004) and Nagoya's Central Japan International Airport (known as 'Centrair', opened on February 17, 2005). These airport facilities incorporate a wide range of advanced facilities targeting not only safety but also universal access and shorter connection times. Moreover, they were constructed not only as facilities designed for people in transit, but as commercial complexes in their own right, satisfying both passengers and other customers. Therefore, these facilities are expected to contribute to raising aviation demand overall including attracting new business.

Meanwhile, the rise in crude oil prices caused by international instability in such areas as Iraq has caused increased jet fuel costs, which seriously affect earnings and have an adverse effect on air transportation services. As a result, every airline company has been compelled to raise air fares for both international and domestic flights in order to cover part of their cost increases.

The ANA Group has limited its exposure to price fluctuation risks through hedging transactions that

cover nearly all of its jet fuel requirements. However, as the effect of the rise in crude oil prices gradually becomes more evident, it does not appear that jet fuel market prices will return to historical levels. Therefore, we decided to raise domestic air fares from January 2005. In addition to raising international air fares from July 2004 in accordance with the decision of IATA, we decided to introduce a special fuel surcharge on international air fares from February 2005. We also revised the amount of a special fuel surcharge for international cargo twice in July and October of 2004.

Under such circumstances, in order to develop a structure by which we can earn stable profits given any business environment, our Group worked to implement its Three Year Cost-Reduction Plan, targeting fundamental cost structure reforms and annual saving of ¥ 30 billion over the three-year period from April 2003 to March 2006. Around ¥19 billion in costs was cut in fiscal 2003, the first year of the plan. In fiscal 2004, the year under review, our Group actively pushed forward measures addressed in every area of the Plan, such as labor cost reduction, resulting in the target of ¥30 billion being reached one year ahead of schedule.

As a result, in spite of a business environment under which the burden of jet fuel costs increased due to the rise in crude oil prices, ANA posted on a consolidated basis operating revenues of ¥1,292.8 billion, an operating profit of ¥77.7 billion and recurring profit of ¥65.2 billion. The net profit for the year stood at ¥26.9 billion, after the transfer of extraordinary profit of ¥2.1 billion which came from a gain on sales of investments in securities, etc., and extraordinary losses of ¥21.6 billion the sale and disposal of corporate dormitories and unutilized facilities, revalued hotel properties and bad debt reserves, and costs of relocation at the new terminal at Haneda Airport, etc.

Although corporate earnings are improving, it is generally anticipated that the business outlook remains bleak, since growth in exports, one of main reason for economic recovery, is flattening out under the influence of the strong yen, and individual consumption is also sluggish, reflecting the severe employment and income situation.

The aviation industry in Japan is also facing a situation of inevitable increases in fuel costs due to the rising crude oil price, which has stabilized at high levels. Even if the fuel cost burden is partly covered by airfare revisions etc., it still remains a key issue for airlines in terms of how they will absorb the increases. In addition, cost increases in the Kansai area are anticipated as the operational structure is decentralized and long-haul services are shifted from Osaka's Itami Airport to mainly Kansai International Airport - due to the regulations imposed on Itami Airport effective from this April - and the opening of Kobe Airport in February 2006.

Against this background, ANA Group will ensure safe operations and enhance crisis-management systems with the understanding that “safe operations are the foundation of ANA’s business, and the maintenance of safety is an airline’s duty to society” as defined in the “ANA Group Safety Principles”. Keeping this as our number one priority, we will also continue our cost reduction efforts and strive to develop our stable profit foundation.

The three years from fiscal 2005-2007 is a crucial period to enhance competitiveness, improve our financial position and strengthen corporate stability in order to prepare for the intensified competition expected in the wake of the expansion of Haneda Airport scheduled for 2009. We have thus also announced a new growth strategy in the form of the “ANA Mid-Term Corporate Plan (Fiscal Years 2005-2007)”, and will take the following measures during the fiscal year 2005 based on the above Plan:

In domestic airline services, we will advance the use of “FAM” (Fleet Assignment Model), a system that facilitates the optimal use of aircraft type to meet demand, and strive to further reduce operational costs through more meticulous management, such as finely matching aircraft frequency and capacity with demand, and the appropriate use of different aircraft on weekdays and at weekends. In addition, we will promote the Differentiation Strategy, with such products as our “Super Seat Premium”, and formulate a comprehensive transportation strategy including ground transportation as well as strong business ties within ANA Group and with allied airline companies. Moreover, Air Next, a new company of ANA Group operating narrow-body aircraft (Boeing 737-500) commences operation from this June. In this way, we will develop a stable and low-cost system and improve our profitability in narrow-body operations.

As for international airline services, we are planning to further expand our China route network. Having started operations on the Narita-Guangzhou route from this April, plans to expand include Nagoya (Centrair) to Guangzhou, Beijing and Shanghai. In addition, we are planning to increase frequency and develop a network mainly for short haul international services using the newly introduced Boeing 737-700, and will improve efficiency by using the same aircraft on both domestic and international routes. In doing so, we will promote short haul international services as an extension of domestic services – emphasizing ease for both customer and operator.

As for cargo and mail services, we will introduce an additional two Boeing 767-300F freighters during fiscal 2005 to enhance our short haul international cargo business, as well as scheduled late-night cargo flights on the Haneda-Saga and Centrair-Saga routes. It is our aim to make strengthened mail and cargo services the “third pillar of the Group’s aviation business”.

Further cost reductions will be achieved by rationalizing several aircraft types. We are planning to retire two a Boeing 747SR-100 and two a Boeing 747-200 aircraft, leaving only 747-400s in the 747 fleet. In addition, we are planning to introduce three Boeing 777-300ERs, two aircrafts Boeing 777-200, two Boeing 767-300F for cargo services and four 737-700s - a new type for ANA. We will increase cost competitiveness by the introduction of these economically efficient models.

In the meantime, as far as our travel related business is concerned, we will differentiate the tour products offered by ANA Sales from others in the market. We will further promote integration of our marketing division and marketing activities in order to enhance marketing strength and increase business efficiency.

As for our hotel operations, we will continue to improve our revenue and expenditure, and provide management support for hotels affiliated with ANA HOTELS, to enhance profitability and strengthen the foundation of the chain.

In terms of trading and retailing operations, we have increased sales to customers outside ANA Group, mainly in retail, and will continue to promote this trend.

As for our building maintenance operations, we achieved efficiencies and a stronger competitive edge by integrating three companies into a single entity called Sky Building Co Ltd. We will use the combined know-how of the former separate companies to expand our customer base outside ANA Group.

ANA Group will continue to pursue the establishment of a base upon which we can secure stable revenues even when the surrounding economic conditions remain unfavorable.

We would like to take this opportunity to thank our shareholders and request their continuing support.

The following is a summary of ANA's performance by business segment during the fiscal year.

Air Transportation

Domestic Airline

< Domestic Passenger Transportation >

On domestic routes, we worked to further stabilize our revenue structure. We strived to achieve a recovery in unit price through the active use of the PROS (Passenger Revenue Optimization System), which appropriately allocates seats in line with demand trends to maximize revenues. At the same time, we strived to raise yields and profitability, despite a decline in available seats stemming from aircraft downsizing, through the fully fledged utilization of a fleet assignment model (FAM), which is a system that facilitates the use of aircraft suited to demand.

In this environment, we enhanced service on routes from which we expect strong demand. In April, we increased flights on the Tokyo–Osaka, Osaka–Okinawa, Nagoya–Fukuoka, and Nagoya–Kagoshima routes. In June, we established the Nagoya–Wakkanai route and increased flights on the Tokyo–Wakkanai, Fukushima–Sapporo, Niigata–Sapporo, and Sendai–Sapporo routes. We also took steps to enhance our network, such as expanding regional operations using small turbo-prop aircraft (Bombardier Q400s) operated by Air Nippon Network and operating 14 round-trips per day on the Osaka (Itami)–Kochi route.

In conjunction with the opening of the second terminal at Haneda Airport on December 1, 2004, we launched the Smart eService, which enables customers, who have purchased tickets in advance through the Internet, etc. to check in from anywhere using a personal computer or cellular phone. By enhancing various services in areas from check-in to boarding, we have been able to increase the convenience of our customers. Moreover, we improved the airfare system and services of the “Super Seat” and began the new Super Seat Premium service, which offers enhanced levels of comfort and amenity.

Central Japan International Airport (Centrair) opened in February 2005. At the same time, through Air Central (formerly Central Japan Airline Service), which became a consolidated wholly-owned subsidiary in November 2004, we expanded the network connecting the new airport with domestic local airports such as Centrair–Fukuoka, Tottori, Yonago, Tokushima and Matsuyama, and increased the convenience of connections between domestic and international flights at Centrair. In addition, on a trial basis, we endeavored to significantly reduce connection times and increase convenience and competitiveness by aligning the schedules of our Centrair–Fukuoka and Centrair–Sapporo flights with those of the airport trains operated by Nagoya Railroad Co., Ltd.

Moreover, in August 2004, for the purpose of securing cost competitiveness in excess of that of competitors and enhancing our strategic position in the field of small aircraft, we established a new airline, Air Next Co., Ltd., and commenced preparations for the June 2005 start of operations at the new airline, which will be based at Fukuoka Airport.

We worked in the year under review to promote the adoption of “Electronic Money Edy” and to expand the number of establishments including shops and restaurants in Chinatown in Yokohama and Universal Studio Japan at which it can be used. Furthermore, as an external AMC tie-up in order to add value to AMC, we began a mutual exchange agreement between AMC and the points program of Rakuten, Inc., and we commenced an operational tie-up centered on the Mizuho Mileage Club, operated by Mizuho Bank, Ltd in order to endeavor to advance the value of “ANA Mileage Club”.

<Domestic Cargo and Mail Services>

In domestic cargo services, we recorded solid results since our business was bolstered by a recovery in economic sentiment in the first half of the fiscal year and the operation of late-night, scheduled cargo flights on the Haneda–Saga route starting in July created a new business. In the second half of the fiscal year, the cargo volumes were less than the second half of the previous fiscal year, because an unprecedented number of typhoons hit the Japanese archipelago and caused significant damage to vegetable-producing regions including Kyushu area. Nonetheless, thanks to the favorable conditions of the first half of the year, cargo revenues and volumes both recorded increases for the full fiscal year.

In mail services, we revised our flight schedule and endeavored to be recertified for transporting mail and brake into unscheduled loaded mail services. Also, the enhancement of Japan Post’s parcel program created new demand. As a result, the volume of mail carried rose significantly more than those of the same period of the previous year, but mail revenues declined due to lower unit prices.

International Airline

<International Passenger Transportation>

We achieved a significant increase in international passenger services revenues. This increase was attributable to solid demand on European and U.S. routes, as well as to our efforts to secure new package tour demand by further expanding our China route network and implementing a range of

sales campaigns. We also worked to expand revenues by using data accumulated through the PROS system which was introduced three years ago in order to further enhance its application.

In this setting, we strengthened our pipeline to the Changjiang river delta, where growth in tourism, business, and cargo demand is high. From the beginning of the fiscal year, we operated four flights a week on the Narita–Hangzhou route, and three flights a week on the Kansai–Hangzhou route, resulting in daily service between Japan and Hangzhou. Moreover, we further bolstered our Asia network. Between Japan and Shenyang, in addition to the existing Kansai–Shenyang route, we established the Narita–Shenyang route. In November, we commenced twice-daily service on the Narita–Bangkok route. Furthermore, in conjunction with the opening of Central Japan International Airport, we worked to build our network from the airport, which will serve as a new gateway to overseas destinations. We established a Centrair–Seoul route, and at the same time implemented code share arrangements with Star Alliance members and other airlines in order to establish Beijing, Singapore, Kuala Lumpur and San Francisco routes.

