

Dear Shareholders

Mineo Yamamoto
President & Chief Executive Officer
All Nippon Airways Co., Ltd.
5-2, Higashi-Shimbashi 1-chome
Minato-ku, Tokyo 105-7133, Japan

Notice of the 63rd Ordinary General Meeting of Shareholders

We are pleased to announce that the 63rd 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 voting rights by proxy either in writing or by electronic means. To do so, please read the Supplementary Information for General Meeting of Shareholders enclosed herewith and then (i) indicate whether you are voting FOR or AGAINST each of the resolutions shown on the enclosed Form for Exercise of Shareholder Voting Rights and return the Form to the designated address, or (ii) in the case of electronic voting, follow the instructions on page 2 of this Notice. In either case, votes must be received by June 20, 2008 (Friday), 5:20 PM (Japan Standard Time).

Thank you.

General Information of the Meeting

- 1. Date:** June 23, 2008 (Monday), 10:00 AM
- 2. Location:** Grand Prince Hotel New Takanawa, International Convention Center PAMIR;
13-1, Takanawa 3-chome, Minato-ku, Tokyo

3. Objectives:

Matters to be reported:

- (a) Business Report, Consolidated Financial Statements, and the Results of Audit of Consolidated Financial Statements by Independent Auditors and the Board of Corporate Auditors for the 58th term (from April 1, 2007 to March 31, 2008).
- (b) Non-consolidated Financial Statements for the 58th term (from April 1, 2007 to March 31, 2008).

Matters to be resolved:

1. Appropriation of Surplus
2. Election of 17 Directors of the Company
3. Election of 3 Corporate Auditors of the Company

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

We would appreciate it if you could come ahead of time to avoid last-minute congestions (The reception desk will be open at 8:30 AM.).

4. Guidance Notes on the exercise of Voting Rights by electronic means

- (1) Exercise of voting rights through the Internet is allowed only if you access the following designated website. For this purpose, the website is also available to cellular phones.
[Website URL for exercising voting rights] <http://www.webdk.net>
- (2) If you exercise your voting rights through the Internet etc., please register your approval or disapproval of each resolution, by using the voting code and the password indicated on the Form for Exercise of Shareholder Voting Rights enclosed herewith and following the directions on the screen.
- (3) While we will accept voting through the Internet until June 20, 2008 (Friday), 5:20 PM, we appreciate it if you could vote as soon as possible for our ease of counting the votes.
- (4) If you exercise your voting rights twice, both in writing and through the Internet etc., only the exercise through the Internet will be counted.
- (5) If you exercise your voting rights more than once through the Internet etc. or by other means, or twice with your PC and cellular phone, only the last exercise will be counted.
- (6) The connection fees for the internet service provider and the telecommunications fees for the carrier incurred by your accessing the above website would be borne by you.

5. Note on Voting by Proxy

If you have a proxy to attend the General Meeting of Shareholders on your behalf, the proxy shall be a shareholder of the Company. The proxy shall be no more than one person. The proxy is also required to hand in a written instrument evidencing the proxy's power of representation together with the absent shareholder's Form for Exercise of Shareholder Voting Rights at the reception desk.

6. Method of making an announcement to Shareholders

Upon the occurrence of any event which may cause an amendment to the reference material for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, or Consolidated Financial Statements, which is no later than the day before the General Meeting of Shareholders, we will make an announcement by mail or on our webpage (<http://www.ana.co.jp/ir/>).

END

[APPENDIX]

Business Report

(April 1, 2007 to March 31, 2008)

1. Present state of ANA Group

(1) Business of the year

(i) Progress and results of business

During the first half of the fiscal year, the Japanese economy was generally recovering with an increase in capital expenditure supported by strong corporate earnings and further improvement in employment that buoyed consumer spending. In the second half of the year, however, the US economic slowdown, due to the sub-prime loan crisis and soaring oil prices, had a negative impact on the Japanese economy, which is decelerating and the future of the economy is uncertain.

In domestic passenger services, the Group has carried fewer passengers than the previous year as a result of intensifying competition with competitors and other transportation facilities under conditions of weak gross demand. In international passenger services, the Group has carried more passengers than the previous year because we have captured the continuously strong business demand and expanded the network across Chinese/Asian routes.

Domestic cargo services achieved an increased cargo volume than the previous year though some routes were affected by a competitor that started providing services on new routes. As for international cargo services, we expanded the network by increasing the number of cargo flights and provided increased space together with passenger aircraft for further convenience. As a result, the growth of cargo volume was strong and largely exceeded that of the previous year in spite of the very competitive environment.

Under these circumstances, we took measures to stimulate demand, and revised domestic and international fares and fuel surcharges.

As a result of these actions, the Group recorded operating revenues of 1,487.8 billion yen, an operating profit of 84.3 billion yen and a recurring profit of 56.5 billion yen. While the Group reported an extraordinary profit of 132.9 billion yen from the transfer of its hotel business property, it also reported extraordinary losses of 23.3 billion yen on non-recurring depreciation reflecting the revised depreciation of capital expenditure on aircraft. As a result, the net profit for the year amounted to 64.1 billion yen.

Below is the summary of the fiscal year's operating results for each business segment.

Air Transportation

- Domestic Routes

Passenger Services

Our domestic passenger services carried fewer passengers than the previous year though we took various measures to strengthen our competitiveness such as the flexible pricing system "*Tokouwari*" and "*Tabiwari*", providing extra services actively for high-demand seasons in order to survive the intensifying competition with competitors and other transportation facilities on main routes under conditions of weak gross demand.

While the Group has maintained the basic route network as in the previous year, we have reduced services on less profitable routes and focused our aircrafts and equipment on more profitable ones. The Group started code-sharing with Star Flyer Inc. on the Haneda-Kitakyushu route in June and with Skynet Asia Airways Co., Ltd. on the Haneda-Kagoshima route in September in order to expand the network and improve convenience.

While optimizing the supply-demand balance as a whole, the Group steadily captured demand in high-demand seasons (such as Golden Week holidays, summer holidays, year-end and New Year holidays, spring holidays and short consecutive holidays) by aggressively providing extra flights or setting the "*Tabiwari*" airfare. In the second half of the year, the Group created a nation-wide campaign involving "*Mattarina, hokkorina, Okinawa, Ishigaki and Miyako*" for autumn and winter seasons to further stimulate demand.

Regarding the services, the Group increased the well-received "Super Seat Premium" to focus on the routes of high business demand. Under the concept of "simplicity and convenience", we introduced a new boarding style "SKiP" in September where no check-in procedure is required at airports. Together with other efforts including our attempt to add further value to the "ANA Mileage Club", we have tried to enhance and expand our services to strengthen competitiveness.

Also, in the new style of air transportation we are promoting, we made improvements to our "SKiP" services which omits boarding procedures at the airport, under the concept of "simplicity and convenience", including provision of a service to passengers who also check in their luggage. This new service was introduced to the Group's domestic route airports from September through December, and the SKiP service is now available at all airports, and air tickets for domestic flights were all computerized, and passengers are no longer required to carry around their tickets. Also, from July, in cooperation with Rakuten Travel K.K., we started collective reservation and settlement services for air tickets and hotels in the "ANA@desk" service which is a business support system for our corporate customers, and improved its convenience. In addition, in December, we entered into a comprehensive alliance agreement with East Japan Railway Company to provide seamless and convenient transportation services by "land (railway)" and "air (airway)".

As a project to enhance demand for leisure travel, we expanded the "NIPPON 2 Campaign" throughout the year and the "*Mattarina Hokkorina Okinawa, Ishigaki, Miyako Campaign*" from November throughout all of Japan.

Cargo and Mail Services

For domestic cargo flights, although there was a change in the competition environment where new a participant entered the Haneda/Kansai - Sapporo route in April, due to an increase in the amount of the cargo to Okinawa in the first half of the year, home delivery cargo after December and fresh food cargo from south Kyushu, the weight of carriage showed strong growth. Also, from November, we commenced a cargo transportation alliance with Skynet Asia Airways for the Haneda - Miyazaki route, and improved the convenience of cargo transportation in the service line and strengthened our competitiveness. In late night scheduled cargo flights, those landing and taking off from Chubu International Airport were changed to Kansai International Airport from January to increase our international transfer of cargo.

For mail services, due to increased competition and a decrease in volume and unit price, both weight of carriage and revenue decreased compared to the previous year.

- International Routes

Passenger Services

For international passenger services, due to a steady increase in demand from personal travelers, mainly demand from business travelers and increased demand for flights from overseas due to the depreciation of the yen during the first half of the year, the results continued to be strong.

Under these circumstances, on the China Asia route, which is an emerging market, we increased the Narita-Koshu route to two flights a day from May, added the Haneda-Shanghai (Hongquiao) route from September, and added flights to the Narita-Ho Chi Minh route from October. Additionally, from September, we started an "ANA BusinessJet" for the Narita-Mumbai route with all business seats (Boeing 737-700 ER) to take advantage of increasing demand for business flights between Japan and India with the rapid growth of the Indian economy, and this reinforced our network.

We have downsized the aircraft to an Airbus A320-200 for the Chubu-Shanghai route from May and Narita-Amoy route from June and optimized the supply and demand balance, and introduced the fuel-efficient Boeing 777-300ER to the Narita-London route from May following the introduction of the same aircraft to North American flights, and sought to further strengthen our profitability.

We also labeled last year as "ANA's China Year" to commemorate the 35th anniversary of the normalization of diplomatic relations between Japan and China and the 20th anniversary of the ANA's commencement of the China route, and began the campaign of "LIVE/ Campaign for 20th anniversary of ANA's service of the China Route/ANA" including services of the specially painted "Fly! Panda" aircraft, services of special charter flights, and cooperation with others in cultural and exchange programs.

On the European routes, we have set out the "Ecowari Premium Light", a new discount program which provides a "Premium Economy" service, and this has got a favorable reception for its comfortable service which started from the December flights. We also expanded our services within the aircraft and at the airport, and sharpened our competitive edge in the personal travelers demand, particularly for business travelers.

Cargo and Mail Services

For international cargo, export cargo from Japan generally slowed in terms of its growth. This was especially the case, for the routes between Japan and China, as competition increased due to new entries and increases in flights by other companies, and resulted in a decrease of the occupancy rate and yield. However, we actively attracted shipments whose destinations are Asia, North America (shipped from China) or Europe, and cargo transported within Asia through Japan. As a result, with the increase of shipments of fresh products from North America and Europe, the volume as a whole substantially increased from the previous year.

For route networking, with the commencement of consigned flight to US ABX Air from May, we had a total of six cargo aircraft including four owned by the ANA Group, and expanded our network mainly on our Asia and China routes. As a result, the cargo networking increased to more than 100 flights a week, and we improved convenience by increasing our space provision volume for cargo flights as well as passenger flights. Other than these, the cargo flights were concentrated in Kansai International Airport from January in order to improve the accessibility and optimization of the production system.

We also amended the special additional fuel freight charge to address the appreciation of fuel prices.

As for the mail service, although the volume of mail from Japan to China decreased due to the downsizing of the aircraft used, there was constant transport of mail from North America, and there was an increase in mail carried from Japan to North America and Europe and also mail from China to North America, and with the increase in long distance routes with higher unit prices, although the volume of transported mail decreased against the previous year, revenue increased from the previous year.

Others

In other services in the Air Transportation segment, we provided aircraft maintenance and ground services (such as passenger check-in and baggage handling) to other airlines, and also worked to increase in-flight sales.

Travel Services

For travel services, in domestic travel, Kyushu and Okinawa did well, and sales from domestic travel increased substantially from the previous year. On the other hand, for international travel services, due to the raise in special additional fuel freight charge and decrease in demand of flights to China, sales from international travel services decreased from the previous year.

For domestic travel, as a new style of travel, we started sales of personal type of travel which is available for a minimum of two passengers, called the "*Kando Annainin Plan*" where a local guide will be the tour conductor based on the theme of interaction between people. In the "*Kando Annainin Plan*", is a product where carefully selected guides provide nature, historical or cultural experiences which cannot be normally experienced, and the originality of the product won a grand prize in the domestic travel category of "*Tour of the year 2007*".

For international travel, we provided products such as "*Nettai Rakuen Jikan*" which is a beach resort product mainly in KohChang of Thailand, and Business/First Class travel products with a guide which is available for a minimum of two passengers and strengthened our product lineup. Also, that "ANA Koshu/Seiko Fureai Walk" which was planned as experience based travel, received recognition for its contribution to the Japan-China Sports and Cultural Exchange Year, and received a special price in the international travel category of "Tour of the year 2007".

The dynamic package tour "*Tabisaku*" where customers make their original package tour by combining their choice of air transportation and hotels came to be recognized in the market and increased its sales with over 90,000 people from Japan and abroad using the service.

Other than this, the new travel membership organization "*Tabidachi*" established within the ANA Mileage Club in April, gained 940,000 members. Also, the portal site "*Tabidachi Kukan*" which provides a place for members to exchange information and introduces recommended trips which match the needs of the customers also gained increased support.

Other Businesses

All Nippon Airways Trading Co., Ltd., which conducts trading and retailing, achieved a substantial increase in revenues due to continued growth in the aviation-related service area as well as steady growth in the food business and paper pulp business in the trading service area, and especially the continued growth in electronic components in the mechanical area, all of which contributed to the increase in revenue. Sales in the customer service business area remained at the same level as the previous year due to sluggish growth in the number of users. As a result, the level of overall sales exceeded the previous year.

Infini Travel Information, Inc., which provides an international flight reservation and ticketing system for airlines and travel agencies, made solid progress with the market development of "INFINI LINX," an online reservation tool, and with other strategic products. But due to the sluggish growth in international travel demand, the growth in the use of the international seat reservation and ticketing system was slowed, and sales fell below the previous year.

ANA Information Systems Planning Co., Ltd., principally provides system development, maintenance and operation services to ANA and other Group companies. Its system development division conducted development of content for the "SKiP" service and supported development of the next system, and the maintenance and operation division won new businesses, but overall sales fell below the previous year.

*** Sale of the Hotel Business Segment**

In compliance with the management policy to concentrate our management resources to the air freight business and to enhance our profitability, in June, we divested of all shares held in the 14 hotel business subsidiaries and their assets to a company outside of the Group. The 15 hotel business subsidiaries became non-consolidated, and the hotel business segment no longer exists from this year. Although we will continue to engage in the hotel management business through IHG ANA hotels Groups Japan LLC which is a joint venture with Intercontinental Hotels Group, this company is included in other

businesses as an equity method affiliate.

