

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

Governing Bodies of the Company

ANA's management system comprises 17 directors, 5 corporate auditors, and 36 corporate executive officers (including those who are both directors and corporate executive officers). ANA's Articles of Incorporation stipulate that the number of directors shall not exceed 20.

Under the Corporation Law of Japan, important issues must be considered by the Board of Directors, which makes the final decision on such issues. All directors including the 2 external directors and the 5 corporate auditors including the 3 external auditors attend meetings of the Board of Directors, which are led by the chairman. The Board of Directors met 13 times in the fiscal year ended March 2008, including extraordinary meetings.

For important administrative issues, discussions are held and decisions are made by the Management Committee, which is chaired by the president and includes the 14 other directors who are also corporate executive officers as members. In addition, 2 corporate auditors also participate.

The general manager of the Operation & Airport Service Division chairs the Operations Committee, which meets once a month to handle structural issues related to ANA Group operations. Its perspective covers organization, cultivation of personnel, systems, regulations and authority in investigating and deciding on interdivisional solutions among relevant Group flight service companies.

Requirements for Election of Directors

ANA'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, Paragraph 2 of the Corporation Law of Japan, ANA's Articles of Incorporation have been 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.

Decision Making Body for Stock Repurchases

ANA's Articles of Incorporation have been amended to allow stock repurchases to be carried out per resolution of the Board of Directors, as stipulated in Article 165, Paragraph 2 of the Corporation Law of Japan. Through this measure, ANA aims to implement a flexible capital policy.

Exemption of Directors and Auditors from Liability

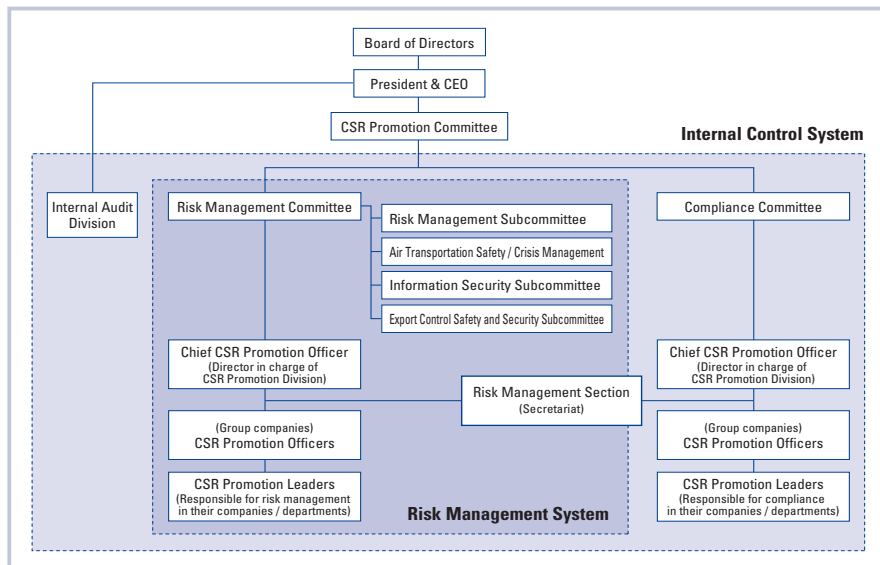
As stipulated in Article 426, Paragraph 1 of the Corporation Law of Japan, ANA's Articles of Incorporation have been amended to exempt directors (including former directors) and corporate auditors (including former corporate auditors) from liability for damage to the limit stipulated in Article 423, Paragraph 1 of the Corporation Law of Japan. Through this amendment, ANA aims to enable directors and corporate auditors to fully exercise their expected roles in carrying out their duties.

Enhancement of Internal Control System and Risk Management System

The ANA Group defines its internal control system as a framework built internally by management, and the processes using that framework carried out by everyone in the Group, with the four objectives of "business effectiveness and efficiency," "reliability of financial reporting," "observance of laws and regulations for business activities" and "conservation of assets." Specifically, considering risk management, compliance and internal audits to be instrumental in achieving these objectives, in April 2003, ANA founded its internal control system, which comprises the Risk Management Committee, the Compliance Committee, and the Internal Audit Division.