We also provided a common lounge for customers of ANA and Star Alliance members at Central Japan International Airport which was the first establishment in Asia and began working for effective use of the facility at airport.

On April 1, we extended our e-ticket product, where conventional paper tickets are not needed, to include 16 routes to 8 airports in China. We made e-ticket service available to all China routes from Narita or Kansai and we expanded its service to the flights operated by United Airline as well as our flights in December. We also strove to raise customer convenience through services drawing on information technology. From July, for customers traveling with e-tickets on international flights, we began an international advance check-in service, called “e-PreCheck-in,” which enables them to use a PC or cellular phone to check-in by themselves.

As a result of these efforts, we achieved a recurring profit on international passenger services for the first time since we began offering service to Guam in March 1986.

<International Cargo and Mail Services>

In international cargo services, we were able to improve our performance due to the undertone of recovery in Japan’s economy, economic growth in China and other Asian countries, and robust IT-related shipments, such as digital consumer goods. In October, we set record high levels for cargo revenues and volume. Although shipments subsequently turned somewhat sluggish due to inventory adjustments for information technology products, our results for the full year improved.

In terms of outbound shipments, our performance improved substantially from the previous year due to solid demand for shipment of digital consumer goods bound for Europe and the United States and of electronic components and automotive parts to China and Southeast Asia. In terms of inbound shipments from Europe and the United States, our performance declined from the previous year, due to tough competition caused by excess supply, and in part to the low price strategy of competing airlines. From Southeast Asia, the amount of cargo carried decreased resulting from downsizing of the cargo; however, we maintained solid results, supported by strong demand for electronic components and fresh cargo. As for China, economic growth led to solid demand, and our cargo freighter recorded a strong performance; as a result, we achieved a significant increase in shipments from the previous year.

In mail services, although China Southern Airline started its cargo freighter service to Kansai Airport and it affected our mail services, cargo volume increased from the previous year resulting from increase of economy mail services from Frankfurt. However, due to lower prices stemming from a reduction in long-haul mail, operating revenues declined from the previous year.

Other Businesses

We worked to increased revenues from aircraft maintenance and ground services, such as passenger check-in and baggage handling, provided to other airlines, as well as from in-flight sales.

Travel Services

During the fiscal year under review, ANA Sales & Tours consolidated its affiliated companies in Hokkaido, Kyushu and Okinawa as a wholly owned subsidiary by a share exchange as of May 1, 2004 in order to reinforce the system of group travel business, and the corporate name was changed in this January to ANA Sales, a friendly and simple name, in order to enhance the presentation of a consistent image for ANA Group.

In domestic travel services, we worked aggressively to sell products targeting the summer vacation season such as “Pika Summer Family Tour”, “Adventure Hokkaido” and “Paradise Okinawa” and at the same time bolstered our web sales system through the a-tour domestic and overseas travel web site. As a result, sales of tours to all regions were favorable, with especially strong performances by tours to Okinawa and Kyushu. Overall, our performance increased from the previous fiscal year.

In overseas travel services, demand recovered from the severe decline seen in the previous years stemming from the war in Iraq and SARS. Travel to China and other Asian destinations increased substantially. In particular, we bolstered our business in tours to China by setting up various types of tours, establishing a dedicated line for a call center and establishing local subsidiary ANA Tours (China) Co., Ltd, resulting in better services and facilities for receiving tourists. Products for Europe and the United States continued to enjoy firm demand, and sales of products using charter flights during the summer vacation season were firm, leading to a significant increase in performance over the previous fiscal year.

Hotel Operations

In hotel operations, under our hotel business-restructuring plan, ANA Hotels and Resorts Co., Ltd., which provides management services for our chain hotels, promoted the use of profit management techniques to enhance profitability for the chain as a whole. In particular, in advance of other hotel chains, we introduced a profit management system, “Revenue Management System”, at our flagship ANA Hotel Tokyo.

Renovation work to improve facilities is ongoing at ANA Hotel Osaka and ANA Hotel Hiroshima, and was completed at ANA Hotel Tokyo during this fiscal year.

Despite unusually severe typhoon conditions, our Okinawa resort hotels succeeded in improving their performance. On the other hand, reservations at certain hotels had to be halted due to renovation work during the year under review, and demand for weddings and other banquets remained sluggish. As a result, we were unable to avoid recording an operating loss.

Other Businesses

All Nippon Airways Trading Co., Ltd., which conducts trading and sales of goods, recorded increased duty free sales, where sales had declined in the previous year, due to recovery in demand in overseas travels. Also, thanks to the establishment of new shops following the openings of the second terminal at Haneda Airport in Tokyo and the Central Japan International Airport in Nagoya, ANA Trading achieved significant growth in sales in the customer services field. Moreover, aircraft parts, direct sales, and food operations enjoyed solid demand. Overall, ANA Trading recorded higher revenues and profits.

ANA Information Systems Planning Co., Ltd., which provides information system development,

maintenance, and operation services to ANA and other Group companies, registered a small increase in sales from the previous year despite of decrease in sales in the system development division due to reduction of the Company's investment in system, thanks to maintenance and operations services for systems introduced in the previous fiscal year.

ANA Real Estate Co., Ltd., which operates as a real estate agent and insurance agent, principally in the field of leasing, recorded a basically favorable performance in each of its divisions and promoted expansion in the non-asset field, with favorable results in the management of leased buildings and, following progress in the previous year, the opening in the year under review of three apartment buildings made to be subleased. Revenues, however, declined, due in part to the recording in the previous year of revenues from the disposal of a former company-housing site. However each business unit was in good condition thanks to demand for housing services from companies within the Group, and the acquisition of new insurance contracts along with the opening of the Central Japan International Airport.

Revenues of each line-of-business and transport performance of the Company group are as follows:

Yen (Billion)

Segment	Revenues	Operating Expenses	Operating Income or Operating Loss ()
Air Transportation	1,066.9	998.9	68.0
Travel Services	190.2	187.1	3.1
Hotel Operations	69.4	69.9	0.4
Other Businesses	183.3	176.3	6.9
Total	1,510.0	1,432.4	77.6
Intercompany elimination / adjustment	(217.2)	(217.3)	0.0
Consolidated	1,292.8	1,215.0	77.7

(Note) Sales include inter-segment transactions.

Yen (Billion)

Segment		Fiscal 2004 (current term)	Fiscal 2003 (previous term)	Year on year
Domestic Routes	Passenger revenues	658.7	644.8	102.2%
	Cargo revenues	29.5	26.6	110.7%
	Mail revenues	8.5	9.2	92.9%
International	Passenger revenues	210.7	176.9	119.1%
	Cargo revenues	50.0	43.2	115.9%

	Mail revenues	2.8	3.1	89.1%
	Other revenues	106.4	93.8	113.4%
	Total	1,066.9	997.9	106.9%

Segment		Fiscal 2004 (current term)	Fiscal 2003 (previous term)	Year on year
Domestic Routes	Number of Passengers	44,480,000	44,780,000	99.3%
	Cargo (tons)	422,000	414,000	101.9%
	Mail (tons)	87,000	72,000	120.0%
International Routes	Number of Passengers	4,110,000	3,300,000	124.7%
	Cargo (tons)	234,000	220,000	106.3%
	Mail (tons)	13,000	13,000	101.3%

(2) Capital investments

- 1) Total capital investments implemented during the fiscal year amounts to 210,180 million yen, and major facilities or equipments completed during the fiscal year are as follows:

• Aircraft:

Boeing 777-300	1 (purchased)
Boeing 777-200	2 (purchased)
Boeing 767-300	2 (leased)
Bombardier DHC-8-400	4 (leased)

- 2) Dispositions of aircraft during the fiscal year are as follows:

Boeing 747SR-100	5 (sold)
Boeing 767-200	1 (sold)

- 3) Ongoing expansion of major facilities and equipments is as follows:

• Aircraft:

Boeing 777-300	9 (on order)
Boeing 777-200	9 (on order)
Boeing 787-3	30 (on order)
Boeing 787-8	20 (on order)
Boeing 767-300	1 (on order)
Boeing 767-300F	2 (on order)
Boeing 737-700	45 (on order)
Bombardier DHC-8-400	11 (on order)

(3) Fund-raising activities

The following corporate bonds were issued during the fiscal year.

20th unsecured straight bond of ¥10 billion issued on October 27, 2004

21st unsecured straight bond of ¥10 billion issued on October 27, 2004

Significant fund-raising was not conducted by subsidiaries.

(4) Summary financial data

1) Summary financial data of the Group

Segment	Fiscal 2001 (52 nd Fiscal Year)	Fiscal 2002 (53 rd Fiscal Year)	Fiscal 2003 (54 th Fiscal Year)	Fiscal 2004 (Current Term)
Revenues (million yen)	1,204,514	1,215,909	1,217,596	1,292,813
Recurring Profit (million yen)	1,400	17,236	33,443	65,224
Net Income (million yen)	9,456	28,256	24,756	26,970
Net income per share (Yen)	6.17	18.42	16.14	17.26
Total asset (million yen)	1,510,982	1,442,573	1,565,106	1,606,613
Net asset (million yen)	138,641	121,954	150,086	214,284
Net asset per share (Yen)	90.40	79.57	97.66	128.31

(Notes)

1. indicates loss.
2. On and after the 55th fiscal year (current term), consolidated financial documents are prepared in accordance with Article 19-2 of Law for special exception to the Commercial Code concerning Audit, etc., of Kabushiki-kaisha.
3. When the amount of net asset per share, and net income or net loss per share for the fiscal year are calculated, the number of treasury shares are deducted from the total number of outstanding shares.
4. On and after the 53rd fiscal year, the Company applied “Accounting standard concerning net income per share” (No.2 of corporate accounting standard) and “Guideline for accounting standard concerning net income per share” (No.4 of Guideline for accounting standard) to calculation of net income per share and net asset per share.

2) Summary financial data of the Company

Segment	Fiscal 2001 (52 nd Fiscal Year)	Fiscal 2002 (53 rd Fiscal Year)	Fiscal 2003 (54 th Fiscal Year)	Fiscal 2004 (Current Term)
Revenues (million yen)	915,008	940,503	969,971	1,100,448
Recurring Profit (million yen)	715	20,051	25,065	52,417
Net Income (million yen)	12,878	17,042	10,268	10,401
Net income per share (yen)	8.38	11.10	6.69	6.65
Total asset (million yen)	1,202,542	1,191,543	1,315,082	1,348,849
Net asset (million yen)	156,313	138,761	153,751	201,118
Net asset per share (yen)	101.77	90.44	99.94	120.31

(Notes)

1. indicates loss.
2. Net income per share is calculated based on the average number of outstanding shares (after the deduction of treasury shares). Net asset per share is calculated based on the total number of outstanding shares at the end of the fiscal year (after the deduction of treasury shares).
3. On and after the 53rd fiscal year, the Company applied “Accounting standard concerning net income per share” (No.2 of corporate accounting standard) and “Guideline for accounting standard concerning net income per share” (No.4 of Guideline for accountign standard) to calculation of net income per share and net asset per share.