Operating revenues of each business segment and transportation performance of the Group are as follows:

(billions of yen)

Segment	Operating revenues	Operating costs	Operating income
Air Transportation	1,301.6	1,223.6	77.9
Travel Services	215.3	214.3	1.0
Other Businesses	198.9	193.7	5.1
Total	1,716.0	1,631.7	84.2
Elimination or Corporate	(228.1)	(228.3)	0.1
Consolidated	1,487.8	1,403.4	84.3

(Note) Operating revenues include inter-segment transactions.

(billions of yen; except for percentages)

		2007 (the fiscal year)	2006 (the previous fiscal year)	Year-on-year
Domestic routes	Passenger revenues	739.5	726.0	101.90%
	Cargo revenues	30.5	30.5	100.00%
	Mail revenues	7.9	8.9	89.20%
International routes	Passenger revenues	311.5	278.4	111.90%
	Cargo revenues	72.1	62.1	116.10%
	Mail revenues	3.5	3.4	104.00%
Other revenues		136.2	139.0	97.9%
Total		1,301.6	1,248.7	104.2%

		2007 (the fiscal year)	2006 (the previous fiscal year)	Year-on-year
Domestic routes	No. of passengers (millions)	45.55	46.47	98.0%
	Cargo (thousands of tons)	462	457	101.0%
	Mail (thousands of tons)	88	90	97.4%
International routes	No. of passengers (millions)	4.82	4.55	106.0%
	Cargo (thousands of tons)	332	277	119.8%
	Mail (thousands of tons)	15	15	99.6%

(ii) Capital Expenditures

- (a) Capital expenditures for the fiscal year totaled 357,733 million yen, and the principal facilities completed during the fiscal year are as follows:

Aircrafts:

Boeing 777-300:	4	(owned)
Boeing A320-200:	3	(leased)

Boeing 737-700:	7	(owned)
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- (b) Aircrafts retired during the fiscal year:

Boeing 747-400:	4	(sold)
Airbus A321-100:	2	(returned)
Airbus A321-100:	1	(sold)
Airbus A320-200:	2	(sold)

- (c) Expansion of major facilities ongoing during the fiscal year:

Aircrafts:

Boeing 777-300:	5	(on order)
Boeing 787-8:	20	(on order)
Boeing 787-3:	30	(on order)
Boeing 767-300:	2	(on order)
Boeing 737-800:	12	(on order)
Boeing 737-700:	16	(on order)

(iii) Financing activities

- (a) To improve balance sheets and the financial account balance, the Company and its consolidated group companies have entered into long-term commitment line contracts (106 billion yen in total) with major Japanese financial institutions.

- (b) During the fiscal year, we issued the following bonds:

March 12, 2008, 24th issue of unsecured straight corporate bonds in an amount of 30 billion yen.

(iv) Status of transfer of business or corporate split
(absorption-type or new-establishment-type)

With the resolution of the Board of Directors Meeting held on April 13, 2007, with regard to the hotels directly managed by the Group, the Company entered into a share transfer agreement concerning all shares and others of the fourteen (14) hotel business subsidiaries held by the Company, and executed such transfer of shares and others as follows:

(a) Reason for the transfer:

In compliance with the management policy to concentrate our management resources on the air freight business and to enhance our profitability, the shares and other assets concerning the directly managed hotels were transferred.

(b) Subsidiaries to be transferred

Fourteen (14) hotel related subsidiaries held by the Company

(c) Date of Transfer

June 1, 2007

(d) Transferee

Yugen Kaisha Shiroyama Properties

*The company is a yugen kaisha established by a real estate fund managed by an affiliate of Morgan Stanley, and does not have any capital or personnel relationship with the Company.

(e) Price of Transfer:

Transfer price: 281.3 billion yen

(2) Assets, profit and loss for the last three fiscal years

(millions of yen; except for per share amounts)

	2004 (55 th Fiscal Year)	2005 (56 th Fiscal Year)	2006 (57 th Fiscal Year)	2007 (Current Fiscal Year, Consolidated)
Operating revenues	1,292,813	1,368,792	1,489,658	1,487,827
Recurring profit	65,224	66,755	62,574	56,523
Net income	26,970	26,722	32,658	64,143
Net income per share (yen)	17.26	15.64	16.77	32.93
Total assets	1,606,613	1,666,843	1,602,091	1,783,393
Net assets	214,284	346,309	405,912	455,946
Net assets per share (yen)	128.31	177.89	204.42	232.58

(Note)

Net income per share is calculated based on the average number of outstanding shares during the fiscal year (after deduction of treasury shares). Net assets per share are calculated based on the number of outstanding shares at the end of the fiscal year (after deduction of treasury shares).

(3) Parent company and material subsidiaries (as of March 31, 2008)

(i) Relation with the parent company

N/A

(ii) Material subsidiaries

Company name	Amount of capital (millions of yen)	Ratio of voting rights holding (%)	Principal business
Air Nippon Co., Ltd.	5,400	100.0	Air transportation
Air Japan Co., Ltd.	50	100.0	Air transportation
Air Nippon Network Co., Ltd.	50	100.0 (Note)	Air transportation
Air Next Co., Ltd.	50	100.0 (Note)	Air transportation
Air Central Co., Ltd.	300	86.7	Air transportation
ANA & JP Express Co., Ltd.	80	51.7	Air transportation
ANA Aircraft Maintenance Co., Ltd.	2,433	100.0 (Note)	Aircraft maintenance
ANA Sales Co., Ltd.	1,000	100.0 (Note)	Planning and sale of travel packages, etc.
ANA Hotel Tokyo Co., Ltd.	40	100.0 (Note)	Hotel management
Okinawa ANA Resort Co., Ltd.	2,600	100.0	Hotel management
ANA Trading Co., Ltd.	360	72.5 (Note)	Trading and retailing
Infini Travel Information, Inc.	4,000	60.0	Information and telecommunications
ANA Information Systems Planning Co., Ltd.	52	100.0	Development and operation of computer systems

(Note) The ratio includes indirect holding of voting rights.

(iii) Progress and results of business combinations

During the fiscal year, the Company obtained greater ratio of holding of voting rights for ANA Trading Co., Ltd. because of the acquisition of the relevant shares.

2 subsidiaries have been included in the scope of consolidation due to new establishment. 14 subsidiaries have been excluded from the scope of consolidation due to transfer of the hotel business property, and 1 subsidiary has been excluded from the scope of consolidation due to company liquidation.

The Company has 81 consolidated subsidiaries including the above 10 material subsidiaries, and has 23 equity-accounted entities.

For the fiscal year, operating revenues were 1,487.8 billion yen (down 0.1% from the previous fiscal year), recurring profit was 56.5 billion yen (down 9.7% from the previous

fiscal year) and net income was 64.1 billion yen (up 96.4% from the previous fiscal year).

(4) Current issues the Company is facing

As for the economic outlook, the Japanese economy is decelerating due to the US economic slowdown and soaring oil prices. In this climate, business judgments tend to be more conservative and there is concern that consumer spending may slow down.

Even in such a business environment, the Group shares the recognition that "Safety is a priority of business management and a responsibility to society" in accordance with the "Group Safety Policy" and it should always be emphasized that safety is the most important mission for the Group responsible for public transportation and we will continue to firmly maintain safe flights and reinforce our crisis-control system.

In addition, based on the "ANA Group 2008-2011 Mid-Term Corporate Plan" which is designed to achieve our goal "to become Asia's leading corporate group with a focus on the air transportation business" as stated in the "Group Business Vision", the Group will try to maintain and improve services of high-quality primarily in the Air Transportation segment, and achieve growth in earnings by further strengthening the basis for stable revenue.

In domestic passenger services, in view of supply-demand balance optimization and increasingly intense competition, the Group will adopt a system of simple rotation (straight forward return) to improve network efficiency and quality, and strengthen the aircraft rotation system against operational irregularities. We will also offer strategic fare structures and services to enhance our competitiveness. In order to capture business demand, in April 2008 we launched "My *Shuccho* Support" service, offering the ANA card members the services they need on a business trip, such as hotel reservations in addition to airline ticket reservations. We are further targeting business demand through "Business *Kippu*", special fares exclusively for ANA card members on all domestic routes, providing them with another convenient business trip service. In leisure travel, we will stimulate demand by adding "*Noritsugi Tabiwari*" to the well-received "*Tabiwari*". Moreover, in April 2008 we introduced "Premium Class" seating, an enhanced version of the "Super Seat Premium" service. We will adopt the seating also in the Boeing 737-700 and 737-800 models to provide customers across the country with high-quality service that only ANA can offer.

In international passenger services, we will continue to establish the foundations of our "Network Carrier Business Model" in view of the environment after the 2010 airport expansion in the Tokyo-metropolitan area. Utilizing the operating times for international charter flights at Haneda Airport, in April 2008, we began flights on the Haneda-Hong Kong route. Taking an opportunity of the Beijing Olympics to be held in August, we plan to open a Haneda-Beijing (Nanyuan) route once the necessary operating conditions are in place. As with Kansai-Qingdao flights from March 2008, we will also increase flights on the Kansai-Dalian route in June in order to offer a daily service. Further, matching demand to supply, we will downsize our aircraft on the Kansai-Hangzhou route to the Boeing 737-700. Moreover, in April 2008, we changed flights to Taipei to the "ANA" flight code to expand code-sharing and provide better onward connectivity. In terms of sales and marketing, we are targeting individual demand through the introduction of our highly competitive new pricing system, "Super *Ecowari*", which can be used on flights from April 2008. We are also working to heighten convenience for our

customers. For example, in May 2008, we began a code-sharing agreement and mileage tie-up with Jet Airways of India. With an eye to the trend of further deregulation of the airline industry, we will strengthen our competitiveness by continuous enhancement of our products and services.

As for cargo service, we aim to develop it to become our "third core business", and will steadily implement measures to establish a revenue base and a new business model. For a revenue base, we will increase the number of cargo flights in June and December 2008. In order to promote establishment of "Cargo Basic Network" and to enhance our competitiveness in the market, we will establish daily flights on weekdays to Xiamen, Qingdao and Taipei, increase the number of early morning and late night flights and advance the creation of a freight-hub network by improving connections at our key airports. For a new business model, in April 2008, we established All Express Corporation, a new joint venture company with Nippon Express and Kintetsu World Express to enter the express delivery service business (customer to customer), which is expected to strongly grow in the future. Furthermore, against the backdrop of these measures, we will work on strengthening our operational base by proceeding with the preparations for our international freight-hub in Okinawa, slated to open in the second half of fiscal 2009.

To support these business expansions, we plan to introduce 11 aircraft based on the fiscal year's fleet plan. In addition to one Boeing 777-300ER model (our major model), two Boeing 767-300ER models, and one Boeing 737-700 model, we will introduce five Boeing 737-800 models and also convert two Boeing 767-300ER passenger aircraft into freighters. On the other hand, we will retire two Boeing 747-400 models, six Airbus A320-200 models, and all of our three Fokker 50 models. With these measures, we will steadily progress the cost structure reform (fleet strategy) by streamlining aircraft types and introducing fuel-efficient aircraft. Despite the postponement of the delivery of the Boeing 787 that we initially planned to introduce during the fiscal year, there will be no changes to plans and targets because the postponement has already been incorporated into our operational planning for the fiscal year.

In Travel Services, we will enhance our ability to plan travel packages with support by ANA Sales Group to make our services unique among others. We will strengthen our sales force and increase profitability by enhancing our product lineup to meet the increasingly diverse needs of our customers.

Other Businesses will focus on revenues on a consolidated bases and speedy business management with a view to enhancing the comprehensive strength of the Group as a whole in line with the Group management vision.

With these actions, we will continue our efforts to develop the corporate basis to deliver stable revenues under any business environment.

We would like to thank our shareholders for their continued support.

(5) Principal business segments of the group (as of March 31, 2008)

Segment	Nature of business
Air Transportation	Air transportation by regular and non-regular flights on international and domestic routes, and other related businesses
Travel Services	Planning, development, sale and other related businesses for travel packages
Other Businesses	Trading and retailing, information and telecommunications, building management and other related businesses

(6) Principal office and plants of ANA Group (as of March 31, 2008)

Name of the company	Name of business place and its address	
(Air Transportation)		
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), Component Maintenance Center (Tokyo), Power Plant Maintenance Center (Tokyo)
	Overseas Branch	New York, San Francisco, Los Angeles, Chicago, Washington D.C., Honolulu, Guam, London, Frankfurt, Paris, Beijing, Shenyang, Tianjin, Dalian, Tsingtao, Shanghai, Hangzhou, Xiamen, Guanzhou, Hong Kong, Taipei, Seoul, Mumbai, 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	Ota-ku, Tokyo
Air Central Co., Ltd.	Head Office	Tokoname-shi, Aichi
Air Next Co., Ltd.	Head Office	Fukuoka-shi, Fukuoka
ANA&JP Express Co., Ltd.	Head Office	Minato-ku, Tokyo
(Travel Services)		
ANA Sales Co., Ltd.	Head Office	Minato-ku, Tokyo
	Domestic Sales Office	Tokyo Sales Office, Nagoya Sales Office, Osaka Sales Office
(Other Businesses)		
All Nippon Airways Trading Co., Ltd.	Head Office	Minato-ku, Tokyo
ANA Information Systems Planning Co., Ltd.	Head Office	Ota-ku, Tokyo

(7) Aircraft used by ANA Group (as of March 31, 2008)

Aircraft	Number of aircraft	Number of seats	Remarks
Boeing 747-400	19	287 - 569	One (1) aircraft is leased from FI Walnut Leasing YK and two (2) other companies.
Boeing 777-300	19	247 - 524	Seven (7) aircraft are leased from ANA Creon Leasing Co., Ltd., and twenty-one (21) other companies.
Boeing 777-200	23	223 - 415	Eight (8) aircraft are leased from FI Kiwi Leasing YK and thirty-nine (39) other companies.
Boeing 767-300	56	214 - 288	Eleven (11) aircraft are leased from SMBCL Chameleon YK and thirty-three (33) companies other companies. One (1) aircraft is leased to Hokkaido International Airlines Co., Ltd.
Boeing 767-300F	4	—	All aircraft are leased from NBB Sky YK and five (5) other companies.
Airbus A320-200	32	110 / 166	Sixteen (16) aircraft are leased from FG Rose Leasing YK and seventeen (17) other companies. Twenty-six (26) aircraft are jointly used by ANA and Air Nippon Co., Ltd.
Boeing 737-700	17	38 - 136	Four (4) aircraft are leased from YK YNH Orpheus and three (3) other companies. All aircraft are used by Air Nippon Co., Ltd.
Boeing 737-500	25	126 / 133	Nine (9) aircraft are leased from NBB Creak YK and eight (8) other companies. Air Nippon Co., Ltd., and Air Next Co., Ltd., use all of the aircraft.
Boeing 737-400	1	155	The aircraft is leased from GL Quality Leasing YK and leased to Hokkaido International Airlines Co., Ltd.
Bombardier DHC-8-400	14	74	All aircraft are leased from YK NL Centorus and thirteen (13) other companies. All Nippon Network Co., Ltd., and Air Central Co., Ltd., use all of the aircraft.
Bombardier DHC-8-300	5	56	Four (4) aircraft are leased from YT Aero YK and other three (3) companies. Air Nippon Network Co., Ltd., uses all of the aircraft.
Fokker 50	3	50 / 56	All aircraft are leased from STB Leasing Co., Ltd., and used by Air Central Co., Ltd.
Total	218		

(8) Employees (as of March 31, 2008)

(i) Employees of ANA Group

Number of employees	Change in the number year on year
31,345 (4,132)	-1,115 (-1,458)

(Note)

Number of employees means the number of full-time employees (*syugyoin*) only, and the average number of temporary employees (*rinji jugyoin*) for the year is described in ().

