

(Translation for Reference Purpose Only)

**Matters for Internet Disclosure
under Laws and Regulations,
and the Articles of Incorporation**

**Notes to Consolidated Financial Statements
Notes to Non-Consolidated Financial Statements**
(For the fiscal year from April 1, 2009 to March 31, 2010)

All Nippon Airways Co., Ltd.

"Notes to Consolidated Financial Statements" and "Notes to Non-Consolidated Financial Statements" shall be provided to our shareholders by posting the same on our homepage (<http://www.ana.co.jp/ir>) pursuant to laws and regulations, and Article 17 of our Articles of Incorporation.

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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: 72
- 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.
Overseas Courier Service 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: 1

Overseas Courier Service Co., Ltd.
Overseas Courier Service Co., Ltd., which had been included in the affiliates accounted for by the equity method, has been included in the scope of consolidation starting from this consolidated fiscal year due to stock acquisition.

Excluded: 5

Airport Handling Service Co., Ltd.
ANA Sales France S.A.S
All Express Corporation

ANA Trading Aircraft Co., Ltd.
Haneda Create Co., Ltd.

Airport Handling Service Co., Ltd. was dissolved upon the merger with ANA Airport Service Co., Ltd, ANA Sales France S.A.S was dissolved upon the merger with ANA Sales Europe Ltd., All Express Corporation was dissolved upon the merger with Overseas Courier Service Co., Ltd., ANA Trading Aircraft Co., Ltd. was dissolved upon the merger with ANA Trading Co., Ltd. and Haneda Create Co., Ltd. was dissolved upon the merger with ANA Motor Service Co., Ltd., and the dissolved companies have been excluded from the scope of consolidation.

(ii) Non-consolidated subsidiaries

- Number of non-consolidated subsidiaries: 45
- Names of major non-consolidated subsidiaries: Nagasaki Airport Fueling Facilities Co., Ltd.
- Reason for exclusion from the scope of consolidation: The non-consolidated subsidiaries have been excluded from the scope of consolidation because all are of a small size and because none of their total assets, sales, current net income and retained earnings have 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: 24
- Names of major companies: Kokunaisen.com Inc.
Avicom Japan Co., Ltd.
Jamco Corporation

• Change in the application of equity method

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Newly added: 1	Eurocopter Japan T&E Co., Ltd. Eurocopter Japan T&E Co., Ltd. has been included in the affiliates accounted for by the equity method due to the business separation from ANA Aircraft Maintenance Co., Ltd.
Excluded: 1	Overseas Courier Service Co., Ltd. Overseas Courier Service Co., Ltd., which had been included in the affiliates accounted for by the equity method, has become a consolidated subsidiary from this consolidated fiscal year due to stock acquisition, and therefore has been excluded from the affiliates accounted for by the equity method.

- (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:

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- Names of major companies Oita 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 the equity method because all are of a small size and because in proportion to shares neither their current net profit and loss nor their retained earnings has any material impact on the consolidated financial statements after the offset and deletion of transactions with consolidated subsidiaries.

(3) Fiscal years of consolidated subsidiaries

Of the consolidated subsidiaries, the end of the fiscal years of Wingspan Insurance (Guernsey) Limited and two other subsidiaries is December 31. Since the difference between this fiscal year end and the consolidated fiscal year end does not exceed 3 months, we use the financial documents as of the end of the fiscal year (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 the moving average method
- c. Derivative Market value method
- d. Money trust for investment purpose Market value method
- e. Inventories Mainly cost method based on the moving average method (The balance of inventories in the Consolidated Balance Sheet is written-down based on a fall in its value.