For the 52nd fiscal year, the Company recorded net loss of 12,878 million yen due to substantial drop in demand attributable to several factors. These included severe economic downturn caused by financial depression due to delay in write-offs of nonperforming loans, decline in corporate profits owing to heavy slump in export due to downturn in global economy and reduction of private capital investment, and September eleven terrorist attacks.

For the 53rd fiscal year, the Company recorded net loss of 17,042 million yen due to (i) intensified price competition among airlines in the situation of sluggish personal consumption reflecting severe conditions surrounding employment and income along with worsening deflationary economy and (ii) decreasing demand in international routes due to growing tension in Iraq.

For the 54th fiscal year, the Company recorded net income of 10,268 million yen as a result of cost reduction amounting to 19 billion yen despite of sluggish growth in revenues from both international and domestic routes due to unstable international situation and prolonged economic stagnation.

For the period under review, please refer to the above paragraph “1. (1) Operations and Results of ANA Group as well as Issues to be Addressed”.

2. Outline of the Group and the Company (As of March 31, 2005)

(1) Principal lines of business

Operation of scheduled and unscheduled airline flights on international and domestic routes and activities related thereto.

(2) Shares and shareholders

1) Authorized shares: 2,203,200,000 stocks

2) Outstanding shares: 1,672,804,427 stocks

(An increase of 133,228,366 shares from the previous fiscal year-end)

The number of outstanding shares has increased as a result of the exercise of Stock Acquisition Rights

3) Number of shareholders: 223,389

(An increase of 11,907 from the previous fiscal year-end)

4) Major shareholders:

Name of shareholders	Investment in ANA		Investment in major shareholders of ANA	
	Number of shares held	Ratio of capital contribution	Number of shares held	Investment Ratio
Japan Trustee Service Bank, Ltd. (Trust account)	(thousand shares) 55,161	% 3.3	(thousand shares) -	% -
Nagoya Railroad Co., Ltd.	51,498	3.1	179	0.0
The Master Trust Bank of Japan, Ltd. (Trust Account)	45,146	2.7	-	-
Tokio Marine & Nichido Fire Insurance Co., Ltd.	43,126	2.6	-	-
Mitsui Sumitomo Marine & Fire Insurance Co., Ltd.	34,567	2.1	-	-
Nippon Life Insurance Company	30,713	1.8	-	-
ANA Employee Stock Ownership Group	29,342	1.8	-	-
The Asahi Shimbun Company	24,376	1.5	-	-
Nissay Dowa General Insurance Company, Limited	23,011	1.4	-	-
Sumitomo Mitsui Banking Corporation	21,882	1.3	-	-

(Notes)

- The above figures are based on the ANA Shareholders' Register.
- The Company holds 171 shares in Millea Holdings Inc., which is a holding company of Tokio Marine & Nichido Fire Insurance Co., Ltd. and 1,278 shares in Sumitomo Mitsui Financial Group, Inc., which is a holding company of Sumitomo Mitsui Banking Corporation, respectively.
- Tokio Marine and Fire Insurance Co., Ltd. and Nichido Fire and Marine Insurance Co., Ltd. were merged into Tokio Marine & Nichido Fire Insurance Co., Ltd. as of October 1, 2004.

5) Acquisition, disposal, etc. and holding of Treasury shares

1. Acquired shares

Common stock: 933,124 shares
Total amount of acquisition: 333,413,000 yen

2. Disposed shares

Common stock: 923,698 shares
Total amount of disposal: 289,717,000 yen

3. Shares held by ANA as of the accounting date

Common stock: 1,082,538 shares

6) Status of Stock Acquisition Rights

Stock Acquisition Rights which have been already issued

Name of the Bonds	ALL NIPPON AIRWAYS Co., Ltd. Yen/Euro Denominated Convertible Bonds due 2013 (convertible-bond-type corporate bonds with stock acquisition rights, <i>tenkanshasaigata shinkakbu yoyakuken-tsuki shasai</i>)
Date of resolution for issuing	November 19, 2003
Aggregate number of Stock Acquisition Rights	8,418 units
Class of shares to be issued upon exercise of Stock Acquisition Rights	Common stock
Number of shares to be issued upon exercise of Stock Acquisition Rights	27,154,881 shares
Issue price of Stock Acquisition Rights	The Stock Acquisition Rights are issued without the payment to ANA of any consideration.

With respect to the Bonds as mentioned above, since the requirement for Call Option with 120% redemption price under Article 6.2 of the terms and conditions for Issuance of the Bonds was satisfied on March 2, 2005, ANA became entitled to redeem the outstanding portion of the Bonds at ¥100 for each Bond for the amount of ¥100.

ANA resolved at the extraordinary meeting of the Board of Directors held on March 7, 2005 to exercise the subject right and redeem the outstanding portion of the Bonds as of April 21, 2005 in order to increase its equity capital and improve financial strength by exercise and promotion of the Stock Acquisition Rights.

The Bonds equal to ¥31,582 million were converted to common shares of ANA as of March 31, 2005, and remaining portion of the Bonds are ¥8,418 million.

(3) Main Loan Lender

Name of the Loan Lender	Outstanding amount of the Loan	Shares in ANA held by the Loan Lender	
		Number of shares	Ratio of capital contribution
	(million yen)	(thousand shares)	(%)
Development Bank of Japan	258,992	-	-
Japan Bank for International Corporation	47,850	-	-
Mizuho Corporate Bank, Ltd.	25,137	16,980	1.0
Sumitomo Mitsui Banking Corporation	24,869	21,882	1.3
The Bank of Tokyo-Mitsubishi, Ltd.	15,291	14,944	0.9

(4) Summary of business combination

1) Main affiliated company, etc.

Name of the company	Share capital million yen	Ratio of voting rights %	Major business
Air Nippon Co., Ltd.	5,400	99.5	Air transportation business
Air Japan Co., Ltd.	50	100.0	Air transportation business
Air Nippon Network Co., Ltd.	250	100.0 (*Note)	Air transportation business
Air Hokkaido Co., Ltd.	300	80.0 (*Note)	Air transportation business
Air Central Co., Ltd.	300	55.0	Air transportation business
ANA Aircraft Maintenance Co., Ltd.	7,000	99.0 (*Note)	Maintenance of aircraft
International Airport Utility Co., Ltd.	100	66.1 (*Note)	Aircraft transportation ground support business
New Tokyo Airport Service Co., Ltd.	60	100.0 (*Note)	Aircraft transportation ground support business
Osaka Airport Service Co., Ltd.	150	73.3 (*Note)	Aircraft transportation ground support business
ANA Sales Co., Ltd.	1,000	100.0 (*Note)	Planning and sales of travel package
ANA Hotel Tokyo Co., Ltd.	40	100.0 (*Note)	Operation of a hotel
ANA Hotel Narita Co., Ltd.	50	100.0	Operation of a hotel
Okinawa ANA Resort	2,600	100.0	Operation of a hotel
ANA Trading Co., Ltd.	360	72.5 (*Note)	Trading business and sales of goods
ANA Real Estate Co., Ltd.	7,229	74.6 (*Note)	Lease and sales of real estate
ANA Information Systems Planning Co., Ltd.	52	100.0	Development and operation of computer system
Sky Building Service Co., Ltd.	80	93.6 (*Note)	Maintenance management service of the building and its equipment
ANA Logistic Services Co., Ltd.	465	57.0	Business related to airfreight and distribution of goods

(Note) The ratio of voting rights by indirect holding is included in the figures.

2) Progress and result of the business combination

Nakanihon Airline Service became a subsidiary of ANA on November 1, 2004 during this fiscal year and changed its name to Air Central Co., Ltd. on February 17, 2005. On April 1, 2004 Sky Building Service Co., Ltd. was formed by merger of **Seiwa Service Co., Ltd., Kansai Seiwa Service Co., Ltd. and International Building Service Co., Ltd.**

ANA holds 96 consolidated affiliated companies, etc. such as a subsidiary including main affiliated companies as mentioned above and 22 companies of them fall under the company to which equity-method shall apply. On the consolidated basis, operating revenues for the fiscal year rose 6.2%, to ¥1,292.8 billion, and net income increase to ¥26.9 billion.

(5) Employees

1) Employees of ANA Group

Number of employees	Change in the number year on year
29,098 (5,189)	228 (+69)

(Note) Number of employees means the number of full-time employees only, and the average number of part-time and temporary employees for the year is described in ().

2) Employees of ANA

Number of employees	Change in the number year on year	Average age	Average service years
12,091 (304)	186 (175)	38.9	13.9

(Note)

1. Number of employees means the number of full-time employees only, and the average number of part-time and temporary employees for the year is described in ().
2. 1,342 employees of ANA who are temporarily transferred to the affiliated company (male employees 1,156, female employees 186) are excluded.
3. 248 employees of the affiliated company who are temporarily transferred to ANA (male employees 221, female employees 27) are included.

(6) Principal office of ANA Group

Name of the company	Name of business place and its address	
ANA	Head Office	5-2, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo
	Domestic Sales Office	Tokyo Sales Office, Sapporo Sales Office, Nagoya Sales Office, Osaka Sales Office, Fukuoka Sales Office, Okinawa Sales Office
	Domestic Airport Office	Tokyo Airport Office, Narita Airport Office, Osaka Airport Office, Kansai Airport Office
	Domestic Maintenance Center	Aircraft Maintenance Center (Tokyo), Line Maintenance Center (Tokyo), Narita Maintenance Center, Component Maintenance Center (Tokyo), Power Plant Maintenance Center (Tokyo)
	Overseas Branch	New York, San Francisco, Los Angeles, Washington D.C., Honolulu, Guam, London, Frankfurt, Paris, Beijing, Shenyang, Tianjin, Dalian, Tsingtao, Shanghai, Hangzhou, Xiamen, Guangzhou, Hong Kong, Seoul, Bangkok, Ho Chi Minh, Singapore
Air Nippon Co., Ltd.	Head Office	Minato-ku, Tokyo
Air Japan Co., Ltd.	Head Office	Minato-ku, Tokyo
Air Nippon Network Co., Ltd.	Head Office	Sapporo-shi, Hokkaido
Air Hokkaido Co., Ltd.	Head Office	Hakodate-shi, Hokkaido
Air Central Co., Ltd.	Head Office	Tokoname-shi, Aichi
Air Next Co., Ltd.	Head Office	Minato-ku, Tokyo
ANA Sales Co., Ltd.	Head Office	Minato-ku, Tokyo
	Domestic Sales Office	Tokyo Sales Office, Nagoya Sales Office, Osaka Sales Office
ANA Hotel Tokyo Co., Ltd.	Head Office	Minato-ku, Tokyo
ANA Hotel Narita Co., Ltd.	Head Office	Narita-shi, Chiba
ANA Hotel Toyama	Head Office	Toyama-shi, Toyama
ANA Hotel Hakata Co., Ltd.	Head Office	Hakata-ku, Fukuoka-shi, Fukuoka
Okinawa ANA Resort	Head Office	Naha-shi, Okinawa
ANA Hotel & Resort Ishigaki	Head Office	Ishigaki-shi, Okinawa
All Nippon Airways Trading Co., Ltd.	Head Office	Minato-ku, Tokyo
	Component Center	Aircraft Component Center (Tokyo)
ANA Information Systems Planning Co., Ltd.	Head Office	Ota-ku, Tokyo
ANA Real Estate Co., Ltd.	Head Office	Nishi-ku, Osaka-shi, Osaka
	Tokyo Head Office	Minato-ku, Tokyo