(ii) Employees of ANA

Number of employees	Change in the number since the previous fiscal year	Average age	Average service years
13,120 (380)	+175 (+29)	38.4	12.7

(Notes)

1. Number of employees means the number of full-time employees (*syugyoin*) only, and the average number of temporary employees (*rinji jugyoin*) for the year is described in
2. 1,478 employees of ANA who are temporarily transferred to another company are excluded.
3. 465 employees of another company who are temporarily transferred to ANA are included.

(9) Main loan lender (as of March 31, 2008)

Name of the Loan Lender	Amount of the Loan
Development Bank of Japan	(million yen) 132,290
Sumitomo Mitsui Banking Corporation	34,273
Mizuho Corporate Bank, Ltd.	31,820
Japan Bank for International Cooperation	31,257
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	29,827

(Notes)

1. In addition to the above, 187,922 million yen is outstanding for the secured loan for which Japan Bank for International Cooperation is the guarantor.
2. The above amounts include the loan payable under the commitment line [agreement(s)] (1,200 million yen).

(10) Other material factors concerning the current status of the ANA Group

(i) Alleged cartels in the U.S.

In February 2006, the N.Y. office of the Company was questioned by the U.S. judicial authorities in connection with the alleged cartel of major air carriers concerning freight rates. At the same time, in the course of the investigation by the authorities, a subpoena demanding submission of various materials was issued. Also in March 15, 2007, the American Office of the Company in Los Angeles was investigated by the FBI. This investigation seemed to be connected with anti-trust laws. The Company is currently cooperating with those investigations.

In addition, in connection with the alleged cartels, class action lawsuits were filed in the U.S., but no specific damages have been sought.

(ii) Notification from the European Commission

On December 21, 2007, based on their own evidence and that provided by other companies, the European Commission pointed out that the Company might be violating the EU Competition Law with regard to cargo services. In December 2006, the European Commission required the Company to submit information regarding the cargo services and the Company has cooperated fully with them. Also, we are carefully examining this claim through our attorneys and making appropriate responses. We have set aside an allowance of 16.1 billion yen for this matter for the fiscal year.

2. Current Status of the Company

(1) Status of shares (as of March 31, 2008)

- (i) Authorized shares: 3,900,000,000 shares
- (ii) Outstanding shares: 1,949,959,257 shares
(Including 2,171,227 treasury shares)
- (iii) Number of shareholders: 285,117
(An increase of 10,381 from the previous fiscal year end)

(iv) Major shareholders (the top ten shareholders):

Name of shareholders	Investment in ANA	
	Number of shares held (thousand shares)	Investment ratio (%)
Nagoya Railroad Co., Ltd.	71,982	3.70
Japan Trustee Service Bank, Ltd. (Trust account)	46,624	2.39
State Street Bank and Trust Company	41,497	2.13
Tokyo Marine & Nichido Fire Insurance Co., Ltd.	41,452	2.13
The Master Trust Bank of Japan, Ltd. (Trust account)	39,479	2.03
Mitsui Sumitomo Marine & Fire Insurance Co., Ltd.	34,770	1.78
Nippon Life Insurance Company	30,681	1.57
ANA Employee Stock Ownership Group	29,755	1.53
Sumitomo Mitsui Banking Corporation	26,820	1.38
Mizuho Corporate Bank, Ltd.	26,753	1.37

(Notes)

1. The Investment Ratio is calculated without the treasury shares (2,171,227 shares).
2. Fractions of less than a thousand shares are rounded off.

(2) Status of stock acquisition rights

No stock acquisition right is outstanding.

(3) Board of Directors and Corporate Executive Officers

(i) Status of directors and auditors (as of March 31, 2008)

Position in the Company	Name	Responsibility and representation of other companies, etc.
Chairman of the Board	Yoji Ohashi	Chairman of the Board of Directors
President & Chief Executive Officer, Representative Director	Mineo Yamamoto	Chairman of Management Committee, Chief of Safety Promotion Committee, Controller of CSR Promotion Committee, Chairman of The Scheduled Airlines Association of Japan
Senior Executive Vice President, Representative Director	Suguru Omae	Safety Control Manager, General Manager of Operations & Airport Services, Administrator of Corporate Safety and Audit, Chairman of Safety Promotion Committee
Senior Executive Vice President, Representative Director	Koshichiro Kubo	Executive Office, Personnel, ANA JINZAI University, Employee Relations, Administrator of Business Support
Senior Executive Vice President, Representative Director	Shinichiro Ito	Chairman of the CS Promotion Committee, Administrator of CS Promotion, Chief of Marketing & Sales
Executive Vice President	Shin Nagase	Public Relations, Administrator of CSR Promotion, General Administration, Chairman of CSR Promotion Committee, Chairman of Environment Committee, Chairman of Risk Management Committee, Chairman of Compliance Committee
Executive Vice President	Mitsuo Morimoto	General Manager of Flight Operations
Executive Vice President	Tomohiro Hidema	Administrator of Investor Relations, Group Business Development, Finance & Accounting, Purchasing
Senior Vice President	Keisuke Okada	Administrator of Alliance & International Affairs, Information Technology Services, Chairman of Information Technology Strategy
Senior Vice President	Akinori Nomoto	Chief of Cargo Marketing & Services
Director	Hiroyuki Ito	Chief of Engineering & Maintenance
Director	Junko Yamaguchi	Chief of Inflight Services
Director	Osamu Shinobe	Administrator of Corporate Planning, Corporate Affairs-Asia, Chief of B787 Launch Project
Director	Katsumi Nakamura	Chairman of Operations Promotion Committee, Chief of Operations
Director	Misao Kimura	Chairman and Representative Director of Nagoya Railroad Co., Ltd, Chairman of The Society for The Aichi Bus

Director	Shosuke Mori	Representative Director and President of The Kansai Electric Power Co., Inc., Vice Chairman of the Kansai Economic Federation
Corporate Auditor	Kunitaka Kajita	(Full-time Auditor)
Corporate Auditor	Koichiro Ono	(Full-time Auditor)
Corporate Auditor	Koji Ohno	(Full-time Auditor)
Corporate Auditor	Shingo Matsuo	Representative Director and Chairman of Kyushu Electric Power Co., INC
Corporate Auditor	Hideo Minamiyama	Executive Adviser and Director of Hokkaido Electric Power Co., INC, Chairman of Hokkaido Economic Federation

(Notes)

- Misao Kimura and Shosuke Mori are outside directors.
- Kunitaka Kajita, Shingo Matsuo and Hideo Minamiyama are outside corporate auditors.
- Junko Yamauchi, Osamu Shinobe and Katsumi Nakamura are Directors who were appointed and assumed their offices at the 62nd Ordinary General Meeting of Shareholders held on June 25, 2007.
- Koji Ono is an Auditor who was appointed and assumed his office at the 62nd Ordinary General Meeting of Shareholders held on June 25, 2007.
- Suguru Omae, Koshichiro Kubo, Shinichiro Itoh, Makoto Nagase, Mitsuo Morimoto, Tomohiro Hidema, Keisuke Okada, Akinori Nomoto, Hiroyuki Itoh, Junko Yamauchi, Osamu Shinobe and Katsumi Nakamura concurrently hold the office of the Corporate Executive Officer.
- Suguru Omae and Hiroyuki Ito resigned as directors on March 31, 2008.

(ii) Payment of remuneration, etc., to directors and corporate auditors

Class	Personnel subject to payment	Amount of payment (millions of yen)
Directors	16	441
(Outside directors)	(2)	(12)
Corporate auditors	5	82
(Outside corporate auditors)	(3)	(39)
Total	21	524

(Notes)

- It was resolved at the 46th Ordinary General Meeting of Shareholders held on June 27, 1991 that the maximum amount of remuneration of directors per month would be 80 million yen.
- It was resolved at the 60th Ordinary General Meeting of Shareholders held on June 28, 2005 that the maximum amount of remuneration of corporate auditors per month would be 10 million yen.
- The number of directors as of the end of the fiscal year is 16, and the number of corporate auditors as of the end of the fiscal year is 5.
- In addition to the above, a resolution concerning the termination of payment of retirement allowance was passed at the 59th Ordinary General Meeting of Shareholders held on June 25, 2004. Based on this resolution, the retirement allowance for the term of office up to March 31, 2004 was made available to the directors who resigned as of March 31, 2007 in the form of the following payment:

Two (2) retired directors: 83 million yen.

(iii) Matters concerning outside officers

- a. Material concurrent positions at other companies (where the person is an executive of another company) and relationship between that company and the Company

(Outside Director)

- * Misao Kimura concurrently holds the office of Chairman and Representative Director of Nagoya Railroad Co., Ltd.
In addition, the said company and the Company have transactions concerning consignment of air ticket sales, etc.
- * Shosuke Mori concurrently holds the office of Representative Director and President of The Kansai Electric Power Co., Inc.
There are no material transactions between the said company and the Company.

(Outside Corporate Auditor)

- * Shingo Matsuo concurrently holds the office of Chairman of Kyushu Electric Power Co., Inc.
There are no material transactions between the said company and the Company.
- * Hideo Minamiyama concurrently holds the office of Director and Executive Adviser of Hokkaido Electric Power Co., Inc.
There are no material transactions between the said company and the Company.

- b. Material concurrent positions held by outside officers

(Outside Corporate Auditor)

- * Shingo Matsuo serves as an Outside Corporate Auditor of Nishi-Nippon Railroad Co., Ltd.
- * Hideo Minamiyama serves as an Outside Director of Hokkaido Railway Company.

c. Principal activities during the fiscal year

(Outside Director)

- * Misao Kimura attended six (6) out of the thirteen (13) meetings of the Board of Directors that were held during the fiscal year. Although there were no statements made at the meetings by Kimura, he has exchanged opinions with representative directors outside of these meetings and given necessary advice as may be appropriate based on his considerable experience and deep insight developed as a corporate manager in the transportation industry.
- * Shosuke Mori attended five (5) out of the eleven (13) meetings of the Board of Directors that were held during the fiscal year. Although there were no statements made at the meetings by Mori, he has exchanged opinions with representative directors outside of these meetings and given necessary advice as may be appropriate based on his considerable experience and deep insight developed as a corporate manager in business of a highly public nature.

(Outside Corporate Auditor)

- * Kunitaka Kajita attended twelve (12) out of the thirteen (13) meetings of the Board of Directors and all seven (7) meetings of the Board of Corporate Auditors that were held during the fiscal year. Although there were no statements made at the meetings of the Board of Directors by Kajita, he has made statements at the meetings of the Board of Corporate Auditors based on his considerable experience and deep insight developed as a representative of a policy finance institution. In addition, he has implemented visiting audits of each of the offices and divisions located in and outside Japan as well as attending the meetings of the Management Strategy Committee of the ANA group, regular meetings of executives and the other meetings as a standing corporate auditor.
- * Shingo Matsuo attended four (4) out of the thirteen (13) meetings of the Board of Directors and five (5) out of the seven (7) meetings of the Board of Corporate Auditors that were held during the fiscal year. Although there were no statements made at the meetings of the Board of Directors by Matsuo, he has made statements at the meetings of the Board of Corporate Auditors based on his considerable experience and deep insight developed as a corporate manager in business of a highly public nature. In addition, he has exchanged opinions with representative directors.
- * Hideo Minamiyama attended five (5) out of the thirteen (13) meetings of the Board of Directors and five (5) out of the seven (7) meetings of the Board of Corporate Auditors that were held during the fiscal year. Although there were no statements made at the meetings of the Board of Directors by Minamiyama, he has made statements at the meetings of the Board of Corporate Auditors based on his considerable experience and deep insight developed as a corporate manager in business of a highly public nature. In addition, he has exchanged opinions with representative directors.

d. Outline of liability limitation agreement

The Company and each of the outside directors and outside corporate auditors have concluded a liability limitation agreement based on Article 427, Paragraph 1 of the Companies Act, which prescribes that the maximum extent of the liability in Article 423, Paragraph 1 of the Companies Act shall be the minimum amount of liability for damages set forth in Article 425, Paragraph 1 of the Companies Act.

(4) Status of Independent Auditor

(i) Name: Ernst & Young ShinNihon

(ii) Amount of remuneration:

	Payment (millions of yen)
Amount of remuneration of independent auditors for the current fiscal year	95
Total of amount and other financial profit payable by the Company and subsidiaries to the independent auditor	143

(Notes)

1. The material subsidiaries of the Company, ANA Sales Co., Ltd. and Infini Travel Information, Inc., are audited by an accounting firm other than the independent auditor of the Company.
2. The audit agreement by and between the Company and the independent auditor does not distinguish the amount of the audit fee for the auditing based on the Companies Act from that of the audit fee for the auditing based on the Financial Instruments and Exchange Law, and it is difficult in practical terms to classify them. Therefore, the total amount is described in the above chart.