- (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.
Buildings:	Mainly straight-line method

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Others:	Durable life is mainly 3 to 50 years. Mainly age-life method
b. Intangible fixed assets (excluding lease assets)	Mainly straight-line method For software used within the company, we calculate this by the straight-line method based on the durable life within the company, which is 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 the straight-line method, in which residual value is zero, applies.
(iii) Disposal method of deferred assets	
a. Expenses for issuance of shares	They are amortized in amounts equal to one thirds every fiscal year over a period of 3 years.
b. Expenses for issuance of bonds	They are amortized in accordance with the straight-line method throughout the redemption period of the corporate bond.
c. Expenses for establishment of business	They are amortized in amounts equal to or more than one fifths over a period of 5 years.
(iv) Standards for allocation of significant reserves	
a. Allowance for doubtful receivables:	In order to prepare for the loss of uncollectible accounts receivable and loans receivable, estimated non-recoverable amount is stated. The recoverable amount of some specific receivables such as bad loans is calculated on a case by case basis, and the recoverable amount of other receivables is calculated based on past experience.
b. Allowance for employee bonuses:	Provisions are made for bonus payments 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 April 1, 2009, one of the consolidated subsidiaries was authorized by Health Minister to be exempt from past issuance duty concerning the employees' pension fund. (Changes to Accounting Policies) Starting from this consolidated fiscal year, the Company and its subsidiaries have applied the "Partial Revisions to Accounting Standards Relating to Employees' Retirement Benefits (Part 3)" (Corporate Accounting Standards No. 19 of July 31, 2008). This will have no impact on operating loss, recurring loss, or net loss before tax and minority interests.
d. Accrued retirement benefits for Directors	In order to prepare for expenses for allowances for

and Corporate Auditors:	Directors, Corporate Auditors and Corporate Executive Officers, we record necessary end-of-period payments in accordance with the regulation for allowance for retirement benefits for Directors, Corporate Auditors and Corporate Executive Officers.
e. Antitrust-related expenses	<p>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.</p> <p>In addition, on October 29, 2009, the Korean Fair Trade Commission issued an "Examiner's Report" regarding the possibility of the Company's violating Korean fair trade law in relation to cargoes.</p> <p>The estimated amount of the possible loss concerning these matters is recorded as provision for potential loss on antitrust proceedings.</p> <p>The estimated amount may change according to developments in these matters.</p>
(v) Accounting standards for recognition of significant revenues and expenses	
Accounting standards for recognition of construction sales and costs	
• Progress made on construction by the end of this consolidated fiscal year, where the certainty of the results have been recognized	Construction-progress standard
• Other construction	Construction-completion standard (Changes to Accounting Policies) Starting from this consolidated fiscal year, the Company has applied the "Accounting Standards for Construction Contracts" (Corporate Accounting Standards No. 15 of December 27, 2007) and the "Guideline for Accounting Standards for Construction Contracts" (Guidelines for Corporate Accounting Standards No. 18 of December 27, 2007). Starting with construction contracts which have begun in the current consolidated fiscal year, the Company is applying the construction-progress standard for progress made on construction by the end of this consolidated fiscal year, where the certainty of the results have been recognized. For other construction, the Company is applying the construction-completion standard. This will have no impact on our operating revenues, operating loss, recurring loss, or net loss before tax and minority interests.
(vi) Method of significant hedge accounting	
a. Method of hedge accounting:	Deferral hedge accounting. However, monetary claims and liabilities 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. Hedging instruments and transactions subject to hedge	Hedging instruments Derivative transactions (mainly foreign exchange contracts, interest swaps, commodities swaps, and commodities options) Transactions subject to hedge: Those which have the possibility of incurring losses due to changes in prices, etc.,

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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 currencies, interest rates and commodities (fuel) in accordance with their internal management regulations which provide for transaction authority and limits on transaction amounts 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 considering the amount of such fluctuation. 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 in the 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 5 years from the year of accrual.

2. Notes concerning Consolidated Balance Sheet

- (1) Assets provided as collateral
- | | |
|--------------------------------------|----------------------------|
| Aircraft (including spare parts kit) | 621,289 million yen |
| Building and land | 42,450 million yen |
| Total | 663,739 million yen |
- The above assets are provided as collateral for long term loan of 401,026 million yen.
- (2) Accumulated depreciation of tangible fixed assets: 874,958 million yen
- (3) Debt guarantee, etc. Debt guarantee: 482 million yen

3. Notes concerning consolidated profit and loss statement

Impairment loss

The book value of assets, whose profitability and market value markedly dropped, has been reduced to the recoverable value, and the amount reduced is accounted for as impairment loss (1,253 million yen).