(7) Aircraft used by ANA Group

Aircraft	Number of aircraft	Number of seats	Remarks
Boeing 747-400	23	287 ~ 569	8 are leased from Mitsui Leasing & Development, Ltd. and other 25 are from different companies.
Boeing 747SR-100	2	455 · 536	-
Boeing 747-200B	2	456	-
Boeing 777-300	8	269 ~ 525	4 are leased from ANA Creon Leasing Co., Ltd. and other 9 are from different companies.
Boeing 777-200	18	234 ~ 418	11 are leased from STB Leasing Co., Ltd. and other 43 are from different companies.
Boeing 767-300	53	214 ~ 288	20 are leased from Fuyo General Lease Co., Ltd. and other 43 are from different companies.
Boeing 767-300F	1	-	The aircraft is leased from Baxter Aviation YK.
Boeing 767-200	1	234	The aircraft is leased from KC Six YK. and rented to Hokkaido International Airlines Co., Ltd.
Airbus A321-100	7	195	All aircraft are leased from Tateha Aircraft Holding YK. and other 2 are from different companies.
Airbus A320-200	28	166	6 are leased from FI Honey Leasing YK. and other 5 are from different companies. All aircraft are used jointly by ANA and Air Nippon Co., Ltd.
Boeing 737-400	2	168 · 170	All aircraft are leased from GL Quality Leasing YK. and another company, and used by Air Nippon Co., Ltd.
Boeing 737-500	25	126 · 133	14 are leased from MNE Lease YK and other 15 different companies. Air Nippon Co., Ltd. uses all of the aircraft.
Bombardier DHC-8-400	7	74	All aircraft are leased from YK NL Centorus and other 6 different companies. Air Nippon Network Co., Ltd. and Air Central Co., Ltd. use all of the aircraft.
Bombardier DHC-8-300	5	56	4 are leased from YT Aero YK and other 3 different companies. Air Nippon Network Co., Ltd. uses all of the aircraft.
Fokker 50	4	50 · 56	All aircraft are leased from Meitetsu Property Co., Ltd., and used by Air Central Co., Ltd.
De Havilland DHC-6-300	1	19	The aircraft is used by Air Hokkaido Co., Ltd.
Total	187		

(8) Directors and Auditors

President and Chief Executive Officer	Chairman of the Board	Kichisaburo Nomura
President and Chief Executive Officer	Chairman of Management Committee, Safety Promotion Committee, Risk Management Committee	Yoji Ohashi
Senior Executive Vice President	Associated Businesses Development, ANA Research Institute, Chairman of Compliance Committee	Mineo Yamamoto
Senior Executive Vice President	Corporate Planning, Facilities Department, Information Technology Services, Chairman of IT Strategy & Governance Committee	Hiromichi Toya
Senior Executive Vice President	Operations & Airport Services, General Manager of Engineering & Maintenance Dept., Chairman of Safety Promotion Committee, Safety Promotion & Audit	Suguru Omae
Executive Vice President	General Manager of Flight Operations	Masahiko Takada
Executive Vice President	International & Regulatory Affairs, Alliance & International Affairs	Katsuhiko Kitabayashi
Executive Vice President	General Manager of Marketing & Sales, CS Promotion, Chairman of CS Promotion Committee	Masao Nakano
Executive Vice President	General Administration, Legal Affairs, Public Relations and Environment & Social Affairs, Chairman of CSR Promotion Committee, Chairman of Environment Committee, Chairman of Risk Management Committee	Koshichiro Kubo
Executive Vice President	Personnel, Employee Relations, Associated Businesses Development, Executive Office, Business Support	Shinichiro Ito
Executive Vice President	Operations & Airport Services, In-flight Services	Kenichiro Hamada
Director	Deputy General Manager of Marketing & Sales	Shin Nagase
Director	Finance & Accounting, Investor Relations and Purchasing	Tomohiro Hidema

Director	Director of Corporate Planning, Cargo Marketing & Services	Keisuke Okada
Director	Senior Advisor for Kinki Nippon Railway Co., Ltd.	Yoshinori Ueyama
Director	President and Chief Executive Officer of Nagoya Railroad Co., Ltd.	Misao Kimura
Corporate Auditors	Standing Auditor	Wataru Kubo
Corporate Auditors	Standing Auditor	Kunitaka Kajita
Corporate Auditors	Standing Auditor	Koichiro Ono
Corporate Auditors	Representative Director, Kyushu Electric Power Co., INC	Shingo Matsuo

(Notes)

1. Yoshinori Ueyama and Misao Kimura fulfill the requirements for external directors stipulated in Article 188, Paragraph 2, Item 7-2 of the Commercial Code.
2. Kunitaka Kajita and Shingo Matsuo are external auditors stipulated in Article 18, Paragraph 1 of the Law for Special Exceptions to the Commercial Code concerning Audit, Etc. of Kabushiki-kaisha.
3. Kenichiro Hamada, Shin Nagase, Tomohiro Hidema, Keisuke Okada and Misao Kimura are Directors who were appointed and assumed their offices at the 59th Ordinary General Meeting of Shareholders held on June 25, 2004.
4. Koichiro Ono and Shingo Matsuo are Corporate Auditors who were appointed and assumed their offices at the 59th Ordinary General Meeting of Shareholders held on June 25, 2004.
5. Mineo Yamamoto, Hiromichi Toya, Suguru Omae, Masao Nakano, Katsuhiko Kitabayashi, Koshichiro Kubo, Shinichiro Ito, Kenichiro Hamada, Shin Nagase, Tomohiro Hidema and Keisuke Okada have another post as Corporate Executive Officer of the Company.
6. Kenichiro Hamada, Director, assumed an office as Executive Vice President as of June 25, 2004.
7. Seitaro Taniguchi resigned as a Director, and Yoshiro Ito and Shigeru Ono resigned as Corporate Auditors at the time of closing of 59th Ordinary General Meeting of Shareholders.
8. Kichisaburo Nomura and Masahiko Takada resigned as Directors on March 31, 2005.
9. Change in Offices of Directors as of April 1, 2005:

Chairman of the Board	Yoji Ohashi
President & Chief Executive Officer	Mineo Yamamoto
Senior Executive Vice President	Masao Nakano
Executive Vice President	Shin Nagase

10. Mineo Yamamoto resigned as Corporate Executive Officer at the time when he assumed the office as President & Chief Executive Officer on April 1, 2005.

(9) Payment of remuneration and other payment in consideration of job performance to Directors and Corporate Auditors

	Directors		Corporate Auditors		Total	
	Number of personnel	Amount paid (JPY million)	Number of personnel	Amount paid (JPY million)	Number of personnel	Amount paid (JPY million)
Remuneration resolved at the General Meeting of Shareholders	17	363	6	60	23	423
Retirement Allowance resolved at the General Meeting of Shareholders	10	782	3	101	13	883
Total		1,145		161		1,307

(Notes)

1. Maximum amount of remuneration resolved at the Ordinary General Meeting of Shareholders held on June 27, 1991 in accordance with Article 269, Paragraph 1, Item 1 of the Commercial Code:
Maximum amount of remuneration for Directors (per month) JPY 80 million
2. Maximum amount of remuneration resolved at the Ordinary General Meeting of Shareholders held on June 28, 1990 in accordance with Article 279, Paragraph 1 of the Commercial Code:
Maximum amount of remuneration for Corporate Auditors (per month) JPY 7 million
3. The number of Directors as of the Closing Date is 16.
The number of Corporate Auditors as of the Closing Date is 4.
4. Retirement Allowance resolved at the General Meeting of Shareholders is in accordance with the resolution of Payment of Retirement Allowance for Retiring Directors and Corporate Auditors which was approved at the Ordinary General Meeting of Shareholders held on June 25, 2004

(10) Remuneration, etc. due to the Accounting Auditor

The Company and the Company's subsidiaries etc. shall pay the following amount to the Accounting Auditor:

	Amount of Payment (JPY million)
1. The total amount of remuneration due to the Accounting Auditor by the Company and its subsidiaries, etc.	121
2. The total amount of Remuneration in consideration of the audit	121

certification commission subject to Article 2, Paragraph 1 of the Certified Public Accountant Law with respect to the above 1.	
3. The amount payable by the Company to the Accounting Auditor with respect to the above 2.	58

(Note) The Audit Agreement between the Company and the Accounting Auditor makes no distinction between audit subject to “the Law for Special Exceptions to the Commercial Code concerning Audit, Etc. of Kabushiki-kaisha” and audit subject to “the Securities Exchange Law”. Therefore, the column 3. above stipulates the total amount of such audits.

3. Important factors concerning the status of ANA Group which occurred after the settlement of accounts

The Company executed a Share Exchange Agreement at the Board of Directors held on April 28, 2005, under which ANA Real Estate Co., Ltd. (the voting right ratio held by the Company is 74.6%) shall become a wholly-owned subsidiary of the Company.

The followings are the context of the share exchange:

- (1) Purpose of Share Exchange
The purpose is to promote rapid decision-making and increase business efficiency after ANA Real Estate Co., Ltd. becomes a wholly-owned subsidiary.
- (2) Content of Share Exchange
The share was exchanged by simplified share exchange in accordance with Article 358 of the Commercial Code.
- (3) Method of Share Exchange
0.56 shares of common stock of the Company shall be allocated and delivered in exchange for every one share of ANA Real Estate Co., Ltd. The Company shall allocate 8,157,552 shares of treasury stock (common stock) and no new shares shall be issued. Additionally, no shares of the stock of the Company shall be allocated for 34,048,000 shares of common stock of ANA Real Estate Co., Ltd. already held by the Company.
- (4) Date of Share Exchange
October 1, 2005
- (5) Others
Under Article 211-3, Paragraph 1, Item 2 of the Commercial Code, the Company resolved to purchase treasury stocks at the meeting of the Board of Directors held on April 28, 2005 in order to utilize the stocks as delivery stocks at the time of the share exchange.
The outline of the purchase of treasury stocks is as follows:

1)	Class of Purchased Shares	Common stock
2)	Aggregated Number of Purchased Shares	8,000,000 shares (maximum)
3)	Aggregated Purchase Amount	JPY 3,040 million (maximum)
4)	Schedule of Purchase	It shall be executed before the Ordinary General Meeting of Shareholders scheduled on June 28, 2005.

4. Other material factors concerning the status of the Company which prepared the financial documents

The Company was sued for infringement of patent right etc. for the amount of ¥15,661 million by Japan Airlines International Co., Ltd. on July 23, 2004.

The Company has been claiming that there is no fact of the infringement of any patent right. Since it takes a considerable time for the trial to be concluded, the prediction of the conclusion of the trial is difficult at the current stage.

(Note) Sum of money and number of shares in this Business Report are truncated to each unit indicated therein.