(iii) Description of non-audit services

Upon structuring the internal control system concerning financial reporting, the Company is utilizing the consulting services of Ernst & Young Shin-Nihon.

(iv) Policy on decision of removal and non-reappointment of independent auditor

In addition to non-reappointment for the convenience of the Company, if any event occurs that makes the continued performance of duties by the independent auditor materially doubtful, it is the Company's policy to lay before the shareholders' meeting, with the consent of or at the request of the Board of Corporate Auditors, a resolution concerning removal or non-reappointment of the independent auditor.

(5) System for ensuring appropriateness of the business operations

The outline of the matters determined regarding the system for ensuring that the performance of duties by the directors is in compliance with laws and the articles of incorporation is as described below. (Revised in October 2007)

(i) System for ensuring directors' and employees' compliance with laws and the articles of incorporation

- * We established the "ANA Group Compliance Rules" and the "CSR Promotion Committee" consisting of full-time directors and a "Compliance Committee", as its subcommittee, consisting of Executive Managers for each segment, who are mostly Corporate Executive Officers. In these committees, important policies and matters concerning compliance are discussed, drafted and promoted under the supervision of the President of the Company. In addition, these committees have established the "ANA Group Code of Conduct" as a standard to which group directors and employees must adhere when performing their duties and distribute it to all of the members, set up a "Help Line" for consultation and a report desk within the ANA group, and creating the "Internal Audit Division" which conducts group internal audit.
- * We aim to raise awareness of compliance by assigning CSR Promotion Leaders as promoters of CSR activities to each office and the group company in order to educate executives and employees of their compliance obligations and by establishing a special website on the Intranet, etc.

(ii) System for maintaining and managing information relating to the performance of duties by directors

- * Information relating to the performance of duties by directors such as important decision-making at the board of directors or report to directors, etc., is maintained and managed in accordance with laws and "Document Rules" concerning preparation, organization, storage and disposal of documents, irrespective of recording media, and such information is stored in a system which enables directors and employees to access the information at any time.
- * Important documents relating to the performance of duties are circulated to, and accessible by corporate auditors at any time.
- * The Internal Audit Division conducts internal audits with respect to maintenance and management of documents in order to ensure effective maintenance and management.

(iii) Rules and other system regarding management of risk of loss

- * We established the "ANA Group Total Risk Management Rules" which stipulates basic rules for total risk management in the ANA group and the "CSR Promotion Committee" consisting of full-time directors and a "Risk Management Committee", as its subcommittee, consisting of Executive Managers for each segment, who are mostly Corporate Executive Officers. In these committees, important policies and matters concerning the Total Risk Management are discussed, planned and facilitated under the supervision of the President of the Company. Subcommittees with expertise in specific risks such as Air Transportation Safety and the Crisis Management

Subcommittee, the Information Security Subcommittee and the Safety Export Management Subcommittee are established under the Risk Management Committee, and in the event of the occurrence of certain risks, temporary subcommittees will be established to take action in a cross-sectional manner.

- * The "CSR Promotion Leader" is assigned to each office and group company as a promoter of CSR activities in order to facilitate risk management activities.

(iv) System for assuring director's efficient execution of duties

- * Under the Group's corporate philosophy, while clarifying the importance of existence and the role as a Group member, all ANA Group members will share a common expectation of the future goals of the Group as the Corporate Vision of our Group.
- * In order to achieve the Corporate Vision for our Group, we have established a Medium-term Corporate Plan, an Annual Corporate Plan and Departmental Plans and we are introducing a system in which all employees set their own business goals using these Plans. We believe the system will help employees clarify their own goals that might very well overlap each other. In addition, we make sure that all goals and plans be reviewed regularly in order to conduct our business more adequately and efficiently.
- * In order to clarify the range of authorization and discretion of executives, we have established regulations such as the "Regulation of Segregation of Duties" and the "Regulation of Authority of Management" to stipulate the Division of Roles, the authority and responsibility of the conduct of duties and the System of command and order, etc.
- * Through adopting the Corporate Executive Officer System, we promote prompt decision making. In addition, important matters are carefully deliberated by the Management Committee using a collegial system.

(v) System for ensuring appropriateness of the business operations of the Group comprised of the Company and its parent company and subsidiaries

- * Based on the Group's corporate philosophy, the Company defines the significance of existence and function of the Group and shares its future group wide goals through the Group's corporate vision.
- * The Company has established "Group Corporate Governance Rules" which specifies the roles of each company of the Group and established the divisions that controls each of the Group companies. In addition, the Company has sent its executives and employees to its Group companies and built a proper business management system for the Group.
- * The Company has established an "Internal Audit Division" that conducts internal auditing of the Group. The Internal Audit Division conducts operational and accounting audits of the Company and its Group companies, and the Company ensures the adequacy of operations and the system that prevents unfair trade among the Group.
- * Based on the "ANA Group Compliance Rules", the Company has promoted education on compliance and infused an awareness of compliance, and established the group wide

compliance system.

- * Based on the "ANA Group Total Risk Management Rules", the Company has increased its management stability and efficiency through the establishment of the risk and crisis management system across the Group.

(vi) Matters regarding employees who assist the duties of Corporate Auditors where the Corporate Auditors request that such employees be appointed

- * Directors have established a "Corporate Auditors Office", which is an organization that assists with the corporate auditors' duties, upon request of the corporate auditors, and assigned a requisite number of employees to it.

(vii) Matters regarding independence of the employees from Directors described in the preceding Item (vi)

- * Employees who belong to the Corporate Auditors Office shall comply with the instructions and orders of corporate auditors, and directors shall make decision on personnel matters regarding these employees through consultation with corporate auditors.

(viii) System of reporting from Directors and employees to Corporate Auditors and other systems of reporting to Corporate Auditors

- * Directors and employees report to corporate auditors on important matters regarding the management and business operations of the Company including matters relating to compliance, risk management and internal control, as well as their performance of duties, etc., through important internal meetings such as a meeting of the board of directors and the Management Committee.
- * Employees make reports on the operation of the business to corporate auditors by means of internal document sent around for managerial approval in accordance with the "Rules for Request for Decision".
- * Internal Audit Division and Independent Auditor make reports to, and exchange information with, corporate auditors on the auditing results of each office of the Company and its group companies on a quarterly basis.

(ix) Other systems for securing effectiveness of auditing by Corporate Auditors

- * Directors and corporate auditors have regular meetings in order to increase communication, and corporate auditors attend important meetings including the meeting of the board of directors and Management Committee where they directly comment on the performance of duties by directors. Directors have cooperated in the establishment of the system that can enhance the effectiveness of audits through coordination between corporate auditors and the Internal Audit Division.

Consolidated Balance Sheet

(As of March 31, 2008)

(millions of yen)

Assets		Liabilities	
<u>Current assets</u>	473,499	<u>Current liabilities</u>	546,950
Cash and deposits	51,410	Notes payable and trade accounts payable	183,295
Trade accounts receivable	118,226	Short-term loans	2,580
Marketable securities	129,279	Short-term debt and portion of long-term debt payable within one year	68,022
Inventories	52,893	Portion of bonds payable within one year	50,000
Deferred income taxes - current	33,915	Lease obligations	15,797
Other	87,859	Accrued income taxes	81,324
Allowance for doubtful accounts	(83)	Accrued bonuses to employees	25,103
		Provision for potential loss on antitrust proceedings	16,198
		Other	104,631
<u>Fixed assets</u>	1,309,759	<u>Long-term liabilities</u>	780,497
<u>Tangible fixed assets</u>	1,099,050	Bonds payable	145,000
Buildings and structures	100,381	Long-term loans payable	429,578
Flight equipment	608,488	Lease obligations	56,899
Machinery, equipment and vehicles	18,587	Accrued employees' retirement benefits	112,253
		Retirement benefit for directors and Corporate Auditors	531
		Deferred tax liabilities	75
Tools and fixtures	14,168	Negative goodwill	2,787
Land	45,946	Other	33,374
Lease assets	69,727	<u>Total liabilities</u>	1,327,447
Construction in progress	241,753		
		Net assets	
<u>Intangible fixed assets</u>	47,086	<u>Shareholders' equity</u>	442,657
		Common stock	160,001
<u>Investments and others</u>	163,623	Capital surplus	125,750
Investment securities	64,579	Retained earnings	137,829
Long-term loans receivables	2,393	Treasury stock	(923)
		<u>Evaluation and exchange adjustments</u>	30,315
Deferred income taxes - non-current	44,848	Unrealized gains on securities	7,858
Other	53,156	Deferred hedge gains	22,269
Allowance for doubtful accounts	(1,353)	Foreign currency translation adjustment	188
		<u>Minority interests</u>	2,974
<u>Deferred assets</u>	135	<u>Total Net assets</u>	445,946
Total assets	1,783,393	Total liabilities and NET assets	1,783,393

Consolidated Profit and Loss Statement
(From April 1, 2007 to March 31, 2008)

(millions of yen)

<u>Operating revenues</u>	1,487,827
<u>Operating expenses</u>	1,114,162
Gross profit on sales	373,665
<u>Sales, general and administrative expenses</u>	289,276
Operating income (Loss)	84,389
<u>Non-operating income</u>	12,594
Interest income	3,178
Dividends income	1,432
Gains on sale of assets	2,426
Equity in income of affiliates	385
Other	5,173
<u>Non-operating expenses</u>	40,460
Interest expense	15,049
Loss on sale of assets	2,483
Loss on disposal of assets	5,434
Amortization of net transitional retirement benefit obligation	6,634
Foreign exchange loss	1,653
Other	9,207
Total Recurring income (loss)	56,523
<u>Extraordinary gains</u>	139,801
Gain on sale of fixed assets	2,758
Gain on sale of investment securities	876
Gain on sale of hotel business assets	132,992
Other	3,175
<u>Extraordinary losses</u>	81,100
Loss on disposal of the parts for aircrafts expected to retire	11,198
Extraordinary depreciation	22,331
Impairment loss	14,111
Special retirement benefit	1,217
Valuation loss on investment securities	3,825
Reserve for potential loss on antitrust proceedings	16,198
Other	12,220
Net income (loss) before tax adjustments	115,224
Corporate, inhabitant and enterprise tax	84,886
Deferred taxes	(34,692)
Minority interests in income of consolidated subsidiaries	887
Net income (loss)	64,143

Consolidated Statements of Changes in Net Asset

(From April 1, 2007 to March 31, 2008)

(millions of yen)

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained earnings	Treasury Stock	Total Shareholders' Equity
Balance at March 31, 2007	160,001	125,739	79,530	(725)	364,545
Changes of items during the consolidated fiscal year					
Distribution of surplus			(5,844)		(5,844)
Current net income			64,143		64,143
Purchase of treasury stock				(307)	(307)
Disposal of treasury stock		11		109	120
Net changes of items other than owners' equity					
Total changes of items during the consolidated fiscal year	-	11	58,299	(198)	58,112
Balance at March 31, 2008	160,001	125,750	137,829	(923)	422,657

	Valuation and translation adjustments				Minority Interests	Total net assets
	Net unrealized holding gain on securities	Deferred gains on hedges	Foreign currency translation adjustment	Total Valuation and translation adjustments		
Balance at March 31, 2007	10,885	23,155	(362)	33,678	7,689	405,912
Changes of items during the consolidated fiscal year						
Distribution of surplus						(5,844)
Current net income						64,143
Purchase of treasury stock						(307)
Disposal of treasury stock						120
Net changes of items other than owners' equity during the consolidated fiscal year	(3,027)	(886)	550	(3,363)	(4,715)	(8,078)
Total changes of items during the consolidated fiscal year	(3,027)	(886)	550	(3,363)	(4,715)	50,034
Balance at March 31, 2008	7,858	22,269	188	30,315	2,974	455,946

Notes to Consolidated Financial Statements**1. Significant matters which constitute the basis for preparation of the consolidated financial statements**

(1) Scope of Consolidation

(i) Consolidated subsidiaries

- Number of consolidated subsidiaries: 81
- Names of major consolidated subsidiaries: Air Nippon Co., Ltd.
Air Japan Co., Ltd.
Air Nippon Network Co., Ltd.
Air Next Co., Ltd.
Air Central Co., Ltd.
ANA & JP Express Co., Ltd.
ANA Sales Co., Ltd.
ANA Trading Co., Ltd.
Infini Travel Information, Inc.
ANA Information Systems Planning Co., Ltd.

• Change in the scope of consolidation

Newly added: 2

ANA Ground Service Chubu Co., Ltd
ANA Flight-Line Technics Co., Ltd.
ANA Ground Service Chubu Co., Ltd. and ANA Flight-Line Technics Co., Ltd., and have been included in the scope of consolidation due to new establishment

Excluded: 16

ANA Property Management Co., Ltd.
Okinawa ANA Resort Co., Ltd.
Ishigaki ANA Resort Co., Ltd
ANA Hotel Shinagawa Co., Ltd.
ANA Hotel Hakata Co., Ltd.
ANA Hotel Sapporo Co., Ltd.
Kanazawa ANA Hotel Co., Ltd.
ANA Hotel Osaka Co., Ltd.
ANA Hotel Hiroshima Co., Ltd.
ANA Hotel Narita Co., Ltd.
ANA Hotel Toyama Co., Ltd.
ANA Hotel Tokyo Co., Ltd.
ANA Hotel Management Co., Ltd.
Okinawa ANA Hotels Co., Ltd.
ANA Hotel Sapporo and Restaurant Service Co., Ltd.
ANA HOTELS & Resorts (USA), INC
ANA Property Management Co., Ltd., Okinawa ANA Resort Co., Ltd., Ishigaki ANA Resort Co., Ltd., ANA Hotel Shinagawa Co., Ltd., ANA Hotel Hakata Co., Ltd., ANA Hotel Sapporo Co., Ltd., Kanazawa ANA Hotel Co., Ltd., ANA Hotel Osaka Co., Ltd., ANA Hotel Hiroshima Co., Ltd., ANA Hotel Narita Co., Ltd., ANA Hotel Toyama Co., Ltd., ANA Hotel Tokyo Co., Ltd., ANA Hotel Management Co., Ltd, Okinawa ANA Hotels Co., Ltd., and ANA Hotel Sapporo and Restaurant Service Co., Ltd., have been excluded from the scope of consolidation because they ceased to be subsidiaries following the transfer of the hotel business assets. ANA HOTELS & Resorts (USA), INC has been excluded from the scope of consolidation due to company liquidations.