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4. Notes concerning consolidated statement of changes in shareholders' equity

(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	575,000 thousand shares	0	2,524,959 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	16,778 thousand shares	6,642 thousand shares	4,892 thousand shares	18,528 thousand shares

- (Notes)
1. The increase in the total number of issued common shares of 575,000 thousand is due to the issuance of 537,500 thousand new shares by public offering and the issuance of 37,500 thousand new shares by third party allotment.
 2. The increase of 6,642 thousand treasury shares (common shares) is due to the purchase of 198 thousand fractional shares and the inclusion of 6,442 thousand Company's shares purchased by the trust account of the Employee Stock Ownership Group in this consolidated fiscal year and 1,000 Company's shares purchased by affiliates.
 3. The decrease of 4,892 thousand treasury shares (common shares) is due to the inclusion of 129 thousand company's shares purchased by the holders of fractional shares upon their demand and the inclusion of 4,763 thousand Company's shares sold by the trust account of the Employee Stock Ownership Group.
 4. The number of treasury shares (common shares) includes 13,836 thousand Company's shares held by the trust account of the Employee Stock Ownership Group at the end of this consolidated fiscal year.

(3) Distribution of Surplus

(i) Dividends paid

The following items were resolved at the 64th Ordinary General Meeting of Shareholders held on June 22, 2009.

- Total amount of dividends: 1,933 million yen
- Dividend per share: 1 yen
- Record date: March 31, 2009
- Effective date: June 23, 2009

(Note) Total amount of dividends does not include the dividends paid to the trust account of the Employee Stock Ownership Group of 12 million yen. This is because the Company's shares held by the trust account of the Employee Stock Ownership Group are recognized as treasury shares.

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

Not Applicable

5. Notes concerning Financial Instruments

(1) Matters concerning Status of Financial Instruments

The Group uses only short-term savings, etc. for fund management and raises funds by borrowing from banks and other financial institutions.

We try to mitigate customers' credibility risk concerning trade accounts receivable in accordance with internal rules of each group company. Investment securities mainly consist of shares, and market values of listed shares are figured out quarterly.

Funds raised by short-term debts are used for capital investment, and derivatives are executed within the scope of actual demand pursuant to internal management rules.

(2) Matters concerning Market Values of Financial Instruments

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Amounts recognized on the consolidated balance sheet, market values and their differences as of March 31, 2010, are as follows;

(millions of yen)

	Amounts recognized on Consolidated Balance Sheet (*)	Market Values(*)	Differences
(1) Cash and deposits	13,246	13,246	-
(2) Trade accounts receivable	96,833	96,833	-
(3) Securities and investment securities	205,309	210,196	4,887
(4) Notes payable and trade accounts payable	(151,017)	(151,017)	-
(5) Short-term debts	(29,096)	(29,096)	-
(6) Bonds	(135,000)	(135,005)	△5
(7) Long-term debts	(728,429)	(735,583)	△7,154
(8) Derivatives	(22,087)	(22,087)	-

(*) Those recognized as liabilities are put in brackets.

(Note 1) Matters concerning method of calculating market values of financial instruments and securities and derivative transactions

(1) Cash and deposits and (2) Trade accounts receivable

These are settled within a short period of time and their market values are almost equal to and therefore based on their book values.

(3) Securities and investment securities

Market values of shares are based on their prices quoted at exchanges and those of bond certificates are prices quoted at exchanges or presented by financial institutions.

(4) Notes payable and trade accounts payable, and (5) Short-term debts

These are settled within a short period of time and their market values are almost equal to and therefore based on their book values.

(6) Bonds

Market values of bonds issued by the Company are calculated based on their current values, obtained by discounting the sum of their principals and interests by the rate determined in light of the remaining periods and the credit risks.

(7) Long-term debts

Market values of long-term debt are calculated based on their current value, obtained by discounting the sum of its principal and interest by the rate estimated when making a similar new debt. Long-term debts with floating rates are subject to special treatment for interest rate swaps (please refer to (8) below), and their market values are calculated by discounting the sum of their principals and interests, which have been treated as a unit with such interest rate swaps, by the rate reasonably estimated when making a similar debt.

(8) Derivatives

Market values of derivatives are calculated based on their prices presented by counterparty financial institutions. As those subject to special treatment for interest rate swaps are treated as a unit with long-term debts subject to hedging, their market values are included in those of such long-term debts (please refer to (7) above).