(1) Consolidated Balance Sheets

Yen(Millions)

Assets	FY2004 As of Mar.31	FY2003 As of Mar.31	Difference
Current assets	421,170	463,392	(42,222)
Cash and deposits	158,204	216,284	(58,080)
Trade accounts receivable	113,850	101,799	12,051
Marketable securities	5,730	19,029	(13,299)
Inventories	52,636	52,765	(129)
Deferred income taxes - current	25,618	17,322	8,296
Other	65,341	56,524	8,817
Allowance for doubtful accounts	(209)	(331)	122
Fixed assets	1,184,838	1,100,848	83,990
[Tangible fixed assets]	[958,415]	[871,460]	86,955
Buildings and structures	180,149	179,967	182
Flight equipment	497,656	461,870	35,786
Machinery, Equipment and vehicles	16,983	15,191	1,792
Tools and fixtures	16,054	14,026	2,028
Land	109,662	111,893	(2,231)
Construction in progress	137,911	88,513	49,398
[Intangible fixed assets]	[37,685]	[40,342]	(2,657)
[Investments and others]	[188,738]	[189,046]	(308)
Investment securities	68,238	68,813	(575)
Long-term loans receivables	24,656	25,081	(425)
Deferred income taxes - non-current	46,869	38,404	8,465
Other	60,294	63,627	(3,333)
Allowance for doubtful accounts	(11,319)	(6,879)	(4,440)
Deferred assets	605	866	(261)
Total assets	1,606,613	1,565,106	41,507
Liabilities			
Current liabilities	506,474	441,657	64,817
Trade accounts payable	142,105	123,922	18,183
Short-term loans	16,045	25,083	(9,038)
Current portion of long-term debt	139,991	71,725	68,266
Current portion of bonds payable	48,418	109,749	(61,331)
Accrued income taxes	34,392	2,341	32,051
Accrued bonuses to employees	13,286	13,535	(249)
Other	112,237	95,302	16,935
Long-term liabilities	875,638	964,453	(88,815)
Bonds payable	250,000	319,694	(69,694)
Long-term debt payable	487,802	505,462	(17,660)
Accrued employees' retirement benefits	107,740	105,389	2,351
Consolidation adjustment account	514	399	115
Other	29,582	33,509	(3,927)
Total liabilities	1,382,112	1,406,110	(23,998)
Minority interests	10,217	8,910	1,307
Shareholders' equity			
Common stock	107,292	86,767	20,525
Capital surplus	73,676	53,114	20,562
Earned surplus (deficit)	31,225	8,882	22,343
Unrealized gains on securities	4,620	4,040	580
Foreign currency translation adjustment	(1,672)	(1,927)	255
Treasury stock	(857)	(790)	(67)
Total shareholders' equity	214,284	150,086	64,198
Total liabilities, minority interests and shareholders' equity	1,606,613	1,565,106	41,507

Note:

	Yen (Millions)	
	FY2004 As of Mar.31	FY2003 As of Mar.31
Accumulated depreciation	853,672	869,821
Contingent liabilities	1,786	2,101

(2) Consolidated Statements of Income (Loss)

Yen(Millions)

	FY2004	FY2003	
	Apr.1 - Mar.31	Apr.1 - Mar.31	Difference
Operating revenues and expenses			
Operating revenues	1,292,813	1,217,596	75,217
Operating expenses	957,923	939,538	18,385
Sales, general and administrative expenses	257,116	243,704	13,412
Operating income (loss)	77,774	34,354	43,420
Non-operating income and expenses			
Non-operating income	32,947	52,402	(19,455)
Interest income	4,162	4,076	86
Equity in income of affiliates	97	242	(145)
Foreign exchange gain	1,139	-	1,139
Gains on sale of assets	1,477	1,142	335
Rebate on purchasing aircraft	15,969	23,220	(7,251)
Other	10,103	23,722	(13,619)
Non-operating expenses	45,497	53,313	(7,816)
Interest expenses	21,117	22,247	(1,130)
Foreign exchange loss	-	1,900	(1,900)
Loss on sale of assets	6,262	2,052	4,210
Loss on retirement of assets	8,856	8,751	105
Amortization of net transitional retirement benefit obligation	6,712	6,943	(231)
Other	2,550	11,420	(8,870)
Total Recurring Profit (loss)	65,224	33,443	31,781
Extraordinary gains	2,110	10,389	(8,279)
Gain on sale of fixed assets	104	1,055	(951)
Gain on sale of investment securities	881	1,081	(200)
Gain on return of the substituted portion of the employee pension fund	-	6,662	(6,662)
Other	1,125	1,591	(466)
Extraordinary losses	21,655	8,611	13,044
Loss on sale of fixed assets	3,026	4,430	(1,404)
Loss on retirement of fixed assets	3,385	504	2,881
Loss on sale of investment securities	1,143	265	878
Valuation loss on investment securities	485	369	116
Valuation loss on other investments	5,098	108	4,990
Provision for allowance for doubtful accounts	4,593	317	4,276
Special retirement benefit	1,858	1,957	(99)
Other	2,067	661	1,406
Net income (loss) before taxes	45,679	35,221	10,458
Corporate, inhabitant and enterprise tax	34,592	4,167	30,425
Deferred taxes	(16,960)	6,262	(23,222)
Minority interests in income of consolidated subsidiaries	1,077	36	1,041
Net income (loss)	26,970	24,756	2,214

Notes to Consolidated Financial Statements

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

FY2004 and FY2003

1. Basis of presenting consolidated financial statements

All Nippon Airways Co., Ltd. (the Company) and its domestic subsidiaries maintain their books of account in accordance with the provisions set forth in the Japanese Commercial Code and in conformity with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. The Company's foreign subsidiaries maintain their books of account in conformity with accounting principles and practices of the countries of their domicile.

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. All significant intercompany accounts and transactions have been eliminated.

Investments in certain subsidiaries and significant affiliates 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 are stated at cost. The companies' equity in undistributed earnings of these companies is not significant.

Certain foreign subsidiaries have fiscal years ending on December 31 and the necessary adjustments for significant transactions, if any, are made on consolidation.

(b) Marketable securities and investment securities

Trading securities are carried at fair value. 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 gain or loss, net of the applicable income taxes, included directly in shareholders' equity.

Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

(c) 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, interests 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 gain or loss 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.

(d) Allowance for doubtful receivables

A general provision is made for doubtful receivables based on past experience. Provisions are made against specific receivables as and when required.

(e) Inventories

Inventories are stated at cost determined by the moving average method.

(f) Property and equipment and depreciation

Property and equipment are principally stated at cost less accumulated depreciation. Depreciation of property and equipment is computed based on estimated useful lives by the following methods:

Flight equipment	Straight-line method
Buildings.....	Straight-line method
Other ground property and equipment.....	Declining balance method

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

International type equipment.....	20 years
Domestic type equipment.....	17 years

(g) Intangible fixed assets and amortization

Intangible fixed 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 5 years, the estimated useful life of purchased software.

(h) Accrued bonuses to employees

Provisions are made for bonus payment for employees of the company and subsidiaries. The accrued amounts of estimated bonus payments at balance sheet date are stated as Accrued bonuses to employees.

(i) Retirement benefits

The retirement benefit plan of the Company and certain subsidiaries covers substantially all. Under the terms of this plan, eligible employees are entitled, upon mandatory retirement or earlier voluntary severance, to lump-sum - 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.

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 gain or loss 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 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 which are shorter than the average remaining service years of the employees.

(j) Appropriation of retained earnings

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.

(k) Leases

Finance lease transactions other than those that are expected to transfer ownership of the assets to the lessee are accounted for as operating leases.

(l) Bond issuance costs

Bond issuance costs are principally capitalized and amortized over a period of three years.

(m) Cash equivalents

For the purpose of the statements of cash flows, cash and short-term, highly liquid investments with maturity of three months or less are treated as cash equivalents.

(n) Consolidated tax return system

The Company and certain subsidiaries applied a consolidated tax return system.

(Additional Information)

Consequent to the publication of Business Report No.12 "Treatment of Business-Related Entries on Statements of Income for Pro Forma Standard Tax Portions of Corporate Enterprise Taxes" (Accounting Standards Board of Japan; February 13, 2004), as of the current term 1.6 billion yen for the valued-added and capital portions of corporate enterprise taxes shall be treated as selling, general and administrative expenses, in accordance therewith.

3. Marketable securities and investments in securities

Market value information is summarized as follows:

Held-to-maturity securities having market value

	Yen (Millions)	
	FY2004	FY2003
Gross unrealized gain:		
Cost	30	5
Market value	30	5
	0	0
Gross unrealized loss:		
Cost	5	-
Market value	5	-
	0	-
Net unrealized gain	0	0

Other securities having market value

Yen (Millions)

	FY2004	FY2003
Gross unrealized gain:		
Cost	8,338	8,392
Market value	17,714	16,971
	9,376	8,579
Gross unrealized loss:		
Cost	4,157	3,751
Market value	2,998	3,387
	(1,159)	(364)
Net unrealized gain	8,217	8,215

Sell-off of other securities

	Yen (Millions)	
	FY2004	FY2003
Proceeds	1,778	5,691
Gain on sale	878	1,065
Loss on sale	(1,096)	0

Breakdown of other securities not having market value

	Yen (Millions)	
	FY2004	FY2003
Bonds held to maturity	13,606	13,987
Other securities	25,862	40,207
	39,468	54,194

The redemption schedule of other securities and held-to-maturity debt securities is summarized as follows:

	Yen (Millions)	
	FY2004	FY2003
Bonds:		
Within 1 year	4,000	15,000
Over 1 year to 5 years	13,641	13,992
Over 5 years to 10 years	-	-
Over 10 years	-	-
Others:		
Within 1 year	1,730	4,029
Over 1 year to 5 years	-	-
Over 5 years to 10 years	-	-
Over 10 years	-	-
Total:		
Within 1 year	5,730	19,029
Over 1 year to 5 years	13,641	13,992
Over 5 years to 10 years	-	-
Over 10 years	-	-

4. 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 amount of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs.

The Company received approval from the Minister of Health, Labor and Welfare on October 1, 2004 for the exemption from future payments of the substituted portion of the pension fund.

The following table sets out the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets on the ending date of FY2004 and FY2003 for the Company and consolidated subsidiaries' defined benefit plans:

	Yen (Millions)	
	FY2004	FY2003
Retirement benefit obligation	(262,224)	(258,225)
Plan assets at fair value	90,327	84,292
Unfunded retirement benefit obligation	(171,897)	(173,933)
Unrecognized net transitional retirement benefit obligation	67,119	73,831
Unrecognized actuarial loss	33,521	34,307
Unrecognized prior service cost	(35,813)	(38,903)
Gross amount recognized	(107,070)	(104,698)
Prepaid pension cost	670	691
Accrued employees' retirement benefits	(107,740)	(105,389)

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 are as follows:

	Yen (Millions)	
	FY2004	FY2003
Service cost	11,947	14,092
Interest cost	6,167	7,163
Expected return on plan assets	(3,671)	(4,436)
Amortization of net retirement benefit obligation at transition	6,712	6,943
Amortization of actuarial loss	3,213	5,435
Amortization of prior service cost	(3,090)	(3,077)
Net periodic pension and severance cost	21,278	26,120
Extraordinary gains and losses from the return of the substituted portion of the employee pension fund	-	(6,662)
Other	608	498
Total	21,886	19,956

5. Income taxes

The tax effect of temporary differences that give rise to a significant portion of the deferred tax assets and liabilities is as follows:

	Yen (Millions)	
	FY2004	FY2003
Deferred tax assets:		
Accrued employees' retirement benefits	39,149	34,780
Gain on deferred hedge	11,145	-
Unrealized gain on inventories and property and equipment	6,419	6,563
Accrued bonuses to employees	5,336	5,745
Allowance for doubtful accounts	4,425	1,807
Tax loss carried forward	3,045	7,056
Others	16,382	10,583
Total gross deferred tax assets	85,901	66,534
Less valuation allowance	(7,790)	(7,023)
Total net deferred tax assets	78,111	59,511
Deferred tax liabilities:		
Unrealized gains (losses) on securities	(3,799)	(3,499)
Reserve for special depreciation	(1,148)	-
Others	(2,571)	(2,240)
Total gross deferred tax liabilities	(7,518)	(5,739)
Net deferred tax assets	70,593	53,772

Deferred tax assets are described on the consolidated balance sheets as follows:

	Yen (millions)	
	FY2004	FY2003
Current assets - Deferred tax assets	25,618	17,322
Investments - Deferred tax assets	46,869	38,404
Other long-term liabilities	(1,894)	(1,954)

Reconciliation of the difference between the statutory tax rate and the effective income tax rate for the year ended March 31, 2004 is as follows:

	FY2003
Statutory tax rate	42.05%
Reconciliation:	
Entertainment expenses not qualifying for deduction	2.50%
Change of tax rates	2.27%
Inhabitants tax per capita levy	0.64%
Change in valuation allowance and related adjustments	(19.28%)
Other	1.43%
Effective income tax rate	29.61%

Reconciliation of the difference between the statutory tax rate and the effective income tax rate for the year ended March 31, 2005 is not disclosed because it is of no importance.