(ii) Non-consolidated subsidiaries

- Number of non-consolidated subsidiaries: 31
- Names of major non-consolidated subsidiaries: Nagasaki Airport Fueling Facilities Co., Ltd.
- Reason for exclusion from the scope of The non-consolidated subsidiaries have been excluded

consolidation: from the scope of consolidation because all of them are of a small size and because none of their total assets, sales, current net income and retained earnings has any material impact on the consolidated financial statements.

(2) Application of Equity Method

(i) Non-consolidated subsidiaries or affiliates accounted for by the equity method

- Number of non-consolidated subsidiaries or affiliates accounted for by the equity method: 23
- Names of major companies: Kokunaisen.com Inc.
Avicom Japan Co., Ltd.
Jamco Corporation
- Change in the application of equity method
Newly added: 0
Excluded: 2
Chubu Sky Support Co., Ltd
Mates Holdings, Co, Ltd.
Chubu Sky Support Co., Ltd., and Mates Holdings, Co, Ltd., have been excluded from the affiliates accounted for by the equity method because they ceased to be affiliates due to the reduced shareholding ratio following the sale of shares.

(ii) Non-consolidated subsidiaries or affiliates which are not accounted for by the equity method

- Number of non-consolidated subsidiaries or affiliates which are not accounted for by the equity method: 48
- Names of major companies: Fukushima Airport Fueling Facilities Co., Ltd.
- Reason for non-application of equity method: The non-consolidated subsidiaries and affiliates which are not accounted for by the equity method have been excluded from the scope of the application of equity method because all of them are of a small size and because none of their current net profit (loss) (in proportion to the share) and retained earnings (in proportion to the share) after offsetting and deletion of transactions with consolidated subsidiaries has any material impact on the consolidated financial statements.

(3) Fiscal Years of Consolidated Subsidiaries

Of the consolidated subsidiaries, the end of the fiscal years of Wingspan Insurance (Guernsey) Limited and three other subsidiaries is December 31. Since the difference between this fiscal year end and the consolidated fiscal year end does not exceed three months, we use the financial documents as of the fiscal year end (December 31) and if significant transactions arise between December 31 and the consolidated fiscal year end, we make adjustments as may be necessary for consolidation purposes.

(4) Accounting Standards

(i) Valuation standards and methods for significant assets

- a. Held-to-maturity securities: Amortized cost method (straight-line method)
- b. Other securities:
 - Securities with available fair market values: Market value method based on the market value as at the end of the fiscal year (valuation differences are disposed using the direct net asset adjustment method and the cost of securities sold is calculated using the moving average method)
 - Securities with no available fair market value: Mainly cost method based on moving average method
- c. Derivative: Market value method
- d. Money trust for investment purpose: Market value method
- e. Inventories: Mainly cost method based on moving average method (The balance of inventories in the Consolidated Balance Sheet is written-down based on a fall in its value.)

(Change in Accounting Policy)

Since "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 July 5, 2006) became applicable from the consolidated fiscal year which started before March 31, 2008, the Company started to apply this standard from this consolidated fiscal year, which has little influence on current earnings, net income before taxes and other adjustments of the Company.

(ii) Depreciation methods used for significant depreciable assets

a. Tangible fixed assets (excluding lease assets)

Flight equipment:

Mainly straight-line method

The useful life of an aircraft is 17 years for domestic type equipment and 20 years for international type equipment.

(Additional information)

In the past, the Company used to try to extend the useful life of aircraft through capital expenditures for repairs and others after they started to be used in business. However, because of a rapid increase of crude oil prices and other changes in circumstances, we will introduce more economically efficient flight equipment. Meanwhile, since the plan to construct and extend landing fields in airports in Tokyo metropolitan area became more concrete, our new medium-term management plan, postulating the concrete update scheme for flight equipment was formulated. The Company reviewed depletion of our aircraft in use according to this plan. We found that the assets added to aircraft as capital expenditure were depreciable in accordance with the durable years of aircraft, but it turns out that the value was not reflected in the sale value in the used-aircraft market. Therefore, we reexamined the duration of the use of airplanes and residual value, and decided to depreciate in accordance with the remaining service lives of aircraft. Compared to previous method, the allowance for depreciation increased by 23,782 million yen (including 22,331 million yen of extraordinary depreciation), while business profit as well as current profit decreased by 1,451 million yen and net income before taxes and other adjustments by 23,782 million yen.

Buildings:

Mainly straight-line method

Durable life is mainly 3 to 50 years.

Others:

Mainly age-life method

(Change in Accounting Policy)

With the amendment of the corporation tax law, from this consolidated fiscal year, depreciation methods based on the new corporation tax law apply to tangible property acquired after April 1, 2007. This change has little influence on current earnings, net income before taxes and other adjustments of the Company.

(Additional Information)

With the amendment of the corporation tax law, as to tangible property acquired before March 31, 2007, by applying depreciation method based on the previous corporation tax law, the difference between 5% of the acquisition price and memorandum price is equally amortized over a period of 5 years and recorded as part

	of allowance for depreciation from the consolidated fiscal year following the consolidated fiscal year when acquisition price reached 5%. This change has little influence on current earnings, net income before taxes and other adjustments of the Company.
b. Intangible fixed assets (excluding lease assets)	Mainly straight-line method For software used within the company, we calculate this by straight-line method based on the durable life within the company, which is five (5) years.
c. Lease assets	Lease assets related to finance lease transactions other than those that are expected to transfer ownership of the assets to the lessee The lease period is regarded as service life and straight-line method, in which residual value is zero, applies.
(iii) Disposal method of deferred assets	
a. Expenses for issuance of new shares	They are amortized over a period of three years.
b. Expenses for issuance of bonds	They are amortized in accordance with straight-line method throughout the redemption period of the corporate bond. Corporate bonds issued before the last two consolidated fiscal years are amortized over a period of three years. (Change in Accounting Policy) From this consolidated fiscal year, we apply the "Tentative Solution on Accounting for Deferred Assets" (Accounting Standard Board of Japan, PITF No. 19, August 11, 2006), which has little influence on the profit and loss of the Company.
c. Expenses for establishment of business	They are amortized over a period of five years.
(iv) Standards for allocation of significant reserves	
a. Allowance for doubtful receivables:	In order to prepare for the loss of bad debts for accounts receivable and loans receivable, general provision is made based on past experience. Recoverable amount is considered on a case by case basis for provisions for specific receivables and estimated non-recoverable amount is stated.
b. Allowance for employee bonuses:	Provisions are made for bonus payment for employees of the company. The accrued amounts of estimated bonus payments are stated.
c. Allowance for retirement benefits:	In order to prepare retirement benefits for employees, the allowance for retirement benefits is provided at an amount calculated based on the retirement benefit obligation and the estimated amount of the pension plan assets as of the end of the consolidated fiscal year. The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method. 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. Actuarial gains and losses are amortized in the consolidated fiscal year following the year in which the gain or loss is recognized by the straight-line method over periods which are shorter than the average remaining service years of employees.
	(Additional Information) On February 1 2007, one of the consolidated subsidiaries was authorized by Health Minister to be exempt from future issuance duty concerning the

- employees' pension fund.
- d. Accrued Retirement Benefits for Directors and Corporate Auditors: In order to prepare for expenses for allowances for directors, corporate auditors and corporate executive officers, we record end-of-period necessary payments in accordance with the regulation for allowance for retirement benefits for directors, corporate auditors and corporate executive officers.
- (Change in Accounting Policy)
In some companies, allowances for executive officers used to be processed as ordinary expenses; however, since the "Audit Treatment for Reserves of Special Taxation Measures Law, and Allowances or Reserves of Special Law" was issued (the Japanese Institute of Certified Public Accountants, Auditing and Assurance Practice Committee Statement No.42 April 13, 2007), from this consolidated fiscal year, the Company started to record allowances for executive officers as reserve for retirement benefits for directors and corporate auditors in Long-term Liabilities. This change has little influence on current earnings, net income before taxes and other adjustments of the Company.
- e. Antitrust-Related Expenses
On December 12, 2007, the European Commission's antitrust regulators issued a "Statement of Objections", regarding the possibility of the Company violating EU competition law in relation to cargoes. The estimated amount of the possible loss concerning this matter is recorded as provision for potential loss on antitrust proceedings.
The estimated amount can change according to developments in this matter.
- (v) Significant leases
(Change in Accounting Policy)
Since "Accounting Standards for Lease Transactions"(Statement No.13 issued and revised by Business Accounting Council on June 17, 1993 and March 30, 2007 respectively) and "Guidance on Accounting Standard for Lease Transactions" (The Japanese Institute of Certified Public Accountants, Auditing Standards Committee Guidance No.16 issued and revised on January 18, 1994 and March 30, 2007 respectively) became applicable from the year, which started after March 30, 2007, we started to apply them from this consolidated fiscal year. As to the consolidated balance sheet, tangible fixed assets and intangible fixed assets increased by 69,727 million yen and 315 million yen respectively. Current liabilities and long-term liabilities increased by 15,797 million yen and 56,899 million yen respectively. As to the consolidated income and expenditure account, business profit and current earnings increased by 2,440 million yen and 801 million yen respectively. Net income before taxes and other adjustments decreased by 3,022 million yen.
- (vi) Method of significant hedge accounting
- a. Method of hedge accounting: Deferral hedge accounting. However, monetary claims and liability denominated in foreign currency with foreign exchange contracts are disposed by appropriation.
For interest swaps which meet the requirements of hedge accounting, special disposition is adopted.
- b. Hedge methods and transactions subject to hedge
Hedge method: Derivative transactions (mainly foreign exchange contract, interest swap, commodities swap, and commodities option)
Transactions subject to hedge: Those which have the possibility of incurring losses due to changes in prices, etc.,

- and those which do not reflect such changes in prices in its valuation and those which have fixed cash flow and can avoid fluctuation.
- c. Hedge policy: The Company and its consolidated subsidiaries use derivative transactions for the purpose of avoiding risks against changes in currency, interest rate and commodities (fuel) in accordance with their internal management regulations which provide for transaction authority and limits on transaction amount and do not conduct hedge transactions for investment purposes.
- d. Evaluation of effectiveness of hedge transactions: As a rule, the effectiveness of hedge transactions is determined by comparing fluctuation or accumulated cash flow of the hedged transaction and fluctuation or accumulated cash flow of the hedge transaction, and decided based on the amount of the fluctuation between the two.
However, for interest swaps which are disposed by special disposition, the evaluation of effectiveness is omitted.
- (vii) Other significant matters which constitute the basis for preparation of the consolidated financial statements
- a. Consumption taxes: Consumption taxes and local taxes are excluded from the amounts of profit and loss statements.
- b. Consolidated tax return system: The Company and certain subsidiaries applied a consolidated tax return system.
- (5) Valuation of assets and liabilities of consolidated subsidiaries
All valuations of assets and liabilities of consolidated subsidiaries are based on the market-value valuation method.
- (6) Amortization of goodwill and negative goodwill
Goodwill and negative goodwill are equally amortized over five years from the year of accrual.
- (7) Change in categories
"Negotiable deposit", which had been included in "Cash and deposits" in Current Assets until the last consolidated fiscal year, is recorded in "Marketable securities" in Current Assets from this consolidated fiscal year in accordance with a series of amendments to the accounting system and others. In this consolidated fiscal year, the amount of the negotiable deposit is 119,260 million yen and in the last consolidated fiscal year, 131,850 million yen.

2. Notes concerning Consolidated Balance Sheet

- (1) Assets provided as collateral
- | | |
|--------------------------------------|---------------------|
| Aircraft (including spare parts kit) | 559,739 million yen |
| Building and land | 41,932 million yen |
| Total | 601,671 million yen |
- The above assets are provided as collateral for long term loan of 351,711 million yen.
- (2) Accumulated depreciation of tangible fixed assets 889,774 million yen
- (3) Debt guarantee, etc.
- | | |
|---|--------------------|
| Debt guarantee | 154 million yen |
| Contingent liabilities in relation to debt assumption agreement of bonds (trust type debt assumption agreement) | 10,000 million yen |

3. Notes concerning Consolidated Statement of Changes in Net Assets

(1) Matters concerning total number of issued shares

Type of shares	Number of shares as at the end of the previous consolidated fiscal year	Increase in the number of shares during the consolidated fiscal year	Decrease in the number of shares during the consolidated fiscal year	Number of shares as at the end of the consolidated fiscal year
Common shares	1,949,959 thousand shares	0	0	1,949,959 thousand shares

(2) Matters concerning number of treasury shares

Type of shares	Number of shares as at the end of the previous consolidated fiscal year	Increase in the number of shares during the consolidated fiscal year	Decrease in the number of shares during the consolidated fiscal year	Number of shares as at the end of the consolidated fiscal year
Common shares	1,935 thousand shares	680 thousand shares	273 thousand shares	2,343 thousand shares

(Notes) 1. The increase of 680 thousand treasury shares (common shares) is due to the purchase of fractional shares.

2. The decrease of 273 thousand treasury shares (common shares) is due to the further buying from holders of fractional shares.

(3) Distribution of Surplus

(i) Dividends paid

The following items were resolved at the 62nd Ordinary General Meeting of Shareholders held on June 25, 2007.

- Total amount of dividends: 5,844 million yen
- Dividend per share: 3 yen
- Record date: March 31, 2007
- Effective date: June 26, 2007

(ii) Dividends whose record date belongs to the current consolidated fiscal year but whose effective date belongs to the next fiscal year

The following items will be resolved at the 63rd Ordinary General Meeting of Shareholders to be held on June 23, 2008.

- Total amount of dividends: 9,738 million yen
- Funds for dividends: Retained earnings
- Dividend per share: 5 yen
- Record date: March 31, 2008
- Effective date: June 24, 2008

4. Note concerning per share information

- (1) Net assets per share 232.58 yen
- (2) Net income per share 32.93 yen

5. Note concerning material subsequent events

Not applicable.

