

# Business Foundations Supporting Corporate Value

To share our values with all stakeholders, the ANA Group has established a foundation for appropriate management resource allocation and rapid management decision-making.

What Does the ANA Group DNA Mean to You?

困難を乗り越えてきた経験と、  
挑戦するDNAを未来に繋ぎ、  
弛まぬ努力で強いグループに  
成長していきます。

The DNA of experience to overcome difficulties and take on challenges, moving forward into the future and growing as a strong Group through relentless effort.

Yuichi Nishiyama  
B777 Pilot

# Safety

## Strengthening Safety as a Business Foundation, Passing Down Safety as a Culture

Safety is the unequivocal mission of every business in the ANA Group.

### Solid Approach to Safety

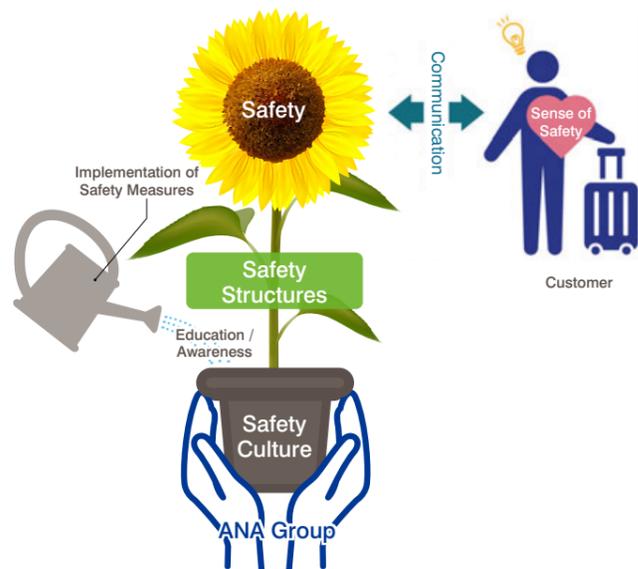
Safety is the absolute value underlying every ANA Group corporate activity. Safety is the foundation of everything we do. Our dedication to safety extends to every part of our group businesses, including food services, cargo, and information. Our everyday efforts to improve safety and conscientious response to customer expectations build confidence and trust with society. Faced with the new threat of COVID-19, we are implementing all possible measures, providing a sanitary environment and ensuring safety against the risk of infection.

The corporate culture based on mutual understanding and trust form relationships among employees across various job descriptions to support all aspects of the ANA Group business. In every workplace, we post the ANA Group Safety Principles and Course of ANA Group Safety Action, which are pledges shared by all ANA Group employees.

<b>ANA Group Safety Principles</b>	<b>Course of ANA Group Safety Action</b>
<p>Safety is our promise to the public and is the foundation of our business.</p> <p>Safety is assured by an integrated management system and mutual respect.</p> <p>Safety is enhanced through individual performance and dedication.</p>	<ol style="list-style-type: none"> <li>① Strictly observe rules &amp; regulations, and all actions will be grounded on safety.</li> <li>② As a professional, place safety as the #1 priority while keeping your health in mind.</li> <li>③ Address any questions and sincerely accept the opinions of others.</li> <li>④ Information will be accurately reported and shared in a timely manner.</li> <li>⑤ Continuous self-improvement for prevention and avoiding reoccurrence.</li> <li>⑥ Lessons learned from experiences and increased skills for risk awareness.</li> </ol>

### ANA Group Medium-Term Safety Promotion Plan

Based on the FY2018–2022 ANA Group Medium-Term Safety Promotion Plan, we have improved the safety risk management process, focusing on prevention as a key component. In fiscal 2020, we began the following measures in pursuit of our vision to become a leading airline with a world-class “Safety system and Culture” and create a sense of safety for customers.



#### 1. Offering a Sense of Safety for Our Customers

Customer questionnaires and interview results help us identify the points at which customers feel a sense of safety when using ANA Group services. We offer peace of mind for customers through individual Group employee performance and dedication to safety.

