

Fundamental Approach to Corporate Governance

ANA believes that it is essential to institute a system of corporate governance that promotes operational (management) transparency and accountability to stakeholders in order to continue enhancing ANA's enterprise value.

Implementation of Corporate Governance Initiatives

ANA's Corporate Governance Status, Including Organizational Structure for Decision Making, Execution, and Management Oversight

• Governing Bodies of the Company

ANA's management system comprises 16 directors, 5 corporate auditors, and 35 corporate executive officers (including those who are both directors and corporate executive officers). For important administrative issues, discussions are held and decisions are made by the Management Committee, which is chaired by the president and includes the 13 directors who are also corporate executive officers, 2 corporate auditors, and other corporate executive officers. Under the Corporation Law of Japan, certain issues must be considered by the board of directors, which makes the final decision on such issues.

The board of directors is led by the chairman. In addition to the directors, 2 of whom are external directors, the board includes 5 auditors, 3 of whom are external auditors. The board of directors met 13 times in the fiscal year ended March 2007, including extraordinary meetings.

• Enhancement of Internal Control System and Risk Management System

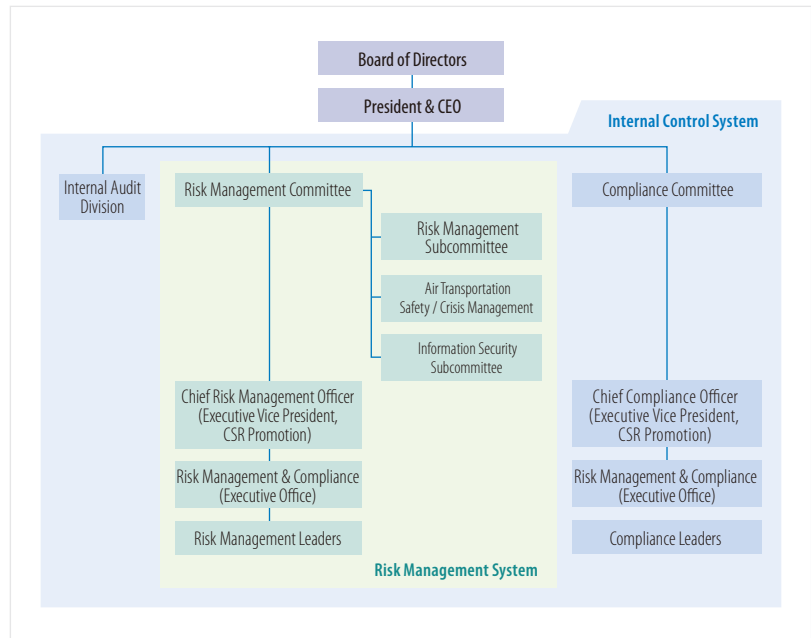
In April 2003, ANA founded its internal control system, which comprises the Risk Management Committee, the Compliance Committee, and the Internal Audit Division. In addition, the Finance & Accounting Division is considering the establishment of an internal control system for financial disclosure in accordance with the Financial Product Trading Law.

The Risk Management Section of the CSR Promotion Division, which was established in April 2007, has been assigned as the Risk Management Committee's secretariat. The Risk Management Committee works with Risk Management Leaders assigned to major departments and affiliated companies to facilitate risk management activities. Risk Management Leaders, who are also Compliance Leaders and Information Security Leaders, act as promulgators of risk management. The Risk Management Committee has also established subcommittees with expertise in specific risks, such as the Air Transportation Safety / Crisis Management Subcommittee and the Information Security Subcommittee. In addition, in the event of the occurrence of certain risks, temporary subcommittees will be formed to take action in a cross-sectional manner.

• Internal Audits, Audits by Corporate Auditors, and Account Audits

Internal audits are performed by the Internal Audit Division, which carries out operational audits and accounting audits for ANA and Group companies. Each year, more than 60 audits are performed

Internal Control System and Risk Management System



on Company offices or Group companies, with approximately 180 subjects being audited once every three years. Information on important issues that emerge from the audits is reported to the independent auditors via the Finance & Accounting Division. Auditing results are reported to the president each month, and important items are reported to the corporate auditors quarterly.

Audits by corporate auditors are performed by the five corporate auditors. Each corporate auditor conducts audits of operations at each office and audits of subsidiaries and reports the results to the board of corporate auditors and to the representative directors. The auditors share information and opinions with the Internal Audit Division and the independent auditors on a quarterly basis and work to enhance auditing.

As for account auditing, Ernst & Young ShinNihon audited the Company, its work sites, and Group companies in accordance with the Corporation Law and the Securities and Exchange Law of Japan. Auditing results were reported to ANA's management and to the board of corporate auditors.

Independent Auditors Engaged in Audits

Name of Accountant		Name of Audit Corporation
Engagement Partner	Kazuo Tanimura	Ernst & Young ShinNihon
	Masatsugu Hamada	
	Mitsuo Cho	

Notes: 1. All the independent auditors have less than seven continuous auditing years.

Therefore, figures for continuous auditing years have been omitted.