Auditor's Report regarding Consolidated Financial Statements

May 16, 2008

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

Ernst & Young ShinNihon

Kazuo Tanimura,
Designated Employee and Managing Partner,
Certified Public Accountant (seal)
Masatsugu Hamada,
Designated Employee and Managing Partner,
Certified Public Accountant (seal)
Mitsuo Osa,
Designated Employee and Managing Partner,
Certified Public Accountant (seal)

Report of Independent Auditors

In accordance with Article 444, Paragraph 4 of the Company Law, we have audited the consolidated financial statements (consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in net assets and notes to consolidated financial statements) for the consolidated fiscal year starting on April 1, 2007 and ending on March 31, 2008 of All Nippon Airways Co., Ltd. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements from our independent position.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. Our audit, conducted on a test basis, includes the assessment of the accounting principles employed by management, methods of applying such accounting principles and estimates made by management, as well as the evaluation of the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the consolidated financial position (assets, profit and loss) for the period covered by such consolidated financial statements of All Nippon Airways Co., Ltd. and its consolidated subsidiaries in conformity with accounting principles generally accepted in Japan.

(Supplemental Information)

As described under the "Significant matters which constitute the basis for preparation of the consolidated financial statements", the company has applied the lease accounting standards for the current consolidated fiscal year.

There are no interests between the company and us or our Managing Partners which are required to be indicated, pursuant to the Certified Public Accountant Law.

END

Non-consolidated Balance Sheet

(As of March 31, 2008)

(millions of yen)

Assets		Liabilities	
<u>Current assets</u>	428,631	<u>Current liabilities</u>	535,026
Cash and deposits	36,100	Trade accounts payable	165,380
Trade accounts receivable	102,050	Short-term debt	37,437
Marketable Securities	129,250	Portion of long-term debt payable within one (1) year	65,877
Inventories	47,999	Portion of bonds payable within one (1) year	50,000
Prepaid expenses	8,422	Lease obligations	14,763
Short-term loans receivable	679	Accrued expenses	16,259
Other accounts receivable	12,917	Accrued income taxes	79,343
Deferred income taxes - current	27,668	Deposits	55,442
Other	63,598	Accrued bonuses to employees	14,509
Allowance for doubtful accounts	(56)	Provision for potential loss on antitrust proceedings	16,198
		Other	19,813
<u>Fixed assets</u>	1,273,496	<u>Long-term liabilities</u>	742,759
<u>Tangible fixed assets</u>	1,078,809	Bonds payable	145,000
Buildings	83,532	Long-term loans payable	425,745
Structures	1,962	Lease obligations	55,108
Flight equipment	607,226	Accrued employees' retirement benefits	86,633
		Retirement bonus for directors and corporate auditors	173
Machinery and equipment	12,153	Provisions for loss on related business	265
Transportation equipment other than aircraft	2,754	Other	29,832
Tools and fixtures	11,702	<u>Total liabilities</u>	1,277,786
Land	50,703	Net assets	
Lease assets	67,266	<u>Shareholders' equity</u>	394,337
Construction in progress	241,506	Common stock	160,001
		Capital surplus	125,363
<u>Intangible fixed assets</u>	37,707	Capital surplus reserve	95,024
Facilities deposits	11	Other capital surplus	30,339
Software	35,786	Earned surplus	109,851
Other	1,909	Other retained earnings	109,851
<u>Investments and others</u>	156,980	Treasury stock	(878)
Investment securities	52,183	<u>Evaluation and exchange adjustments</u>	30,106
Investments in subsidiaries and affiliates	25,886	Unrealized gains on securities	7,672
Long-term loans receivables	6,290	Deferred hedge gains	22,433
Long-term prepaid expenses	2,466		
Deferred income taxes - non-current	29,294		
Other	41,316		
Allowance for doubtful accounts	(457)		
<u>Deferred assets</u>	101	<u>Total Net assets</u>	424,443
Bond issuance expenses	101	<u>Total liabilities and Net assets</u>	1,702,230
Total assets	1,702,230		

Non-consolidated Profit and Loss Statement

(From April 1, 2007 to March 31, 2008)

(millions of yen)

<u>Operating revenues</u>	1,341,360
<u>Operating expenses</u>	1,062,003
Gross profit on sales	279,357
<u>Sales, general and administrative expenses</u>	205,558
Operating income (loss)	73,799
<u>Non-operating income</u>	10,889
Interest and dividend income	5,462
Other	5,426
<u>Non-operating expenses</u>	38,475
Interest expense	14,722
Other	23,753
Total Recurring income (loss)	46,212
<u>Extraordinary gains</u>	130,745
Gain on sales of stock of affiliates	1,101
Gain on sale of hotel business assets	123,781
Other	5,862
<u>Extraordinary losses</u>	78,257
Loss on disposal of the parts for aircrafts expected to retire	11,198
Extraordinary depreciation	22,331
Impairment loss	14,111
Reserve for potential loss on antitrust proceedings	16,198
Other	14,417
Net income (loss) before tax adjustments	98,700
Corporate, inhabitant and enterprise tax	79,465
Deferred taxes	(31,298)
Net income (loss)	50,532

Non-consolidated Statements of Changes in Net Asset
(From April 1, 2007 to March 31, 2008)

(millions of yen)

	Shareholders' Equity									
	Common Stock	Capital Surplus			Retained earnings				Treasury Stock	Total Shareholders' Equity
		Capital Surplus Reserve	Other Capital Surplus	Total capital surplus	Other retained earnings			Total retained earnings		
					Reserve for Special Depreciation	Reserve for deferred gains on fixed assets	Surplus carried forward			
Balance at March 31, 2007	160,001	95,024	30,328	125,352	4,066	269	60,827	65,163	(680)	349,836
Total changes of items during the fiscal year										
Reversal of Reserve for special depreciation					(650)		650	—		-
Appropriation of Reserve for special depreciation					2,346		(2,346)	—		—
Reversal of reserves for deferred gains on fixed assets						(43)	43	—		—
Appropriation of Reserves for deferred gains on fixed assets						766	(766)	—		—
Distribution of surplus							(5,844)	(5,844)		(5,844)
Current net income							50,532	50,532		50,532
Purchase of treasury stock									(307)	(307)
Disposal of treasury stock			10	10					109	119
Net changes of items other than owners' equity										
Total changes of items during the fiscal year	—	—	10	10	1,695	722	42,269	44,688	(198)	44,501
Balance at March 31, 2008	160,001	95,024	30,339	125,363	5,762	992	103,096	109,851	(878)	394,337

	Valuation and translation adjustments			Total net assets
	Net unrealized holding gain on securities	Deferred gains on hedges	Total Valuation and translation adjustments	
Balance at March 31, 2007	10,621	23,051	33,673	383,509
Total changes of items during the fiscal year				
Reversal of Reserve for special depreciation				—
Appropriation of Reserve for special depreciation				—
Reversal of reserves for deferred gains on fixed assets				—
Appropriation of Reserves for deferred gains on fixed assets				—
Distribution of surplus				(5,844)
Current net income				50,532
Purchase of treasury stock				(307)
Disposal of treasury stock				119
Net changes of items other than owners' equity	(2,948)	(618)	(3,567)	(3,567)
Total changes of items during the fiscal year	(2,948)	(618)	(3,567)	40,934
Balance at March 31, 2008	7,672	22,433	30,106	424,443

Notes to Non-consolidated Financial Statements**1. Summary of significant accounting policies**

- (1) Valuation Standards and Methods for Securities
- (i) Held-to-maturity securities Amortized cost method (straight-line method)
 - (ii) Shares of subsidiaries and affiliates Cost method based on moving average method
 - (iii) Other securities
 - Securities with available fair market values: Market value method based on the market value as at the end of the fiscal year (valuation differences are disposed using the direct net asset adjustment method and the cost of securities sold is calculated using the moving average method)
 - Securities with no available fair market value: Moving average method
- (2) Valuation Standards and Methods for Derivatives
- (i) Derivative Market value method
 - (ii) Money trust for investment purpose Market value method
- (3) Valuation Standards and Methods for Inventories
- (i) Inventory aircraft spare parts and parts for maintenance Moving average method
 - (ii) Others Mainly first in, first out moving average method
- The balance of inventories in the Balance Sheet is written-down based on a fall in its value.
(Change in accounting policy)
Since "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9; July 5, 2006) became applicable from the fiscal year which started before March 31, 2008, we started to apply this standard from this fiscal year. This change does not influence business profit, current earnings and pretax current net income of the Company.
- (4) Depreciation Methods Used for Fixed Assets
- (i) Tangible Fixed Assets (excluding lease assets)
 - Flight equipment: Straight-line method
- The useful life of an aircraft is 17 years for domestic type equipment and 20 years for international type equipment.
(Additional information)
In the past, the Company used to try to extend the useful life of aircraft through capital expenditure for repair and others after they started to be used in business. However, because of a rapid increase of crude oil prices and other changes in circumstances, we intend to introduce more economically efficient flight equipment. Meanwhile, since the plan to construct and extend landing fields in airports in Tokyo metropolitan area became more concrete, our new medium-term management plan, postulating the concrete update scheme for flight equipment was formulated. The Company reviewed depletion of our aircraft in use according to this plan. We found that the assets added to aircraft as capital expenditure were depreciable in accordance with the durable years of aircraft, but it turns out that the value was not reflected in the sale value in the used-aircraft market. Therefore, we reexamined the duration of the use of airplanes and residual value, and decided to depreciate in accordance with the remaining service lives of aircraft. Compared to previous method, the allowance for depreciation increased by 23,782 million yen (including 22,331 million yen of extraordinary depreciation), while business profit as well as current profit

Buildings:	decreased by 1,451 million yen and net income before taxes and other adjustments by 23,782 million yen.
Others:	Straight-line method
(Change in Accounting Policy)	Durable life is 3 to 50 years.
	Age-life method
	With the amendment of the corporation tax law, from this fiscal year, depreciation methods based on the new corporation tax law apply to tangible assets acquired on or after April 1, 2007. This change has little influence on current earnings and pretax current net income of the Company.
(Additional Information)	With the amendment of the corporation tax law, as to tangible assets acquired before March 31, 2007, by applying depreciation method based on the previous corporation tax law, the difference between 5% of the acquisition price and memorandum value is equally amortized over a period of 5 years and recorded as part of allowance for depreciation from the consolidated fiscal year following the consolidated fiscal year when acquisition price reached 5%. This change has little influence on current earnings and pretax current net income of the Company.
(ii) Intangible Fixed Assets (excluding lease assets)	Straight-line method
	For software used within the Company, we calculate this by straight-line method based on the durable life within the Company, which is five (5) years.
(iii) Lease assets	Lease assets related to finance lease transactions other than those that are expected to transfer ownership of the assets to the lessee
	The lease period is regarded as service life and straight-line method, in which residual value is zero, applies.
(5) Disposal method of deferred assets	
	Disposal method of expenses for issuance of new shares is amortized over a period of three (3) years in equal amounts or more. Disposal method of expenses for issuance of bonds issued before last two fiscal years is amortized in accordance with straight-line method throughout the redemption period. Corporate bonds issued before the last two fiscal years are amortized over a period of three (3) years.
	(Change in Accounting Policy)
	From this fiscal year, we started to apply the "Tentative Solution on Accounting for Deferred Assets" (PITF No. 19, August 11, 2006), which has little influence on the profit and loss of the Company.
(6) Standards for allocation of reserves	
(i) Allowance for doubtful receivables	In order to prepare for the loss of bad debts for accounts receivable and loans receivable, general provision is made based on past experience. Recoverable amount is considered on a case by case basis for provisions for specific receivables and estimated nonrecoverable amount is stated.
(ii) Allowance for employee bonuses	Provisions are made for bonus payment for employees of the company. The accrued amounts of estimated bonus payments are stated.
(iii) Allowance for retirement benefits	Accrued retirement benefits for employees on 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 term end. The net retirement benefit obligation at transition is being amortized principally over a period of 15 years by the straight-line method.
	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.

- 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.
- (iv) Accrued Retirement Benefits for Directors and Corporate Auditors
 In order to prepare for expenses for allowances for corporate executive officers, we record end-of-period necessary payments in accordance with the regulation for allowance for retirement benefits for corporate executive officers.
 (Change in Accounting Policy)
 The necessary payment of allowances for directors, corporate auditors and corporate executive officers at the end of term used to be included in long-term accrued liabilities in "other long-term liabilities"; however, since the "Auditing Treatment Relating to Reserve Defined under the Special Tax Measurement Law, Allowance or Reserve Defined under the Special Law, and Allowance for Director and Corporate Auditor Retirement Benefits" (The Japanese Institute of Certified Public Accountants, Auditing and Assurance Practice Committee, Report No.42, April 13, 2007) was issued, from this fiscal year, the Company started to record allowances for executive officers as "reserve for retirement benefits for directors and corporate auditors", in long-term liabilities. This change does not influence current earnings and pretax current net income of the Company.
- (v) Antitrust-Law-Related Expenses
 On December 21, 2007, the European Commission's antitrust regulators issued a "Statement of Objections", regarding the possibility of the Company violating EU competition law in relation to cargoes. The estimated amount of the possible loss concerning this matter is recorded as provision for potential loss on antitrust proceedings. The estimated amount can change according to developments in this matter.
- (vi) Provision for loss on related business
 In order to prepare for the loss from deterioration in the fiscal position of the invested related business, we record estimated loss, which we are to bear, as provision for the loss on the related business.
- (7) Leases
 (Change in Accounting Policy)
 Since "Accounting Standards for Lease Transactions"(Statement No.13 issued and revised by Business Accounting Council on June 17, 1993 and March 30, 2007 respectively) and "Guidance on Accounting Standard for Lease Transactions" (The Japanese Institute of Certified Public Accountants Auditing Standards Committee Guidance No.16 issued and revised on January 18, 1994 and March 30, 2007 respectively) became applicable from the year which started on April 1, 2007, we started to apply them from this fiscal year. As to the balance sheet, tangible fixed assets and intangible fixed assets increased by 67,266 million yen and 0 million yen respectively. Current liabilities and long-term liabilities increased by 14,763 million yen and 55,108 yen respectively. As to the income and expenditure account, business profit and current earnings increased by 2,367 million yen and 802 million yen respectively. Pretax current net income decreased by 2,972 million yen.
- (8) Method of significant hedge accounting
- (i) Deferral hedge accounting.
 However, monetary claims and liability denominated in foreign currency with foreign exchange contracts are disposed by appropriation.
 For interest swaps which meet the requirements of hedge accounting, special disposition is adopted.
- (ii) Hedge methods and transactions subject to hedge
 Hedge method: Derivative transactions (mainly foreign exchange contract, interest swap, commodities swap, and commodities option)

- Transactions subject to hedge: Those which have the possibility of incurring losses due to changes in prices, etc., and those which do not reflect such changes in prices in its valuation and those which have fixed cash flow and can avoid fluctuation
- (iii) Hedge policy: The Company use derivative transactions for the purpose of avoiding risks against changes in currency, interest rate and commodities (fuel) in accordance with the Company's "Risk-Management Regulation on Hedge Transactions" and "Handling Instructions of Hedge Transactions" and do not conduct hedge transactions for investment purposes.
- (iv) Evaluation of effectiveness of hedge transactions As a rule, the effectiveness of hedge transactions is determined by comparing fluctuation or accumulated cash flow of the hedged transaction and fluctuation or accumulated cash flow of the hedge transaction, and decided based on the amount of the fluctuation between the two.
However, for interest swaps which are disposed by special disposition, the evaluation of effectiveness is omitted.
- (9) Standard for recognition of revenues
Among business revenue, the passenger revenue of both domestic and international lines are recorded basically when services are rendered.
- (10) Other matters concerning preparation of financial statements
- (i) Consumption taxes: Consumption taxes and local taxes are excluded from the amounts of profit and loss statements.
- (ii) Consolidated tax return system: The Company applied a consolidated tax return system.
- (11) Change in categories
"Negotiable deposit", which had been included in "Cash and deposits" in Current Assets until the last fiscal year, is listed in "Marketable securities" in Current Assets from this fiscal year. In this fiscal year, the amount of the negotiable deposit is 119,260 million yen and in the last fiscal year, 131,850 million yen.