6. Leases

(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 operating leases. Information on finance leases which are not recorded as assets and liabilities is summarized as follows.

Estimated acquisition costs, accumulated depreciation and net book value of leased assets are as follows:

	Yen (Millions)	
	FY2004	FY2003
Aircraft:		
Estimated acquisition cost	326,539	314,854
Estimated amount of accumulated depreciation	195,921	180,505
Estimated net book value	130,618	134,349
Others:		
Estimated acquisition cost	14,818	16,773
Estimated amount of accumulated depreciation	8,451	9,085

Estimated net book value	6,367	7,688
Total:		
Estimated acquisition cost	341,357	331,627
Estimated amount of accumulated depreciation	204,372	189,590
Estimated net book value	136,985	142,037

Outstanding finance lease obligations are as follows:

	Yen (Millions)	
	FY2004	FY2003
Current portion of finance lease obligations	33,066	33,584
Long-term finance lease obligations	110,470	116,168
	143,536	149,752

Estimated amount of depreciation, estimated finance charges and lease expenses are as follows:

	Yen (Millions)	
	FY2004	FY2003
Estimated amount of depreciation		
Annual lease expenses charged to income	39,444	37,573
by the straight-line method over the lease period	33,616	32,335
Estimated interest cost	3,967	4,012

(b) Operating leases

The rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

	Yen (Millions)	
	FY2004	FY2003
Current portion of operating lease obligations	28,660	41,590
Long-term operating lease obligations	46,095	70,308
	74,755	111,898

Fiscal year ended March 31, 2004
Non-consolidated financial results
All Nippon Airways Co., Ltd. (9202)

1. Non-consolidated financial highlights for the period ended March 31, 2005 (FY2004)

(1) Summary of non-consolidated operating results Yen (Millions rounded down)

	FY2004 Apr.1 - Mar.31	Year on year (%)	FY2003 Apr.1 - Mar.31	Year on year (%)
Operating revenues	1,100,448	13.5%	969,971	3.1%
Operating income (loss)	64,308	167.6%	24,033	-
Recurring profit (loss)	52,417	109.1%	25,065	-
Net income (loss)	10,401	1.3%	10,268	-
Net income (loss) per share	6.65yen		6.69yen	
Diluted net income (loss) per share	5.97yen		5.94yen	
Net income (loss) / Shareholders' equity	5.9%		7.0%	
Recurring profit (loss) / Total assets	3.9%		2.0%	
Recurring profit (loss) / Operating revenues	4.8%		2.6%	
Average number of shares of outstanding during the period	1,564,199,177 shares		1,535,022,169 shares	

Note:

Changes in the accounting policy during the period: none

(2) Dividends

	Yen	
	FY2004	FY2003
Annual dividend per share	3.00	3.00
Interim	-	-
Year - end	3.00	3.00
Total amount of dividends (Yen million)	5,015	4,615

Pay-out ratio	45.1%	44.8%
Dividend ratio for shareholders' equity	2.5%	3.0%

(3) Summary of Non-consolidated financial positions Yen (Millions rounded down)

	FY2004	FY2003
Total assets	1,348,849	1,315,082
Shareholders' equity	201,118	153,751
Shareholders' equity ratio	14.9%	11.7%
Shareholders' equity per share	120.31yen	99.94yen
Number of shares of outstanding at balance sheet date	1,671,721,889 shares	1,538,502,949 shares
Number of treasury stocks at balance sheet date	1,082,538 shares	1,073,112 shares

(1) Non-consolidated Balance Sheets

Yen(Millions rounded down)

	FY2004 As of Mar.31	FY2003 As of Mar.31	Difference
Assets			
<u>Current assets</u>	337,186	387,810	(50,624)
Cash and deposits	111,058	174,955	(63,897)
Trade accounts receivable	97,869	85,203	12,665
Marketable securities	3,999	14,999	(10,999)
Inventories	44,840	45,907	(1,066)
Prepaid expenses	10,993	8,732	2,261
Short-term loans receivable	789	7,797	(7,008)
Other accounts receivable	4,131	7,324	(3,193)
Deferred income taxes - current	20,652	12,457	8,194
Other	42,862	30,451	12,411
Allowance for doubtful accounts	(10)	(19)	8
<u>Fixed assets</u>	1,011,501	927,002	84,498
[Tangible fixed assets]	[802,990]	[716,000]	86,989
Buildings	91,580	91,906	(326)
Structures	2,383	1,721	661
Flight equipment	496,134	458,700	37,434
Machinery and equipment	10,269	8,501	1,768
Transportation equipment other than aircraft	1,861	1,838	23
Tools and fixtures	10,527	9,506	1,020
Land	54,147	55,677	(1,530)
Construction in progress	136,085	88,148	47,937
[Intangible fixed assets]	[30,191]	[32,677]	(2,485)
Telephone deposits	264	290	(26)
Software	26,920	28,929	(2,008)
Other	3,006	3,457	(451)
[Investments and others]	[178,319]	[178,324]	(5)
Investment securities	37,341	35,481	1,859
Investments in subsidiaries and affiliates	50,580	54,877	(4,296)
Advances to subsidiaries and affiliates	60	60	-
Long-term loans receivables	30,444	26,986	3,457
Housing loans to employees	1,523	1,164	359
Long-term prepaid expenses	5,139	5,780	(640)
Deferred income taxes - non-current	32,663	24,247	8,416
Other	35,768	37,510	(1,741)
Allowance for doubtful accounts	(15,202)	(7,783)	(7,418)
<u>Deferred assets</u>	161	268	(107)
Bond issuance expenses	161	268	(107)
Total assets	1,348,849	1,315,082	33,767

Yen(Millions rounded down)

	FY2004 As of Mar.31	FY2003 As of Mar.31	Difference
Liabilities			
Current liabilities	365,928	352,501	13,427
Trade accounts payable	109,626	94,643	14,982
Current portion of long-term debt	71,376	54,836	16,540
Current portion of bonds payable	48,418	109,749	(61,331)
Non-operating accounts payable	3,631	5,265	(1,633)
Accrued expenses	22,835	22,825	9
Accrued income taxes	31,344	192	31,151
Deposits	811	4,721	(3,910)
Advance ticket sales	36,734	34,379	2,354
Accrued bonuses to employees	6,254	6,569	(315)
Other	34,896	19,317	15,579
Long-term liabilities	781,802	808,829	(27,026)
Bonds payable	250,000	319,694	(69,694)
Long-term loans payable	426,696	385,002	41,694
Accrued employees' retirement benefits	82,267	82,210	57
Reserve for losses on related businesses	3,157	448	2,709
Other	19,681	21,474	(1,793)
Total liabilities	1,147,731	1,161,330	(13,599)
Shareholders' equity			
Common stock	107,292	86,767	20,524
Capital surplus	73,663	53,118	20,545
Capital reserve	42,685	22,160	20,524
Other surplus	30,978	30,958	20
Gain on decrease of common stock and capital surplus	30,958	30,958	-
Gain resulting from disposal of treasury stock	20	-	20
Earned Surplus	16,054	10,268	5,786
Unappropriated net gain (loss)	16,054	10,268	5,786
Unrealized gains on securities	4,452	3,878	574
Treasury Stock	(344)	(280)	(63)
Total shareholders' equity	201,118	153,751	47,366
Total liabilities and shareholders' equity	1,348,849	1,315,082	33,767

Note:

Yen(Millions rounded down)

	FY2004 As of Mar.31	FY2003 As of Mar.31
Accumulated depreciation	770,445	788,764
Contingent liabilities	45,972	51,368

(2) Non-consolidated Statements of Income (Loss)

Yen(Millions rounded down)

	FY2004 Apr.1 - Mar.31	FY2003 Apr.1 - Mar.31	Difference
Operating revenues and expenses			
Operating revenues	1,100,448	969,971	130,477
Operating expenses	858,710	781,010	77,699
Sales, general and administrative expenses	177,429	164,927	12,502
Operating income (Loss)	64,308	24,033	40,275
Non-operating income and expenses			
Non-operating income	28,513	46,848	(18,334)
Interest income	874	551	323
Other	27,639	46,296	(18,657)
Non-operating expenses	40,404	45,815	(5,411)
Interest expense	15,416	15,986	(570)
Other	24,988	29,828	(4,840)
Total Recurring income (loss)	52,417	25,065	27,351
Extraordinary gains	1,524	8,028	(6,504)
Gain on sale of investment securities	865	1,054	(188)
Gain on return of the substituted portion of the employee pension fund	-	6,094	(6,094)
Other	658	879	(220)
Extraordinary losses	29,664	7,461	22,202
Loss on sale of fixed assets	2,303	3,694	(1,390)
Loss on retirement of fixed assets	2,539	204	2,334
Valuation loss on shares of affiliates	4,899	100	4,799
Valuation loss on other investments	5,073	-	5,073
Reserve for losses on related businesses	2,709	-	2,709
Provision for allowance for doubtful accounts	7,379	1,897	5,481
Special retirement benefits	1,058	963	94
Other	3,699	601	3,098
Net income (loss) before taxes	24,277	25,632	(1,354)
Corporate, inhabitant and enterprise tax	30,680	1,512	29,167
Deferred taxes	(16,803)	13,851	(30,655)
Net income (loss)	10,401	10,268	133
Income (loss) carried over from last year	5,652	(10,301)	15,953
Reversal of earned surplus reserve	-	10,301	(10,301)
Unappropriated net gain (loss)	16,054	10,268	5,786

(3) Statement of appropriation of gain and loss

Yen(Millions rounded down)

	FY2004 Apr.1 - Mar.31	FY2003 Apr.1 - Mar.31
(1) Appropriation of Unappropriated gain		
Unappropriated gain at end of the year	16,054	10,268
Appropriation of gain		
Dividends (3 yen per share)	5,015	4,615
Reserve for special depreciation	1,710	-
Unappropriated gain carried forward	9,328	5,652
(2) Appropriation of other capital surplus		
Other capital surplus	30,978	30,958
Other capital surplus carried forward	30,978	30,958

Notes to Non-consolidated Financial Statements
All Nippon Airways Co., Ltd.
FY2004 and FY2003

Summary of significant accounting policies

(a) Marketable securities and investment securities

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 gain or loss, net of the applicable income taxes, included directly in shareholders' equity.

Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

Investments in subsidiaries and affiliates are stated at cost determined by the moving average method.

(b) Derivatives

Derivatives, such as forward foreign exchange contracts, interest rate swaps and commodity options and swaps, are used, to limit their exposure to fluctuations in foreign exchange rates, interest rates, and commodity prices.