#### 2. Strengthening Safety Structures

We improve our safety risk management process (see the following section) through safety structures that conform to global standards and other measures.

We strengthen our safety systems by visualizing risks and measures, analyzing flight data, and using indicators to identify the signs of unsafe events. At the same time, we work together with other airline companies to improve safety across the airline industry.

#### 3. Putting Safety Actions into Practice

We analyze the safety actions and reflect the results in our training and practice to strengthen our safety structures.

### Four Axes of Safety Risk Management

The ANA Group has adopted a PDCA cycle for safety management for (1) aircraft operations, (2) passengers, (3) employees (front line), and (4) security.

We have set numerical targets for unsafe events with respect to these four axes. At monthly Group Safety Promotion Committee meetings, which holds the final decision-making authority within our safety implementation structure, attendees report on high-risk events and issues, discuss countermeasures and risk reduction, and review safety targets and achievement rates.

#### Four Axes of Safety Risk Management

<b>Operations</b> <p>Preventing accidents / major incidents</p>	<b>Passengers</b> <p>Preventing harm to the bodies and lives of passengers from departure to arrival</p>	<b>Employees (front line)</b> <p>Preventing dangers to ANA Group employees and others</p>	<b>Security</b> <p>Advance risk identification and prevention for illegal acts, such as terrorism and hijacking incidents</p>
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### The Changing Environment and the Unchanging Mindset toward Safety Awareness

The ANA Group also faces significant changes in the business environment due to COVID-19. In an environment where the number of flights are significantly reduced or suspended, employees face three different task categories that can result in human error.

#### Three Task Categories (First Time, Procedure Changes, and Task after Extended Time Gap)

<p><b>First Time Task</b> Uncommon tasks</p>	<p><b>Procedure Changes</b> New or different procedures and environments</p>	<p><b>Task after Extended Time Gap</b> Performing a task an extended time away / away from the process</p>
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Every ANA Group employee uses foresight to anticipate risks, sharing information and using the assertion\* method with coworkers to respond appropriately to these three task categories, leveraging organization management to prevent unsafe situations.

\* Assertion: Employees respect each other and express their opinions in a constructive and cooperative manner, which is important behavior for a team to ensure safety. Every employee strives to create an atmosphere in which everyone feels free to express themselves and voice their concerns to prevent unsafe events.

### Passing on Lessons Learned from Air Accidents—Forest Dew Park



Monument for Aviation Safety

On July 30, 1971, an ANA aircraft and a Japan Self-Defense Force aircraft on a training flight collided and crashed over the city of Shizukuishi, Iwate Prefecture, resulting in 162 casualties. The *Irei no Mori* monument has been well kept and maintained by the local community in Fuji City, Shizuoka Prefecture. Every year, more than 500 ANA Group employees visit to clean the forest and for safety enlightenment.

In 2020, which coincides with the 50th anniversary of the accident, the monument was rebuilt and the location renamed to Forest Dew Park. The name was changed to meet the wishes of those concerned to make the monument more familiar and more casually accessible to those who are unfamiliar with the accident. We will continue to maintain the new Forest Dew Park together with the foundation for the *Irei no Mori* and stakeholders in the local community, etc., as

we strive to preserve the memories of ANA's last casualty involved aircraft accident and maintain the location as a place reflecting an oath for safe aviation operations.

# Safety

## ANA Group Safety Education Center (ASEC)

We established ASEC in 2007 in Shimomaruko, Ota-ku, Tokyo. This activity was our response to a proposal from an employee who said that ANA should create a location to preserve the memories of past accidents. In October 2019, we relocated the ASEC to the newly built ANA Group Training Center (ANA Blue Base).

### Configuration of ASEC

The facility is located on the second and third floors of the ANA Blue Base (ABB) and consists of three spaces.

#### 1 The Way Theater



The theater is a space where visitors come face-to-face with the accidents through the use of videos and the exhibition of parts of the crashed aircraft.