2. Notes concerning Balance Sheet

- (1) Assets provided as collateral
- | | |
|---|----------------------------|
| Spare parts for aircraft (current assets) | 39,658 million yen |
| Building | 41,423 million yen |
| Aircraft | 519,987 million yen |
| Total | 601,068 million yen |
- The above assets are provided as collateral for the long term loan of 351,555 million yen
- (2) Accumulated depreciation of tangible fixed assets 840,821 million yen
- (3) Debt guarantee, etc.
- | | |
|---|--------------------|
| Debt guarantee | 154 million yen |
| Debt guarantee commitment | 37 million yen |
| Contingent liabilities in relation to debt assumption agreement of bonds (trust type debt assumption agreement) | 10,000 million yen |
- (4) Monetary claims and debts against affiliates are as follows:
- | | |
|---------------------------------|--------------------|
| (i) Short-term monetary claims | 28,183 million yen |
| (ii) Short-term debt | 79,004 million yen |
| (iii) Long-term monetary claims | 5,027 million yen |
| (iv) Long-term debt | 5 million yen |

3. Notes concerning Income Statement

Transactions with affiliates		
(i) Sales		179,313 million yen
(ii) Purchase		385,066 million yen
(iii) Transactions other than operating transactions		1,338 million yen

4. Notes concerning Statement of Changes in Net Assets

Matters concerning number of treasury shares

Type of shares	Number of shares as at the end of the previous fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares as at the end of the fiscal year
Common shares	1,763 thousand shares	680 thousand shares	273 thousand shares	2,171 thousand shares

- (Notes)
- The increase of 680 thousand treasury shares is due to the purchase of fractional shares.
 - The decrease of 273 thousand treasury shares is due to the further buying from holders of fractional shares.

5. Notes concerning Deferred Tax Accounting

- (1) Statement major causes for deferred tax assets and deferred tax liabilities

(millions of yen)

Deferred tax assets	
Amount exceeding the limit of accrued retirement benefits expenses	34,791
Loss on evaluation for hedging exchange	10,812
Provision for potential loss on antitrust proceedings	6,505
Approximation of accrued sales charges	5,867
Amount exceeding the limit of allowance for bonus expenses	5,827
Accrued income tax	5,427
Others	11,756
Subtotal deferred tax assets	80,987
Valuation allowance	(12,854)
Total deferred tax assets	68,132
Deferred tax liabilities	
Other marketable securities valuation difference	(6,634)
Reserve for special depreciation	(3,867)
Others	(667)
Total deferred tax liabilities	(11,169)
Net deferred tax assets	56,963

- (2) Statement of major causes where there is material difference between the statutory effective tax rate and corporate tax rate after application of deferred tax accounting

Statutory effective tax rate	40.16 %
(Adjustments)	
Allowance for entertainment and others which are not tax deductible	0.63 %
Inhabitant tax on per capita basis	0.09 %
Increase or decrease in valuation allowance	8.66 %
Amounts excluded from gross revenue such as dividend income	(0.77) %
Others	0.03 %
Corporate tax rate after application of deferred tax accounting	48.80 %

6. Notes concerning fixed assets used by lease

- (1) Lease transactions that are expected to transfer ownership of the assets to the lessee
Not applicable
- (2) Finance lease transactions other than those that are expected to transfer ownership of the assets to the lessee
- (i) Contents of Lease Assets
- Tangible fixed asset:
mainly aircraft, host computers, and their peripheral devices
- Intangible fixed asset:
software
- As to the methods used for lease assets,
see "1. Summary of significant accounting policies (4) Depreciation Methods Used for Fixed Assets"

(3) Operating Lease Transactions

Prepaid lease expenses (lessee)	(million yen)
Within a year	30,703
Over a year	162,839
<hr/>	
Total	193,542
Prepaid lease expenses (lessor)	(million yen)
Within a year	896
Over a year	1,920
<hr/>	
Total	2,816

7. Note concerning transactions with affiliates

Not applicable

8. Note concerning per share information

- (1) Net assets per share 217.91 yen
- (2) Net income per share 25.94 yen

9. Note concerning material subsequent events

Not applicable

Auditor's Report regarding Financial Statements

May 16, 2008

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

Ernst & Young ShinNihon

Kazuo Tanimura,
Designated Employee and Managing Partner,
Certified Public Accountant (seal)
Masatsugu Hamada,
Designated Employee and Managing Partner,
Certified Public Accountant (seal)
Mitsuo Osa,
Designated Employee and Managing Partner,
Certified Public Accountant (seal)

Report of Independent Auditors

In accordance with Article 436, Paragraph 2, Item 1 of the Company Law, we have audited the financial statements (balance sheet, profit and loss statement, statement of changes in net assets and notes to non-consolidated financial statements) and their supporting documents for the 58th fiscal year starting on April 1, 2007 and ending on March 31, 2008 of All Nippon Airways Co., Ltd. These financial statements and supporting documents are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and supporting documents from our independent position.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the financial statements and their supporting documents are free of material misstatement. Our audit, conducted on a test basis, includes the assessment of the accounting principles employed by management, methods of applying such accounting principles and estimates made by management, as well as the evaluation of the overall presentation of the financial statements and supporting documents. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and supporting documents referred to above present fairly in all material respects, the financial position (assets, profit and loss) for the period covered by such financial statements and supporting documents of the Company in conformity with accounting principles generally accepted in Japan.

(Supplemental Information)

As described under the "Summary of significant accounting policies," the Company has applied the lease accounting standards from the current fiscal year.

There are no interests between the Company and us or our Managing Partners which are required to be indicated pursuant to the Certified Public Accountant Law.

END

Audit Report by the Board of Auditors**Audit Report**

The Board of Auditors has discussed the audit reports prepared by each Auditor in relation to the execution of duties by directors during the 58th fiscal year (April 1, 2007 to March 31, 2008) and prepared this Audit Report as follows:

1. Method and Details of Audit conducted by the Auditors and the Board of Auditors

The Board of Auditors determined the audit policy and other matters. In addition, the Board of Auditors received reports on the status and results of audit from each Auditor and also status of execution of duties by directors and the Accounting Auditor and requested further explanation where required.

Each Auditor complied with the Auditor's audit standards prescribed by the Board of Auditors, and in accordance with the audit policy and other policies, communicated with directors, internal audit department and other employees, and collected information and maintained an environment for audit, attended board meetings and other important meetings, received reports from directors and employees regarding status of execution of their duties, requested further explanation where necessary, reviewed material settlement documents, and inspected status of business and assets at the head office and other major branches. We also monitored and reviewed the company's system to ensure that the directors' execution of duties complies with applicable laws and the articles of incorporation, and the board resolution concerning establishment of a system provided in Article 100, Paragraph 1 and 3 of the enforcement regulations of the Company Law, which is required in order to ensure appropriate execution of business by joint stock corporation, and system which is established based on such resolution (internal control system). For subsidiaries, Auditors communicated and exchanged information with directors and Auditors of subsidiaries, and received reports on business from subsidiaries as necessary. Based on the above method, we have reviewed the business report and supporting documents regarding the fiscal year.

We also monitor and review whether the Accounting Auditor maintains independence and conducts an appropriate audit, and receive reports on the status of execution of duties from the Accounting Auditor and requested further explanation where necessary. In addition, we have received a notice from the Accounting Auditor stating that it is establishing "a system to ensure that business is executed appropriately" (as indicated in each item of Article 159 of the Corporate Calculation Regulation) in accordance with "Quality Control Standards for Audit" (Business Accounting Deliberation Council, October 28, 2005), and requested further explanation as necessary. Based on the above method, we have reviewed the financial statements (balance sheet, profit and loss statement, statement of changes in net assets, and notes to non-consolidated financial statements) and supporting documents, and consolidated financial statements (consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in net assets, and notes to consolidated financial statements).

2. Result of audit

(1) Results of audit on business report

(i) We confirm that the business report and supporting documents fairly represents the status of the Company in accordance with applicable law and articles of incorporation.

(ii) There are no improper actions or other material events which violate applicable laws or the articles of incorporation in relation to the directors' execution of their duties.

(iii) We confirm that the resolution of the board concerning internal control system was appropriate. There are no matters to point out with regard to directors' execution of duties in relation to the internal control system.

(2) Results of audit of financial statements and supporting documents

We confirm that the method and results of audit by the Accounting Auditor, Ernst & Young Shinnihon are appropriate.

(3) Audit results of consolidated financial statements

We confirm that the method and results of audit by the Accounting Auditor, Ernst & Young Shinnihon are appropriate.

May 20, 2008

All Nippon Airways, Co., Ltd. Board of Auditors

Kunitaka Kajita, Full-time Auditor (outside Auditor) (seal)

Koichiro Ono, Full-time Auditor (seal)

Koji Ohno, Full-time Auditor (seal)

Shingo Matsuo, Auditor (outside Auditor) (seal)

Hideo Minamiyama, Auditor (outside Auditor) (seal)

END

Supplementary Information for General Meeting of Shareholders

Item 1: Approval of the Proposed Appropriation of Surplus

We would like to propose the appropriation of surplus as follows:

Matters concerning the final distribution of surplus

We understand that a return to shareholders is one of the important issues for our business management and wish to increase the return, giving consideration to the balance with the enhancement of our financial strength for future business expansion.

In the current fiscal year, we have implemented various measures to stimulate demand and promoted cost cutting initiatives, including reduction in flight operation costs through optimizing the supply-demand balance and introducing new fuel-efficient aircrafts. However, operating profits and recurring profits declined over the previous year due to continued sharp increase in fuel costs. Net profit rose significantly, led by extraordinary profits on sale of certain hotel business-related assets.

We are very pleased to announce that the Company will distribute a dividend of five (5) yen per share for the term under review, after considering various factors such as business performance and financial conditions for the current fiscal year and future business environment.

- (1) Matters concerning dividends to shareholders and total amount of dividends
Five (5) yen per common share of the Company Total of 9,738,940,150 yen
- (2) Date on which dividend of surplus will become effective
June 24, 2008

Item 2: Election of 17 Directors

The following directors resigned from their position as of March 31, 2008 : Suguru Omae and Hiroyuki Ito. The term of office of the current 14 directors will expire at the time of closing of the 63rd Ordinary General Meeting of Shareholders. Therefore, the election of 17 directors is requested.

The candidates for directors are as shown below:

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
1	Yoji Ohashi (Jan. 21, 1940)	<p>April 1964 Joined ANA March 1992 Director of Engineering & Maintenance Dept., ANA June 1993 Director, ANA June 1997 Senior Vice President, ANA June 1999 Senior Executive Vice President, ANA April 2001 President & Chief Executive Officer, Corporate Executive Officer, ANA April 2002 President & Chief Executive Officer, ANA April 2005 Chairman of the Board of Directors, ANA to present</p>	163,335	None
2	Mineo Yamamoto (July 22, 1945)	<p>April 1970 Joined ANA April 1999 Director of Corporate Planning, ANA June 1999 Director, ANA April 2001 Senior Vice President, Corporate Executive Officer, ANA April 2003 Senior Executive Vice President, Corporate Executive Officer, ANA April 2005 President & Chief Executive Officer, ANA August 2007 President & Chief Executive Officer, Chairman of Management Committee, Chief of Safety Promotion Committee, Chief of CSR Promotion Committee, ANA to present <Title in other companies, etc.> Chairman of The Scheduled Airlines Association of Japan</p>	131,100	None

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
3	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, Business Support, Chairman of Risk Management Committee</p> <p>June 2003 Director, Corporate Executive Officer, ANA</p> <p>April 2004 Senior Vice President, Corporate Executive Officer, ANA</p> <p>April 2006 Executive Vice President, Corporate Executive Officer, ANA</p> <p>April 2007 Senior Executive Vice President, Corporate Executive Officer, ANA</p> <p>November 2007 Senior Executive Vice President, Corporate Executive Officer, In charge of Executive Office, Personnel, ANA JINZAI University, Employee Relations, Business Support, ANA to present</p>	53,000	None

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
4	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 Director and Corporate Executive Officer, ANA</p> <p>April 2004 Senior Vice President, Corporate Executive Officer, ANA</p> <p>April 2006 Executive Vice President, Corporate Executive Officer, ANA</p> <p>April 2007 Senior Executive Vice President, Corporate Executive Officer, ANA</p> <p>April 2008 Senior Executive Vice President, Corporate Executive Officer, Chairman of CS Promotion Committee, In charge of CS Promotion and Product Strategy, General Manager of Marketing & Sales, ANA to present</p>	45,335	None