These are not used for trading purposes.

Derivative financial instruments are carried at fair value with changes in unrealized gain or loss 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.

(c) Inventories

Inventories are stated at cost. Cost is determined by the moving average method for aircraft spare parts, and first-in, first-out method for miscellaneous supplies.

(d) Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation. Depreciation of property and equipment is computed based on estimated useful lives by the following methods:

Flight equipment	Straight-line method
Buildings.....	Straight-line method
Other ground property and equipment.....	Declining balance method

The Company employs principally the following useful lives, based upon the Company's estimated durability of such aircraft:

International type equipment.....	20 years
Domestic type equipment.....	17 years

(e) Intangible fixed assets and amortization

Intangible fixed 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 5 years, the estimated useful life of purchased software.

(f) Bond issuance costs

Bond issuance costs are principally capitalized and amortized over a period of three years.

(g) Allowance for doubtful receivables

A general provision is made for doubtful receivables based on past experience. Provisions are made against specific receivables as and when required.

(h) Accrued bonuses to employees

Provisions are made for bonus payment for employees of the company. The accrued amounts of estimated bonus payments at balance sheet date are stated as accrued bonuses to employees.

(i) Retirement benefits

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 gain or loss 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 the 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 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 which are shorter than the average remaining service years of the employees.

(j) Reserve for losses on related businesses

Provisions are made for estimated losses from investments in subsidiaries and affiliates.

(k) Leases

Finance lease transactions other than those that are expected to transfer ownership of the assets to the lessee are accounted for as operating leases.

(l) Revenue recognition

Passenger revenues are recorded when services are rendered.

(m) Consumption taxes

Consumption taxes are excluded from the amounts of profit and loss statements.

(n) Consolidated tax return system

The Company applied a consolidated tax return system from Fiscal 2002.

(Additional Information)

Consequent to the publication of Business Report No.12 "Treatment of Business-Related Entries on Statements of Income for Pro Forma Standard Tax Portions of Corporate Enterprise Taxes" (Accounting Standards Board of Japan; February 13, 2004), as of the current term 1.3 billion yen for the valued-added and capital portions of corporate enterprise taxes shall be treated as selling, general and administrative expenses, in accordance therewith.

Leases

(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 operating leases. Information on finance leases which are not recorded as assets and liabilities is summarized as follows.

Estimated acquisition costs, accumulated depreciation and net book value of leased assets are as follows:

	Yen (Millions)	
	FY2004	FY2003
Aircraft:		
Estimated acquisition cost	326,539	314,854
Estimated amount of accumulated depreciation	195,920	180,504
Estimated net book value	130,618	134,349
Others:		
Estimated acquisition cost	7,578	9,452
Estimated amount of accumulated depreciation	4,522	5,736
Estimated net book value	3,056	3,716
Total:		
Estimated acquisition cost	334,118	324,306
Estimated amount of accumulated depreciation	200,443	186,241
Estimated net book value	133,674	138,065

Outstanding finance lease obligations are as follows:

	Yen (Millions)	
	FY2004	FY2003
Current portion of finance lease obligations	31,841	32,354
Long-term finance lease obligations	108,282	113,328
	140,124	145,682

Estimated amount of depreciation, estimated finance charges and lease expenses are as follows:

	Yen (Millions)	
	FY2004	FY2003
Estimated amount of depreciation		
Annual lease expenses charged to income	38,029	32,761
by the straight-line method over the lease period	32,321	30,997
Estimated interest cost	3,875	3,903

(b) Operating leases

The rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

	Yen (Millions)	
	FY2004	FY2003
Current portion of operating lease obligations	25,827	38,326
Long-term operating lease obligations	39,338	65,165
	65,165	103,492

Marketable securities and investments in securities

Stocks investment in subsidiaries and affiliates having market value are as follows:

	Yen (Millions)					
	FY2004			FY2003		
	Cost	Market value	Difference	Cost	Market value	Difference
Subsidiaries	4,424	6,537	2,112	4,424	5,822	1,397
Affiliates	675	4,228	3,553	675	2,583	1,907
	5,100	10,765	5,665	5,100	8,405	3,305

Income taxes

The tax effect of temporary differences that give rise to a significant portion of the deferred tax assets and liabilities is as follows:

	Yen (Millions)	
	FY2004	FY2003
Deferred tax assets:		
Accrued employees' retirement benefits	30,090	27,118
Gain on deferred hedge	11,145	-
Allowance for doubtful accounts	6,054	3,119
Approximation of accrued sales charge payable	5,849	5,380
Valuation loss on stocks investment in subsidiaries	4,217	2,289
Accrued enterprise tax	2,567	-
Accrued bonuses to employees	2,511	2,904
Valuation loss on investment securities	2,037	-
Tax loss carried forward	-	3,052
Other	4,123	2,077
Total gross deferred tax assets	68,597	45,943
Less valuation allowance	(10,576)	(5,931)
Total net deferred tax assets	58,020	40,011
Deferred tax liabilities:		
Unrealized gains (losses) on securities	(3,499)	(3,305)
Reserve for special depreciation	(1,148)	-
Other	(57)	-
Total gross deferred tax liabilities	(4,704)	(3,305)
Net deferred tax assets	53,316	36,705

Reconciliation of the difference between the statutory tax rate and the effective income tax rate is as follows:

	FY2004	FY2003
Statutory tax rate	40.16%	42.05%
Reconciliation:		
Change in valuation allowance and related adjustments	18.04%	11.27%
Adjustment for carried over stock of subsidiaries	2.14%	2.03%
Inhabitants tax per capita levy	0.41%	0.39%
Credit against tax measures for promoting investments of information technology	(4.93%)	-
Exclusion of dividend income from gross revenue	(0.17%)	(0.26%)
Change of tax rates	-	2.31%
Other	1.51%	2.15%
Effective income tax rate	57.16%	59.94%

Supplementary Information for Exercise of Shareholder Voting Rights

1. Total number of proxy votes of all shareholders

1,645,644

2. Agenda items and supplementary information

Item 1: Approval of the Proposal relating to Appropriation of Profits for the 55th term

The content of this item is shown on page 32 of the Appendix. During the term under review, the Company made efforts to create a stable profit structure able to withstand changes in the external environment, and achieved increases in both sales and profit, despite a sharp rise in the cost of fuel. We also reformed our cost structure, shaving a total of 30 billion yen off annual costs by the end of fiscal 2004. This cost-saving process was started in fiscal 2003 and was due to achieve the target of 30 billion yen at the end of three years, meaning that we actually reached our goal one year ahead of schedule.

We are very pleased to announce that the Company will distribute a dividend of three (3) yen per share for the fiscal year under review, giving consideration to earning retention in order to intensify financial structure for future business expansion.

Item 2: Changes in certain sections of the Articles of Incorporation

(1) Following the passage and implementation of the “Law Concerning Revision of Portion of the Commercial Code etc. in order to introduce the Electronic Public Notice Systems” (Law No. 87, 2004), under which public notices of corporations by electronic means are approved, the Company proposes to change the existing announcement method using the Nihon Keizai Shimbun to electronic public notice. In the unavoidable circumstances which preclude an electronic public notice, a public notice shall be made in the Nihon Keizai Shimbun as in the past.

(2) The Company shall increase the total number of shares authorized to be issued by the Company from 2,232,000,000 shares to 3,400,000,000 shares in order to implement expeditious capital policy in preparation for future expansion of business scale. The issued number of shares of the Company as of June 7, 2005 is 1,699,959,257 shares.

(Underlined parts were changed.)

Prior to changes	After proposed changes
<p>Article 4 (Method of public notice) Public notices of the Company shall be <u>displayed in the Nihon Keizai Shimbun published in Tokyo.</u></p>	<p>Article 4 (Method of public notice) Public notices of the Company shall be <u>displayed on the Internet; however, in the case of failure of such electronic methods due to accident or other unavoidable reason beyond the Company's control, public notices of the Company shall be displayed in the Nihon Keizai Shimbun.</u></p>
<p>Article 5 (Total number of shares to be issued by the Company) The total number of shares authorized to be issued by the Company shall be <u>2,203,200,000</u> shares.: however, that in the event that any of shares is canceled, the number of such shares so canceled shall be subtracted from the total number of shares so authorized to be issued.</p>	<p>Article 5 (Total number of shares to be issued by the Company) The total number of shares authorized to be issued by the Company shall be <u>3,400,000,000</u> shares: however, that in the event that any of shares is canceled, the number of such shares so canceled shall be subtracted from the total number of shares so authorized to be issued.</p>

Item 3: Election of 15 Directors

The following directors resigned their positions as of March 31, 2005: Kichisaburo Nomura and Masahiko Takada. The term of office of the 14 current directors will expire at the time of closing of 60th Ordinary General Meeting of Shareholders.

Therefore, the election of 15 directors is requested. The candidates for directors are as shown below:

Candidate No.	Name (Date of birth)	Biography and Title in other companies	Number of shares owned	Stakes against the Company
1	Yoji Ohashi (Jan. 21, 1940)	April 1964 Joined ANA March 1992 Director of Engineering & Maintenance Dept., ANA June 1993 Senior Vice President,	92,335	None

		<p>June 1997 ANA Executive Vice President, ANA</p> <p>June 1999 Senior Executive Vice President, ANA</p> <p>April 2001 President & Chief Executive Officer, ANA</p> <p>April 2005 Chairman of the Board, ANA</p> <p>to present</p>		
2	Mineo Yamamoto (July 22, 1945)	<p>April 1970 Joined ANA</p> <p>April 1999 Director of Corporate Planning, ANA</p> <p>June 1999 Senior Vice President, ANA</p> <p>April 2001 Executive Vice President, ANA</p> <p>April 2003 Senior Executive Vice President, ANA</p> <p>April 2005 President & Chief Executive Officer, ANA</p> <p>to present</p> <p><Titles in other companies>: Chairman & Representative Director, Kumamoto Airport Fuelling Facilities Co., Ltd.</p>	57,100	None
3	Hikomichi Toya (Dec. 14, 1940)	<p>April 1965 Joined Ministry of Transport</p> <p>June 1995 Director-General, Minister Secretariat, Ministry of Transport</p> <p>June 1996 Vice Minister, Ministry of Transport</p> <p>June 2000 Executive Vice President, ANA</p> <p>April 2004 Senior Executive Vice President, ANA</p> <p>to present</p>	48,000	None
4	Suguru Omae (Nov. 26, 1943)	<p>April 1967 Joined ANA</p> <p>June 1995 Assistant General Manager, Flight Aircraft Maintenance Center, ANA</p> <p>June 1997 Managing Director, ANA Aircraft Maintenance Co., Ltd.</p> <p>June 1999 Senior Vice President, ANA</p> <p>April 2001 Executive Vice President, ANA</p> <p>April 2004 Senior Executive Vice President, ANA</p>	52,546	None

		to present		
5	Masao Nakano (Dec. 19, 1946)	<p>July 1970 Joined ANA</p> <p>June 1999 General Manager of Beijing Branch and Tianjin Branch</p> <p>April 2001 Corporate Executive Officer, President of West Japan Division, ANA</p> <p>January 2002 Corporate Executive Officer, Deputy General Manager of Marketing & Sales, ANA</p> <p>April 2003 Corporate Executive Officer, General Manager of Marketing & Sales, ANA</p> <p>June 2003 Executive Vice President, ANA</p> <p>April 2005 Senior Executive Vice President, ANA</p> <p>to present</p>	26,471	None
6	Katsuhiko Kitabayashi (April 16, 1946)	<p>April 1970 Joined ANA</p> <p>June 1999 Director of Marketing and General Manager of International Marketing, ANA</p> <p>April 2001 Corporate Executive Officer, Director of Marketing, ANA</p> <p>June 2001 Senior Vice President, ANA</p> <p>April 2003 Executive Vice President, ANA</p> <p>to present</p>	27,000	None
7	Koshichiro Kubo (Jan. 8, 1945)	<p>April 1970 Joined ANA</p> <p>April 1999 Director of Finance & Accounting, ANA</p> <p>April 2001 President and Chief Executive Officer, Air Japan Co., Ltd.</p> <p>April 2003 Corporate Executive Officer, ANA (In charge of General Administration, Legal Affairs, Public Relations and Business Support)</p> <p>June 2003 Senior Vice President, ANA</p> <p>April 2004 Executive Vice President, ANA</p> <p>to present</p> <p><Title in other companies>: Representative Director,</p>	21,000	None