ANA is working to enhance its internal control system. In structuring the internal control system for corporate social responsibility (CSR), ANA has put in place important defensive elements and concentrated risk management and compliance functions that had been separate in the Risk Management Section of the recently established CSR Promotion Division.

Internal Control System and Risk Management System



The risk management system is one component of the internal control system. The Risk Management Section, which is the Risk Management Committee's secretariat, and CSR Promotion Leaders assigned to major departments and affiliated companies facilitate risk management activities based on the Risk Management Committee's policies. The role of CSR Promotion Leaders is to promote risk management in their departments by executing risk countermeasures according to plans. Moreover, in addition to the Risk Management Subcommittee, the Risk Management Committee has established subcommittees with expertise in specific risks, such as the Air Transportation Safety / Crisis Management Subcommittee, the Information Security Subcommittee and the Export Control Safety and Security Subcommittee, to which it delegates the response to certain risks, such as new types of influenza.

Internal Audits, Audits by Corporate Auditors, and Account Audits

The Internal Audit Division (17 members) conducts internal audits and reports directly to the president. It carries out operational audits, accounting audits and evaluations pursuant to the "Evaluation System for Internal Controls for Financial Reporting" under the Financial Instruments and Exchange Law of Japan for ANA and Group companies. The Division conducts regularly scheduled audits according to the plan for the fiscal year and unscheduled audits at the will of senior management. Scheduled audits are conducted from an independent and impartial standpoint based on risk analysis of ANA's divisions and Group companies. Auditing results are reported to the president each month, and important items are also reported to the corporate auditors on a quarterly basis.

Audits by corporate auditors are performed by the 5 corporate auditors, 3 of whom are external 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 LLC audits the Company, its work sites, and Group companies in accordance with the Corporation Law and the Financial Instruments and Exchange Law of Japan. Auditing results are reported to ANA's management and to the board of corporate auditors.

Independent Auditors Engaged in Audits

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

Note: 1. All the independent auditors have less than 7 continuous auditing years. Therefore, figures for continuous auditing years have been omitted.
2. The audit corporation has voluntarily adopted a system whereby their executive officers cease from ANA account auditing after a specified period.

There are 12 Certified Public Accountants, 4 Junior Accountants, and 10 other staff members assisting with audit services.

External Directors and External Auditors

External Directors

ANA has 2 external directors: Misao Kimura and Shosuke Mori. Both use their broad insights as managers to provide appropriate advice to the Company and were selected because the Company judged that they would further strengthen its management structure.

Mr. Kimura and Mr. Mori attend meetings of the Board of Directors, and also provide advice and exchange opinions with representative directors as needed outside of meetings of the Board of Directors.

Nagoya Railroad Co., Ltd., where Mr. Kimura serves as chairman and representative director, is the largest shareholder of ANA, holding 4.13% of total voting rights. 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 director.

External Corporate Auditors

ANA has three external corporate auditors: Kunitaka Kajita (full-time), Shingo Matsuo and Hideo Minamiyama.

As a full-time corporate auditor, Mr. Kajita attends meetings of the Board of Directors, the Board of Auditors, the Management Committee and other regularly scheduled meetings of officers, and also conducts visiting audits of offices and divisions inside and outside the Company. Mr. Matsuo and Mr. Minamiyama attend meetings of the Board of Directors and the Board of Auditors.

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 chairman and representative director, or Hokkaido Electric Power Co., Inc., where Mr. Minamiyama serves as advisor.

Overview of Limited Liability Agreements

Based on Article 427, paragraph 1 of the Corporation Law of Japan, 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 of Japan is limited to the amount provided for in Article 425, Paragraph 1 of the Corporation Law of Japan.

Efforts to Improve Corporate Governance in the Fiscal Year Ended March 2008

Advisory Board

In order to hear frank and open opinions and advice about the Group's management, ANA established the Advisory Board, which consists of 6 members with a range of backgrounds. The board met 4 times during the fiscal year ended March 2008.

Enhancing the Internal Control System

In the fiscal year ended March 2008, ANA made the following efforts to reinforce its internal control system, which is an important part of the infrastructure supporting effective corporate governance.