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
5	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 Executive Managing Officer, Director of Executive Office, ANA</p> <p>April 2003 Corporate Executive Officer, General Manager of Tokyo Branch, ANA (in charge of East Area)</p> <p>April 2004 Senior Corporate Executive Officer, Deputy General Manager of Marketing & Sales , ANA</p> <p>June 2004 Director and Corporate Executive Officer, ANA</p> <p>April 2005 Senior Vice President, Corporate Executive Officer, ANA</p> <p>April 2007 Executive Vice President, Corporate Executive Officer, ANA</p> <p>August 2007 Executive Vice President, Corporate Executive Officer, In charge of Public Relations, CSR Promotion and General Administration, Chairman of CSR Promotion Committee, Chairman of Environment Committee, Chairman of Risk Management Committee, Chairman of Compliance Committee, ANA to present</p>	53,000	None

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
6	Mitsuo Morimoto (Jun. 24, 1947)	<p>April 1966 Joined ANA</p> <p>July 2003 Director of Inspection in Flight Operations, ANA</p> <p>April 2004 Corporate Executive 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>June 2005 Senior Vice President, Corporate Executive Officer, ANA</p> <p>April 2007 Executive Vice President, Corporate Executive Officer, ANA</p> <p>April 2008 Executive Vice President, Operations & Airport Services, Corporate Executive Officer, Corporate Safety and Audit, Chairman of Safety Promotion Committee, ANA to present</p>	27,105	None

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
7	Tomohiro Hidema (Mar. 4, 1949)	<p>July 1973 Joined ANA</p> <p>April 2002 Director of Purchasing, ANA</p> <p>April 2003 Corporate Executive Officer, General Manager of Finance & Accounting, ANA</p> <p>April 2004 Corporate Executive Officer, In charge of Finance & Accounting, Investor Relations and Purchasing, ANA</p> <p>June 2004 Director, Corporate Executive Officer, ANA</p> <p>April 2006 Senior Vice President, Corporate Executive Officer, ANA</p> <p>April 2007 Executive Vice President, Corporate Executive Officer, ANA</p> <p>April 2008 Executive Vice President, Corporate Executive Officer, In charge of Investor Relations, Group Businesses Development, Finance & Accounting and Purchasing, ANA to present</p>	37,000	None
8	Keisuke Okada (Oct. 24, 1951)	<p>April 1974 Joined ANA</p> <p>April 2001 General Manager of Parts Plan in Engineering & Maintenance, ANA</p> <p>April 2003 Corporate Executive Officer, Deputy Director of Corporate Planning, ANA</p> <p>April 2004 Corporate Executive Officer, Director of Corporate Planning, In charge of Cargo Marketing & Services, ANA</p> <p>June 2004 Director and Corporate Executive Officer, ANA</p> <p>April 2006 Senior Vice President, Corporate Executive Officer, ANA</p> <p>April 2008 Senior Vice President, Corporate Executive Officer, In charge of Alliance & International Affairs, Information Technology Services, Chairman of IT Strategy, ANA to present</p>	38,631	None

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
9	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. (in charge of West Area), ANA</p> <p>April 2004 Senior Corporate Executive Officer, General Manager of Tokyo Branch (in charge of East Area), ANA</p> <p>June 2005 Director, Corporate Executive Officer, ANA</p> <p>April 2007 Senior Vice President, Corporate Executive Officer, Chief of Cargo Marketing & Services, ANA to present</p>	33,000	None
10	Junko Yamauchi (Sept. 13, 1949)	<p>January 1970 Joined ANA</p> <p>April 2002 General Manager of Inflight Services, Tokyo Office, ANA</p> <p>April 2004 Corporate Executive Officer, General Manager of Inflight Services, ANA</p> <p>April 2006 Senior Corporate Executive Officer, General Manager of Inflight Services, ANA</p> <p>June 2007 Director, Corporate Executive Officer, General Manager of Inflight Services, ANA to present</p>	23,691	None

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
11	Osamu Shinobe (Nov. 11, 1952)	<p>April 1976 Joined ANA</p> <p>April 2003 General Manager of Technology, Engineering & Maintenance, ANA</p> <p>April 2004 Corporate Executive Officer, Deputy General Manager of Marketing & Sales, ANA</p> <p>April 2007 Senior Corporate, Executive Officer, In charge of Corporate Planning, Head of B787 Launch Project, ANA</p> <p>June 2007 Director and Corporate Executive Officer, ANA</p> <p>April 2008 Director, Corporate Executive Officer, General Manager of Engineering & Maintenance, ANA to present</p>	21,050	None
12	Katsumi Nakamura (Oct. 10, 1948)	<p>July 1970 Joined ANA</p> <p>April 2004 General Manager of Flight Operations, ANA</p> <p>April 2005 Corporate Executive Officer, Deputy General Manager of Operations & Airport Services and General Manager of OCC Promotion, ANA</p> <p>April 2006 Corporate Executive Officer, Corporate Safety and Audit, Deputy General Manager of Operations & Airport Services and General Manager of OCC Promotion, ANA</p> <p>April 2007 Senior Corporate Executive Officer, Chairman of Operations Committee, General Manager of Operations & Airport Services, ANA</p> <p>June 2007 Director, Corporate Executive Officer, Chairman of Operations Committee, General Manager of Operations & Airport Services, ANA to present</p>	17,000	None

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
13	Shinichi Inoue (Sept. 25, 1948)	November 1970 Joined ANA July 2003 Deputy General Manager of Flight Operations, ANA April 2005 Corporate Executive Officer, Deputy General Manager of Flight Operations, ANA April 2007 Senior Corporate Executive Officer, Deputy General Manager of Flight Operations, ANA April 2008 Senior Corporate Executive Officer, General Manager of Flight Operations, ANA to present	21,000	None
14	Shigeyuki Takemura (May 30, 1950)	April 1975 Joined ANA May 2004 General Manager of Government & Industrial Affairs, ANA April 2005 Corporate Executive Officer, General Manager of Government & Industrial Affairs, ANA April 2007 Senior Corporate Executive Officer, In charge of Government & Industrial Affairs, ANA April 2008 Senior Corporate Executive Officer, In charge of Corporate Planning-Asia Strategy, and Government & Industrial Affairs, Head of B787 Launch Project, ANA to present	6,000	None

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
15	Hayao Hora (Nov. 1, 1947)	<p>July 1971 Joined the Ministry of Transport</p> <p>August 2002 Director of the Civil Aviation Bureau, the Ministry of Land, Infrastructure, Transport and Tourism</p> <p>July 2003 Vice-Minister for Transport and International Affairs, the Ministry of Land, Infrastructure, Transport and Tourism</p> <p>August, 2005 Left the Ministry of Land, Infrastructure, Transport and Tourism</p> <p>October 2007 Full-time Counselor, ANA</p> <p>April 2008 Senior Corporate Executive Officer, In charge of International & Regulatory Affairs and Facilities, ANA to present</p>	5,000	None
16	Misao Kimura (Sept. 7, 1937)	<p>June 1993 Senior Executive Vice President, Nagoya Railroad Co., Ltd.</p> <p>June 1997 Executive Vice President, Nagoya Railroad Co., Ltd.</p> <p>June 1999 President and Chief Executive Officer, Nagoya Railroad Co., Ltd.</p> <p>June 2004 Director, ANA to present</p> <p>October 2005 Chairman & Representative Director, Nagoya Railroad Co., Ltd. to present</p> <p><Titles in other companies, etc.>: Chairman, Aichi Bus Association</p>	0	See the Notes 2 below
17	Shosuke Mori (Aug. 6, 1940)	<p>June 1999 Senior Vice President, The Kansai Electric Power Co., Ltd.</p> <p>June 2001 Senior Executive Vice President & Representative Director, The Kansai Electric Power Co., Ltd.</p> <p>June 2005 President & Representative Director, The Kansai Electric Power Co., Ltd. to present</p> <p>June 2006 Director, ANA to present</p>	0	See the Notes 3 below

(Notes)

1. Misao Kimura and Shosuke Mori are candidates for outside directors.
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.
3. Shosuke Mori is a President & Representative Director of The Kansai Electric Power Co., Ltd. and there is no material business relationship between ANA and the Kansai Electric Power Co.
4. We have asked Misao Kimura to serve as our outside director as he has experience and knowledge as a manager in the transportation industry. We believe that we will be able to further strengthen our management system with his effective advice on the management of ANA.
5. We have asked Shosuke Mori to serve as our outside director as he has experience and knowledge as a manager in businesses of a highly public nature. We believe that we will be able to further strengthen our management system with his effective advice on the management of ANA.
6. Misao Kimura is currently our outside director. His term of office as outside director shall be four years from the end of this Ordinary General Meeting of Shareholders.
7. Shosuke Mori is currently our outside director. His term of office as outside director shall be two years from the end of this Ordinary General Meeting of Shareholders.
8. In February 2003, during Misao Kimura's office as director at Nagoya Railroad Co., Ltd., there were violations of Article 94, Paragraph 3 of the Road Transport Law (false statement) and Article 75, Paragraph 1, Item 1 of the Road Traffic Law (ordering driving without license and approval thereof) and the company received a sentence of a monetary penalty.
Also, in January 2006, during his office as director at Meitetsu Transport Co., Ltd., there was a violation of Article 118, Paragraph 1, Item 5 of the Road Traffic Law (ordering overload), and the company received a sentence of a monetary penalty.
9. In August 2004, during Shosuke Mori's office as director at The Kansai Electric Power Co., Ltd., there was a fracture of secondary system piping at Mihama Unit 3. This piping system was not in compliance with the technical standards provided under the Electricity Utility Law, and in September of the same year, the company received an order for compliance with technical standards.
10. In accordance with Article 427, Paragraph 1 of the Company Law, the Company has executed a liability limitation agreement with both Misao Kimura and Shosuke Mori, pursuant to which the minimum liability amount set forth in Article 425, Paragraph 1 of the Company Law will be the maximum damage liability prescribed in Article 423, Paragraph 1 of the Company Law.

Item 3: Election of 3 Corporate Auditors

In order to fill a vacancy for Kunitaka Kajio, Koichiro Ono and Shingo Matsuo who will be resigning at the end of this AGM, we ask our shareholders to approve appointment of the following three Corporate Auditors.

We have obtained the approval of the board of Auditors for this appointment.

Candidates for Auditor are as follows:

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
1	Kunitaka Kajita (Jan. 22, 1941)	<p>April 1963 Joined The Japan Development Bank</p> <p>May 1994 Director, The Japan Development Bank</p> <p>June 1998 Chairman, The Japan Economic Research Institute</p> <p>October 1999 Deputy Governor, The Development Bank of Japan</p> <p>June 2002 Counsel, The Development Bank of Japan</p> <p>June 2003 Corporate Auditor (full-time), ANA to present</p>	39,000	None
2	Hiroyuki Ito (Aug. 24, 1950)	<p>April 1974 Joined ANA</p> <p>April 2001 General Manager of Parts Plan in Engineering & Maintenance, ANA</p> <p>April 2003 Corporate Executive Officer, Deputy General Manager of Engineering & Maintenance, ANA</p> <p>April 2006 Senior Corporate Executive Officer, General Manager of Engineering & Maintenance, ANA</p> <p>June 2006 Director and Corporate Executive Officer, ANA</p> <p>March 2008 Resigned as Director, ANA</p> <p>April, 2008 Counsel, ANA Strategic Research Institute Co., Ltd. to present</p>	21,000	None

Candidate No.	Name (Date of birth)	Biography and position and assignment in the Company (Title in other companies, etc.)	Number of shares owned	Stakes against the Company
3	Shingo Matsuo (May 19, 1938)	<p>June 1998 Executive Vice President, Kyushu Electric Power Co., Ltd.</p> <p>June 2003 President, Kyushu Electric Power Co., Ltd.</p> <p>June 2004 Corporate Auditor, ANA to present</p> <p>June 2007 Chairperson, Kyushu Electric Power Co., Ltd. to present</p>	0	See the Notes 2 below

(Notes)

1. Kunitaka Kajita and Shingo Matsuo are candidates for outside corporate auditors.
2. Shingo Matsuo is Chairperson of Kyushu Electric Power Co., Ltd., and there are no material transactions between ANA and Kyushu Electric Power Co., Ltd.
3. We have asked Kunitaka Kajita to serve as our outside corporate auditor as he has experience and knowledge as the representative of a policy finance institution. We believe that we will be able to further strengthen our audit system with his effective advice on the management of ANA.
4. We have asked Shigo Matsuo to serve as our outside corporate auditor as he has experience and knowledge as a manager in businesses of a highly public nature. We believe that we will be able to further strengthen our audit system with his effective advice on the management of ANA.
5. Kunitaka Kajio is currently our outside corporate auditor. His term of office as outside corporate auditor shall be five years from the end of this Ordinary General Meeting of Shareholders.
6. Shingo Matsuo is currently our outside corporate auditor. His term of office as outside corporate auditor shall be four years from the end of this Ordinary General Meeting of Shareholders.
7. In accordance with Article 427, Paragraph 1 of the Company Law, the Company has executed a liability limitation agreement with both Kunitaka Kajita and Shingo Matsuo, pursuant to which the minimum liability amount set forth in Article 425, Paragraph 1 of the Company Law will be the maximum damage liability prescribed in Article 423, Paragraph 1 of the Company Law.

[System Environment for exercising voting rights through the Internet]

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

- (i) Internet access;
- (ii) If you exercise your voting rights through your personal computer, Microsoft® Internet Explorer 5.5 SP2 or later versions, or Netscape 6.2 or later versions, as Internet browser software, and appropriate hardware to use the required 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) model can access the website in order to ensure 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 for the exercise of voting rights through the Internet]

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

Administrator of register of shareholders:	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 forms for change of address:	0120-175-417 (24 hours a day)
Other inquiries:	0120-176-417 (Operating hours: 9:00 to 17:00, weekdays)

About Electronic Voting Platform

The nominee shareholders such as trust banks or custodian banks, who have signed up for the Electronic Voting Platform operated by the joint venture company established by Tokyo Stock Exchange, Inc., etc., can use such Electronic Voting Platform as the method of the exercise of voting rights by electromagnetic means at General Meeting of Shareholders in addition to the abovementioned exercise of voting rights through the Internet.

This Notice of the 63rd Ordinary General Meeting of Shareholders has been prepared originally in Japanese which shall prevail over any translation thereof. This English translation has been prepared solely for reference purposes.