#### 2 The Sky of the Pledges



This is a space where ANA Group employees engage with the memories of their senior employees who experienced an accident and converse with them in spirit.

#### 3 Active Lounge



The lounge is a space to learn how to notice human errors through experience and discussion with colleagues.

### Overview of the Education Programs



The new ASEC offers programs that allow participants to engage actively and create safety together with other participants through education, as well as to experience the creation of peace of mind for customers. The ASEC also uses expertise from inside and outside the Group, introducing the latest information equipment to transform the center into a learning facility that allows employees to conduct safety activities in their workplaces.

We raise awareness of safety through three concepts that reflect the ideas under which we created the center: Look truthfully at accidents, look truthfully inside, and look truthfully at our colleagues. Under these concepts, the ASEC strives to raise safety awareness through safety education and strengthen the culture of pursuing safety without compromise, which forms the foundation for our management.

## Toward Ensuring Safety

### Strengthening the Safety Management System to Address Alcohol Issues

On May 1, 2020, ANA received a business improvement order from the Minister of Land, Infrastructure, Transport, and Tourism to ensure the safety of air transportation in relation to a drinking incident by our flight crew that occurred at Fukuoka Airport in November of the previous year. The incident recurred at the

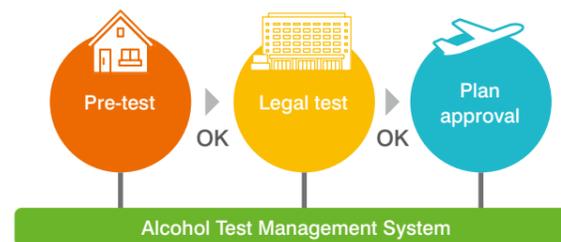
height of efforts by the entire airline industry to prevent the recurrence of alcohol issues. We apologize once again for the concern and trouble we caused our customers and stakeholders.

### Future Measures

The ANA Group will solve alcohol issues through the following key measures.

#### 1. Ensure Alcohol Testing (Set Up a Strict Testing Procedures)

- In addition to the legally mandated alcohol testing, conduct a pre-test and report from home or hotel before work
- Strengthen management systems by creating an alcohol test management system in conjunction with a facial recognition system, etc.



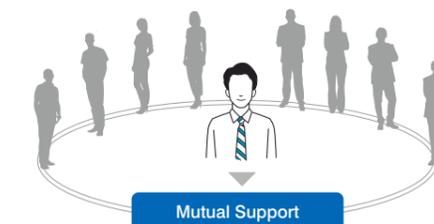
#### 2. A Personal Transformation in Each Employee (Develop Responsible Drinking Behavior)

- We implemented an initiative to develop responsible drinking habits among our employees, called the TEKKIN INITIATIVE.
- We are improving the educational system and developing workplace leaders to ensure that all employees are aware of the alcohol issue and they must exercise self-control.



#### 3. Organizational Support

- Strengthen mutual support by developing and placing workplace support leaders and collaborating with, for example, medical institutions
- Collaborate with relevant institutions and consider building a support program compliant with the airline industry standard



Workplace peer consultant / supporter  
Referral and consultation from internal and external expert organizations as necessary

#### 4. Strengthening the Safety Management System for Alcohol Consumption (Constant Optimization by Management, on a Workplace Level, and by Experts)

- Internal auditing, consultation, and monitoring implemented to identify and improve underlying issues
- Strengthen corporate-level management by introducing committees formed by outside experts; form a cooperative council together with the labor union