		Wingspan Insurance (Guernsey) Ltd.		
8	Shinichiro Ito (Dec. 25, 1950)	<p>April 1974 Joined ANA</p> <p>April 2001 Director of Personnel, ANA</p> <p>April 2003 Corporate Executive Officer, Deputy General Manager of Marketing & Sales and Director of Marketing, ANA</p> <p>June 2003 Senior Vice President, ANA</p> <p>April 2004 Executive Vice President, ANA</p> <p>to present</p> <p><Title in other companies>: Chairman & Representative Director, Kagoshima Airport Fuelling Facilities Co., Ltd. Chairman & Representative Director, Nagasaki Airport Fuelling Facilities Co., Ltd. Representative Director, ANA Property Management Co., Ltd.</p>	16,335	None
9	Kenichiro Hamada (Oct. 26, 1947)	<p>April 1971 Joined ANA</p> <p>April 1999 Director of Government and Industrial Affairs, ANA</p> <p>April 2001 Corporate Executive Officer, Director of Government and Industrial Affairs, ANA</p> <p>April 2003 Corporate Executive Officer, ANA, General Manager of Tokyo Airport Branch (In charge of area of Haneda Airport)</p> <p>April 2004 Senior Corporate Executive Officer, ANA (In charge of Operations & Airport Services, In-flight Services)</p> <p>June 2004 Executive Vice President, ANA</p> <p>to present</p>	21,285	None
10	Shin Nagase (Mar. 13, 1950)	<p>April 1972 Joined ANA</p> <p>October 2000 General Manager of Corporate Sales Dept., Eastern Japan Div., ANA</p> <p>April 2001 Corporate Executive Officer, Director of Executive Office, ANA</p> <p>April 2003 Corporate Executive Officer, General</p>	26,000	None

		<p>April 2004</p> <p>June 2004</p> <p>April 2005</p> <p>to present</p>	<p>Manager of Tokyo Branch, ANA (In charge of East Area)</p> <p>Senior Corporate Executive Officer, Deputy General Manager of Marketing & Sales, ANA</p> <p>Senior Vice President, ANA</p> <p>Executive Vice President, ANA</p>		
11	Tomohiro Hidema (Mar. 4, 1949)	<p>July 1973</p> <p>April 2002</p> <p>April 2003</p> <p>April 2004</p> <p>June 2004</p> <p>to present</p> <p><Title in other companies>: Representative Director, Hiroshima Airport Fuelling Facilities Co., Ltd. Representative Director, The World Wing Co., Ltd.</p>	<p>Joined ANA</p> <p>Director of Purchasing, ANA</p> <p>Corporate Executive Officer, General Manager of Finance & Accounting, ANA</p> <p>Corporate Executive Officer, ANA (In charge of Finance & Accounting, Investor Relations and Purchasing)</p> <p>Senior Vice President, ANA</p>	15,000	None
12	Keisuke Okada (Oct. 24, 1951)	<p>April 1974</p> <p>April 2001</p> <p>April 2003</p> <p>April 2004</p> <p>June 2004</p> <p>to present</p>	<p>Joined ANA</p> <p>General Manager of Parts Planning in Engineering & Maintenance, ANA</p> <p>Corporate Executive Officer, Deputy Director of Corporate Planning, ANA</p> <p>Corporate Executive Officer, Director of Corporate Planning, ANA (In charge of Cargo Marketing & Services)</p> <p>Senior Vice President, ANA</p>	17,631	None
13	Mitsuo Morimoto (Jun. 24, 1947)	<p>April 1966</p> <p>July 2003</p> <p>April 2004</p>	<p>Joined ANA</p> <p>Director of Inspection in Flight Operations, ANA</p> <p>Corporate Executive</p>	6,000	None

		<p>Officer, Deputy General Manager of Flight Operations and Deputy General Manager of Operations & Airport Services, ANA</p> <p>April 2005 Senior Corporate Executive Officer, General Manager of Flight Operations, ANA</p> <p>to present <Title in other companies>: Representative Director, International Flight Training Academy, Inc.</p>		
14	Akinori Nomoto (Jan. 17, 1951)	<p>April 1973 Joined ANA</p> <p>June 1999 General Manager of Sales Promotion Div. of Sales, Dept., ANA</p> <p>April 2001 Corporate Executive Officer, Deputy Director of Marketing and General Manager of Revenue Management, ANA</p> <p>January 2002 Corporate Executive Officer, Head of Western Japan Div., ANA (In charge of West Area)</p> <p>April 2004 Senior Corporate Executive Officer, General Manager of Tokyo Branch, ANA (In charge of East Area)</p> <p>to present</p>	12,000	None

Candidate No.	Name (Date of birth)	Biography and Title in other companies	Number of shares owned	Stakes against the Company
15	Misao Kimura (Sep. 7, 1937)	<p>June 1993 Executive Vice President of Nagoya Railroad Co., Ltd.</p> <p>June 1997 Senior Executive Vice President of Nagoya Railroad Co., Ltd.</p> <p>June 1999 President and Chief Executive Officer of Nagoya Railroad Co., Ltd.</p> <p>to present</p> <p>June 2004 Senior Vice President, ANA</p> <p>to present</p> <p><Titles in other companies>: Chairman & Representative Director, Meitetsu Bus Co., Ltd. Chairman & Representative Director, Meitetsu Real Estate Co., Ltd. Chairman & Representative Director, Meitetsu Industry Co., Ltd. Chairman & Representative Director, Irago Seaside Golf Club Co., Ltd. Representative Director, Meitetsu Management Service Co., Ltd. Representative Director, Meitetsu Property Co., Ltd. Representative Director, Meitetsu Impress Co., Ltd. Executive Vice President, Tokadai New Transit Co., Ltd. Executive Vice President, Central Japan International Airport Line Company Ltd.</p>	0	See the following Notes

(Note 1): Candidate for Director, Misao Kimura fulfills the requirement for external directors stipulated in Article 188, paragraph 2, item 7-2 of the Commercial Code.

(Note 2): Candidate for Director, Misao Kimura is the Representative Director of Nagoya Railroad Co., Ltd. and there is a business relationship between ANA and Nagoya Railroad Co., Ltd. with respect to sales of air tickets and airport services, etc.

Item 4: Election of 2 Corporate Auditors

The current corporate auditor, Mr. Wataru Kubo will resign from his position at the time of closing of the 60th Ordinary General Meeting of Shareholders and the Company hereby requests for election of 2 corporate auditors in order to reinforce the auditing system. This proposal has been approved by the Board of Corporate Auditors.

The candidates for corporate auditors are shown below:

Candidate No.	Name (Date of birth)	Biography and Title in other companies	Number of shares owned	Stakes against the Company
1	Masahiko Takada (May 20, 1943)	October 1966 Joined ANA June 1999 Deputy General Manager of Flight Operations, ANA April 2001 Corporate Executive officer, Deputy General Manager of Flight Operations, ANA April 2003 Corporate Executive officer, General Manager of Flight Operations, ANA June 2003 Executive Vice President, ANA April 2005 Corporate Adviser (Standing), ANA to present	22,084	None
2	Hideo Minamiyama (Feb. 29, 1940)	June 1997 Executive Vice President and Director, Hokkaido Electric Power Co., Inc. November 1999 President and Director, Hokkaido Electric Power Co., Inc. March 2004 Chairman of the Board of Directors, Hokkaido Electric Power Co., Inc. to present June 2004 Chairman of Hokkaido Economic Federation to present	0	None

Notes:

Mr. Hideo Minamiyama is an external auditor stipulated in Article 18, paragraph 1 of the Law For Special Exceptions to the Commercial Code Concerning Audit, Etc. of Kabushiki-kaisha.

Item 5: Revision of the Amount of Remuneration of Corporate Auditors

The remuneration of corporate auditors of the Company has been resolved below 7,000,000 yen per month at the 45th Ordinary general Meeting of Shareholders held on June 28, 1990. However, since the number of corporate auditors of the Company is increased from 4 to 5 in the event that item 4 is approved, the Company desires to revise the amount of remuneration to below 10,000,000 yen per month.

[Guidance Notes on the Exercise of Voting Rights by Electronic Means]

If you wish to exercise your voting rights through the Internet, please note the following items:

1. It is acceptable to exercise voting rights through the Internet only by accessing the following designated website. You are able to access and use the website for exercising voting rights through a cellular phone as well.

[Website URL for exercising voting rights] <http://www.webdk.net>

* If your cellular phone is able to scan bar codes, you are able to access the website by scanning the QR code on the right side. For more details on the procedure, please refer to the manual of your cellular phone.

2. When you exercise your voting rights through the Internet, please register your approval or disapproval of each agenda item, by using the code and password indicated on the Form for Exercise of Shareholder Voting Rights enclosed herewith and following the directions on the screen.

3. Although it is acceptable to exercise voting rights through the Internet until Monday June 27, 2005, please exercise your voting rights as soon as possible to assist us in collating the results.

4. If you exercise your voting rights twice, in writing and through the Internet, we will only accept the exercise of your voting rights through the Internet as effective.

5. If you exercise your voting rights more than once through the Internet or through the Internet and a cellular phone, we will only accept the last exercise of your voting rights as effective.

6. The access fee to providers, telecommunications fee to telecommunications carriers (telephone bill etc.) will be borne by the shareholder using the website for exercising voting rights.

[System Requirements for Voting by Electronic Means]

The following are required in order to use the website for exercising voting rights:

- (i) Internet access;
- (ii) If you vote using your personal computer:
Microsoft[?] Internet Explorer version 5.5 or later, or Netscape version 6.2 or later, and appropriate hardware to use the above Internet browser software; and
- (iii) If you exercise your voting rights through a cellular phone:
128bitSSL communication (encrypted communication) mode (some models are restricted, since only 128bitSSL communication (encrypted communication) models can access the website in order to ensure your security.)
(Microsoft is the trademark of Microsoft Corporation, registered in the United States and other countries. Netscape is the trademark of Netscape Communications Corporations, registered in the United States and other countries.)

[Inquiries relating to Internet voting]

Please call the following number if you have any questions relating to the exercise of voting rights through the Internet.

**Transfer agent: The Sumitomo Trust and Banking Company, Limited
Stock Transfer Agency Department**

Exclusively for this issue:	0120-186-417 (24 hours a day)
Request for forms such as change of address form:	0120-175-417 (24 hours a day)
Other inquiries:	0120-176-417 (Operating hours: 9:00 to 17:00, weekdays)