(Note 2) Unlisted shares (25,855 million yen recognized on the consolidated balance sheet) are not included in "(3) Securities and investment securities" because they do not bring market prices, and their future cash flow cannot be estimated and it is quite difficult to figure out their market values.

6. Note concerning per share information

(1) Net assets per share	188.93 yen
(2) Net loss per share	24.67 yen

7. Note concerning material subsequent events

Not applicable.

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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) 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.
- (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.
 - Buildings: Straight-line method
Durable life is 3 to 50 years.
 - Others: Age-life method
 - (ii) Intangible fixed assets (excluding lease assets) Straight-line method
For software used within the Company, we calculate this by the straight-line method based on the durable life within the Company, which is 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 the straight-line method, in which residual value is zero, applies.
- (5) Disposal method of deferred assets.
- (i) Expenses for issuance of shares They are amortized in amounts equal to one thirds over a period of 3 years.
 - (ii) Expenses for issuance of bonds They are amortized in accordance with the straight-line method throughout the redemption period of the corporate bond.
- (6) Standards for allocation of reserves
- (i) Allowance for doubtful receivables In order to prepare for the loss of uncollectible accounts receivable and loans receivable, the estimated non-recoverable amount is stated. The recoverable amount of some specific receivables such as bad loans is calculated on a case by case basis, and the recoverable amount of other receivables is calculated based on past experience.
 - (ii) Allowance for employee bonuses Provisions are made for bonus payments for

- (iii) Allowance for retirement benefits
- employees of the company. The accrued amounts of estimated bonus payments are stated. 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.
- (Changes to Accounting Policies)
- Starting from this consolidated fiscal year, the Company and its subsidiaries have applied the "Partial Revisions to Accounting Standards Relating to Employees' Retirement Benefits (Part 3)" (Corporate Accounting Standards No. 19 of July 31, 2008). This will have no impact on operating loss, recurring loss, or net loss before tax and minority interests.
- (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.
- (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. In addition, on October 29, 2009, the Korean Fair Trade Commission issued an "Examiner's Report" regarding the possibility of the Company's violating Korean fair trade law in relation to cargoes. The estimated amount of the possible loss concerning these matters is recorded as provision for potential loss on antitrust proceedings. The estimated amount can change according to developments in these matters.
- (7) Accounting standards for recognition of revenues and expenses
- (i) Among business revenue, the passenger revenue of both domestic and international lines are recorded basically when services are rendered.
- (ii) Accounting standards for recognition of construction sales and cost
- Progress made on construction by the end of this consolidated fiscal year, where the certainty of the results have been recognized: Construction-progress standard
 - Other construction: Construction-completion standard
- (Changes to accounting Policies)
- Starting from this consolidated fiscal year, the Company has applied the "Accounting Standards for Construction Contracts" (Corporate Accounting Standards No. 15 of December 27, 2007) and the

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"Guideline for Accounting Standards for Construction Contracts" (Guidelines for Corporate Accounting Standards No. 18 of December 27, 2007). Starting with construction contracts which have begun in the current consolidated fiscal year, the Company is applying the construction-progress standard for progress made on construction by the end of this consolidated fiscal year, where the certainty of the results have been recognized. For other construction, the Company is applying the construction-completion standard. This will have no impact on our operating revenues, operating loss, recurring loss, or net loss before tax and minority interests

(8) Method of hedge accounting

(i) Method of hedge accounting.

Deferral hedge accounting. However, monetary claims and liabilities 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) Hedging instruments and transactions subject to hedge

Hedging instruments Derivative transactions (mainly foreign exchange contracts, interest swaps, commodities swaps, and commodities options)

Transactions subject to hedge: Those which have the possibility of incurring losses due to changes in prices, etc., 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 currencies, interest rates 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 based on the amount of such fluctuation.

However, for interest swaps which are disposed by special disposition, the evaluation of effectiveness is omitted.

(9) Other matters concerning preparation of financial statements

(i) Consumption taxes:

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

(ii) Consolidated tax return system:

The Company applied a consolidated tax return system.