Constant optimization using the PDCA cycle

# Human Resources

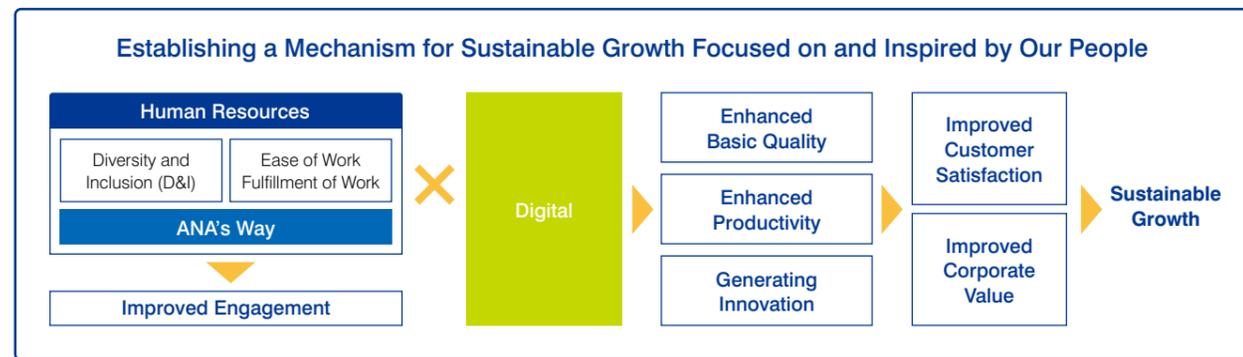


## Sustainable Growth Focused on and Inspired by Our People

Employee diversity is what enables us to bring the Group's power to bear.

### Basic Approach to Human Resources

Human resources are the greatest asset of the ANA Group. Our people are the source of our ability to respond flexibly, to overcome challenges, and to grow sustainably, even in an environment that changes significantly. We are building stronger mechanisms to create new value, leveraging our people as the source of our capabilities to achieve our vision of becoming the world's leading airline group in customer satisfaction and corporate value improvement.



### Promoting ANA's Way

We strive to instill an understanding of our Mission Statement and Management Vision, developing and evolving ANA's Way as an ingrained part of our corporate culture. We also encourage organizational and human development on an ongoing basis to manifest the ANA Group identity.

In 2019, we reorganized the ANA's Day Training for all group employees, returning to our founding philosophy of *hardship now, yet hope for the future* and *wakyo* (close cooperation). We also hold discussions for the sustainable growth of the ANA Group.

### Major Measures

#### ANA's Day Training:

##### Passing Down the ANA Group Identity

This training program for all Group employees aims to make employees familiar with our founding philosophy and the words of our founders. Here, we pass on our shared, important values, and help put ANA's Way into practice.



#### Good Job Program:

##### Fostering a Culture of Gratitude and Respect

We promote the Good Job Program in which we share good practices from each workplace companywide. The program also communicates mutual gratitude over the Group intranet and via Good Job Cards, an initiative that goes beyond company and department borders.

A total of 600,000 cards were issued in fiscal 2019.



#### ANA TIMES:

##### A Group Newsletter Fostering Unity

This monthly newsletter is published online for all employees.

The newsletter promotes action through important management topics, the current state of the ANA Group, and employee-focused articles.



#### ANA's Way Survey:

##### A Regular Diagnosis of Employee Satisfaction

This survey is conducted yearly to increase employee satisfaction and, in turn, customer satisfaction and corporate value. A total of 39,286 people across the 46 ANA Group companies responded to the fiscal 2019 survey, representing a response rate of 96.1%.



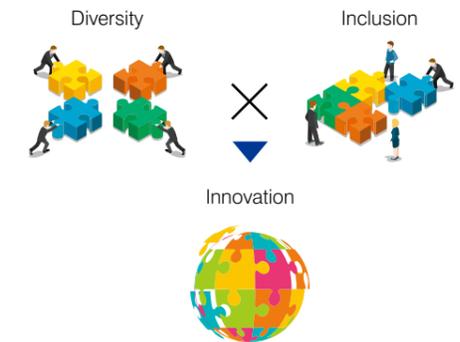
## Promoting Diversity and Inclusion

Under our Diversity and Inclusion Declaration ("D&I Declaration"), the ANA Group seeks to become a corporate group that allows every employee to exercise their strengths fully and to expand those strengths to their maximum potential.