2. The independent auditors have voluntarily adopted a system whereby their executive officers cease from ANA account auditing after a specified period.

There are eight Certified Public Accountants, five Junior Accountants, and one other staff member assisting with audit services.

Personal Relationships, Business Relationships, and Other Interests between the Company and External Directors or Auditors

The Company has two external directors: Mr. Misao Kimura and Mr.

Shosuke Mori, Nagoya Railroad Co., Ltd., where Mr. Kimura serves as chairman and representative director, is the largest shareholder of ANA, holding 3.69% of the total issued stock. In addition, ANA and Nagoya Railroad Co., Ltd., have dealings concerning the consignment of flight ticket sales business. There is no particular business relationship between ANA and the Kansai Electric Power Co., Inc., where Mr. Mori serves as president and representative director.

The three external auditors are Mr. Kunitaka Kajita (standing corporate auditor), Mr. Shingo Matsuo, and Mr. Hideo Minamiyama. There are no particular business relationships between ANA and Mr. Kajita, Mr. Matsuo, or Mr. Minamiyama or between ANA and Kyushu Electric Power Co., Inc., where Mr. Matsuo serves as president and representative director, or Hokkaido Electric Power Co., Inc., where Mr. Minamiyama serves as chairman and representative directors.

Corporate Governance Activities in the Fiscal Year Ended March 2007

• Advisory Board

In order to hear frank and open opinions and advice about the Group's management, ANA has established the Advisory Board, which consists of seven members with a range of backgrounds. The board met four times during the fiscal year ended March 2007.

• Enhancing the Internal Control System

In the fiscal year under review, ANA made the following efforts to reinforce its internal control system, which is an important part of the infrastructure supporting effective corporate governance.

<Risk Management Function>

We worked to reinforce the effectiveness of our operational continuance plan, which was formulated in response to the risk of a large earthquake in the Kanto region, where our management resources are concentrated, or a Tokai earthquake. In particular, we formulated individual operational continuance plans at each department level.

Also, we strengthened the efficiency of our safety confirmation system by conducting Companywide operational training sessions. In information security, we trained employees using e-learning and reinforced our information security systems, including those for the protection of individual customer information.

<Compliance Function>

We adopted a policy of reexamining our compliance function. Under this policy, we evaluated the extent to which compliance penetrates the Company and worked to strengthen it. In addition, we increased the number of compliance leaders and appointed sub-leaders. In accordance with the provisions of the Whistleblower Protection Act of April 2006, we established regulations concerning the handling of internal reporting and disseminated them throughout the ANA Group and to our business partners. We rigorously enforced codes of conduct for temporary workers, improved our systems for security trade control, appropriately adjusted our contract and temporary work systems, and strictly managed working hours.

<CSR Activities>

The CSR Promotion Division was established in April 2007 to

coordinate CSR activities throughout the entire ANA Group. Internal control, environment-related, and social responsibility functions are now integrated within the CSR Promotion Division. Headed by the executive responsible for CSR, the division will work to strengthen the Company's CSR system.

<Internal Auditing Function>

In the fiscal year ended March 2007, the Internal Audit Division implemented audits at approximately 70 offices and Group companies. Areas covered in the audits included accounting practices, quality control systems, compliance with regulations, and the protection of personal information.

Limited Liability Agreements

ANA has entered into agreements with external directors and external auditors whereby their liability for actions set forth in Article 423, paragraph 1 of the Corporation Law is limited to the amount provided for in Article 427, paragraph 1 of the Corporation Law.

Number of Directors

The Company's Articles of Incorporation stipulate that ANA shall have no more than 20 directors.

Requirements for Election of Directors

The Company's Articles of Incorporation stipulate that directors shall be elected by the majority voting rights of a meeting of shareholders, where the shareholders present at the meeting are holding one-third or more of the voting rights of all shareholders.

Special Resolutions at General Meeting of Shareholders

With regard to the passing of special resolutions at the General Meeting of Shareholders, as stipulated in Article 309 of the Corporation Law, the Company's Articles of Incorporation were amended to state that the presence of shareholders representing not less than one-third of voting rights is required for a quorum, and the affirmative votes of two-thirds of the voting rights present are required to pass the special resolution. By relaxing the quorum requirements for a special resolution, ANA aims to promote smoother management of the General Meeting of Shareholders.

Board Members' Remuneration and Audit Fees in the Fiscal Year Ended March 2007

Board Members' Remuneration

ANA paid the following remuneration to directors and auditors.

Remuneration paid to directors.....	¥420 million
(of which ¥6 million paid to external directors)	
Remuneration paid to auditors.....	¥81 million
(of which ¥33 million paid to external auditors)	
Total.....	¥501 million

Audit Fees

ANA paid the following fees to Ernst & Young ShinNihon.

Fees in accordance with services described in Clause 1, Article 2 of the Certified Public Accountant Law.....	¥59 million
Fees based on services other than above...	¥62 million
Total.....	¥122 million

* The above audit fees include the audit fees described in the Corporation Law of Japan and the Securities and Exchange Law of Japan.