1. Risk Management Function

ANA continuously promotes its risk management system and has strengthened countermeasures for specific risks with the goal of raising the stability and efficiency of Group management. ANA has structured a system with two approaches to managing the various risks it faces in the course of its business. The risk management approach entails a preventative perspective with the goal of advance preparation and control. The crisis control approach is for handling risks that actually materialize.

For the risk management approach with a preventative perspective, ANA is building a risk management cycle (risk exposure → analysis → evaluation → study and implementation of controls and countermeasures → monitoring) with the goal of minimizing risk, and has started efforts to expand its scope of application to the entire ANA Group.

In response to the requirement to establish a system for internal control of financial reporting, the ANA Group has prepared a company-wide system with the cooperation of related divisions. In the field of information security, ANA has formulated rules and guidelines for individual customer information, and has created robust measures for information security.

On the other hand, for the crisis control approach, ANA has successively enhanced responsiveness to network outages that have occurred. Although many customers were inconvenienced, ANA has taken steps such as constructing a system to improve its technological responsiveness and system management and administration framework and enhance overall passenger handling, verification, prevention of recurrence, and countermeasures against the occurrence of large-scale irregularities.

Moreover, ANA is reviewing approaches to risk management for daily flight operations as well as for general crisis management (such as information leaks and new types of influenza), including consistency with existing regulations. ANA has continued to conduct Companywide operational training sessions for the safety confirmation system in use since its introduction in March 2006, and is constantly working to enhance crisis awareness within the Company.

In the future, the ANA Group will continue to promote risk and crisis management.

2. Compliance Function

In enhancing internal control, compliance is an important structural element in addition to the risk management function. ANA has moved to fulfill its compliance responsibilities by evaluating compliance penetration based on the code of ethics of the ANA Group, and is working to strengthen promotion of compliance activities throughout the entire ANA Group. Efforts during the fiscal year ended March 2008 included designation of a CSR Promotion Month in the fall, compliance

lectures, surveys of Group employee awareness of compliance, inspection of the Company's corporate behavior and education concerning the Antimonopoly Act.

In addition, CSR Promotion Leaders are responsible for promoting compliance. Centered on the fair dispatch of contract workers and temporary workers and compliance with the Subcontract Law, they continuously implement Group efforts to ensure compliance with business-related laws and regulations.

Internal reporting contact points have been established inside the Company and outside the Company at a law firm. In accordance with the provisions of the Whistleblower Protection Act of April 2006, ANA established regulations concerning the handling of internal reporting and disseminated them throughout the ANA Group and to its business partners.

3. Internal Auditing Function

The Audit Division reports directly to the president. It audits the management and operating systems throughout the operations of ANA and Group companies, and also conducts activities such as studying, evaluating, advising and making proposals from the perspectives of the legal compliance of operating conditions, rationality and corporate ethics. During the fiscal year ended March 2008, the Audit Division audited approximately 20 offices and Group companies, primarily related to the cargo business and operations. Important auditing matters included business strategies, sales management, revenue management and measures for legal and regulatory compliance. In addition, the Audit Division conducted an examination of evaluation methods and a trial test for the "Evaluation System for Internal Controls of Financial Reporting" under the Financial Instruments and Exchange Law of Japan.

Remuneration of Directors and Corporate Auditors and Audit Fees in the Fiscal Year Ended March 2008

Remuneration of Directors and Corporate Auditors

	2008	2007
Remuneration paid to directors (External directors)	¥441 million (¥ 12 million)	¥420 million (¥ 6 million)
Remuneration paid to auditors (External auditors)	¥ 82 million (¥ 39 million)	¥ 81 million (¥ 33 million)
Total	¥524 million	¥501 million

Audit Fees

ANA paid the following fees to Ernst & Young ShinNihon LLC.
Fees in accordance with services described in Article 1,
paragraph 2 of the Certified Public Accountant Law.....¥59 million
Fees based on services other than above.....¥47 million
Total¥107 million

Note: The above audit fees include the audit fees described in the Corporation Law of Japan and the Financial Instruments and Exchange Law of Japan.