(10) Change in categories

(Profit and loss statement)

"Valuation loss on investment securities" (Current fiscal year: 496 million yen) and "Expenses related to antitrust law proceedings" (Current fiscal year: 856 million yen) which had been separately stated in

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Extraordinary Loss in the last fiscal year are included in "Others" comprising Extraordinary Loss from the current fiscal year as they became less significant in terms of amounts.

2. Notes concerning balance sheet

(1) Assets provided as collateral	
Spare parts for aircraft (current assets)	46,413million yen
Buildings	42,059million yen
Aircraft	574,823million yen
Total	663,297million yen
The above assets are provided as collateral for the long term loan of 400,984 million yen	
(2) Accumulated depreciation of tangible fixed assets	829,652million yen
(3) Debt guarantee, etc.	
Debt guarantee	101 million yen
Debt guarantee commitment	45million yen
(4) Monetary claims and debts against affiliates are as follows:	
(i) Short-term monetary claims	20,432million yen
(ii) Short-term debt	75,454million yen
(iii) Long-term monetary claims	6,683million yen
(iv) Long-term debt	5million yen

3. Notes concerning income statement

(1) Transactions with affiliates	
(i) Sales	123,777million yen
(ii) Purchase	258,061million yen
(iii) Transactions other than operating transactions	3,893million yen

(2) Impairment loss

The book value of assets, whose profitability markedly dropped, has been reduced to the recoverable value, and the amount reduced is accounted for as impairment loss (1,069 million yen).

4. Notes concerning statement of changes in shareholders' equity

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	16,605 thousand shares	6,640 thousand shares	4,892 thousand shares	18,354 thousand shares

- (Notes)
- The increase of 6,640 thousand treasury shares is due to the purchase of 198 thousand fractional shares and the inclusion of 6,442 Company's shares acquired by the trust account of the Employee Stock Ownership Group in this fiscal year.
 - The decrease of 4,892 thousand treasury shares is due to the inclusion of 129 thousand company's shares purchased by the holders of fractional shares upon their demand and the inclusion of 4,763 thousand Company's shares sold by the trust account of the Employee Stock Ownership Group.

	3. The number of treasury shares includes 13,836 thousand Company's shares held by the trust account of the Employee Stock Ownership Group at the end of this fiscal year
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5. Notes concerning deferred tax accounting

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

	(millions of yen)
Deferred tax assets	
Tax loss carried forward	75,004
Amount exceeding the limit of accrued retirement benefits expenses	37,199
Loss on deferred hedging	8,870
Approximation of accrued sales charges	7,428
Provision for potential loss on antitrust proceedings	6,765
Valuation loss on investment securities	1,807
Amount exceeding the limit of allowance for bonus expenses	1,484
Others	8,002
Subtotal deferred tax assets	<u>146,563</u>
Valuation allowance	<u>(12,962)</u>
Total deferred tax assets	133,600
Deferred tax liabilities	
Reserve for special depreciation	(4,058)
Other marketable securities valuation difference	(1,698)
Others	(633)
Total deferred tax liabilities	<u>(6,390)</u>
Net deferred tax assets	<u>127,210</u>

(2) Statement of the major causes where there is material difference between the effective statutory tax rate and the corporate tax rate after application of deferred tax accounting
As the company incurred net loss before tax, this description is omitted.

6. Notes concerning lease transactions

(1) Lease transactions that are expected to transfer ownership of the assets to the lessee

Not applicable

(2) Lease transactions other than those that are expected to transfer ownership of the assets to the lessee

(i) Contents of Lease Assets

Tangible fixed assets:

mainly aircraft, airport service vehicle, host computers, and their peripheral devices

(ii) Methods used for lease assets,

see "1. Summary of significant accounting policies (4) Depreciation Methods Used for Fixed Assets"

(3) Operating Lease Transactions

(Lessee)

Prepaid lease expenses for operating lease

transactions which are non-cancelable (millions of yen)

 Within a year 31,378

 Over a year 134,371

Total 165,749

(Lessor)

Prepaid lease expenses for operating lease

transactions which are non-cancelable (millions of yen)

 Within a year 1,062

 Over a year 2,624

Total 3,686

7. Note concerning transactions with affiliates

Not applicable

8. Note concerning per share information

(1) Net assets per share 178.20 yen

(2) Net loss per share 25.25yen

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9. Note concerning material subsequent events

Not applicable

END