### Diversity & Inclusion Declaration

We will:

- Consider Diversity & Inclusion as the source of innovation and value the diversity of our employees.
- Endeavor to create a workplace where each person can fully demonstrate his or her strengths.
- Create an ANA Group where each person can work with spirit and purpose, to generate unwavering trust and constant innovation.



### Establishing a Group D&I Promotion Department

In conjunction with our D&I Declaration in April 2015, we established a dedicated organization within the Human Resources Department to promote the active participation of diverse human resources. This organization promotes environmental improvement, fosters culture, and encourages changes in paradigms. In April 2020, we established the new Group D&I Promotion Department, aiming to strengthen our D&I promotion function.

In addition to the diversity of attributes such as age, nationality, gender, and disability, we respect diversity of viewpoints and beliefs arising from values and experiences not physically observable. We continue to strengthen our mechanism for promoting D&I throughout the Group and in our culture to leverage diversity as a strength that drives greater reform.

We will accelerate new value creation by helping employees work with greater enthusiasm and fulfillment, generating innovation and improving productivity.



Group D&I Promotion Department Members

### Major Measures

#### Building a Foundation for D&I Promotion: The 5th D&I Forum

This annual one-day event brings together around 200 key players in D&I promotion across all group companies to further promote understanding and encourage action.



#### Ikuboss Initiative: Internal Communication from Top Management

Top management provides examples through messages to *Ikubosses* and by issuing their own internal *Ikuboss* Declarations.

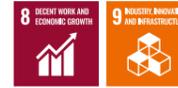


#### Work-Life Balance: Supporting a Balance Between Work and Childcare / Nursing Care

We hold seminars, provide e-learning courses, distribute handbooks, and take other actions to support balance between work and childcare / nursing care.



# Human Resources



## Health Management

The ANA Group announced the ANA Group Health Management Declaration in April 2016. We believe that our employees are the engine that drives sustainable growth together with society, and that our employees are who embody the motto, *Trustworthy, Heartwarming, Energetic!*.

The ANA Group has appointed a Chief Wellness Officer who is a director responsible for Group health management. We also appoint Wellness Leaders at each Group company. Through this leadership, the ANA Group ensures that Group employees, companies, and health insurance associations work in unison for health management.

We encourage Quality of Life (QOL) and improved corporate value through employees who engage in their work in physical health, mental health, and passion.

In fiscal 2020, ANA HOLDINGS INC. was selected as a Certified Health & Productivity Management Organization Recognition Program (White 500) Company for the fourth consecutive year. ANA AIRPORT SERVICES Co., Ltd. was selected for the second consecutive year, and ANA Osaka Airport Co., Ltd. was selected for the first time. Seven other Group companies were selected as Certified Health & Productivity Management Organization Recognition Program companies, reflecting how the Group presses forward together in pursuit of initiatives.

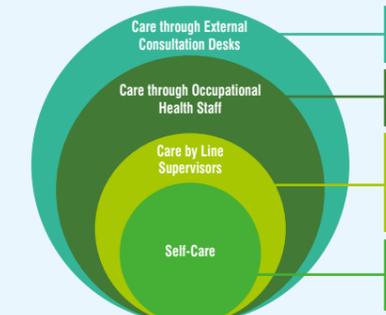
### Four Perspectives on ANA Group Health Management: Developing an Environment Encouraging a Long Career in the ANA Group

The ANA Group is focused on the following four priority measures. We maintain and improve the physical and mental health of our employees through regular situational monitoring and by analyzing / responding to positive impact and challenges.

<p><b>1 Health Management Initiatives</b></p> <ul style="list-style-type: none"> <li>Create an environment for health management throughout the group</li> </ul> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid #ccc; padding: 5px; width: 45%;">Standardize health checkup list and determination criteria</div> <div style="border: 1px solid #ccc; padding: 5px; width: 45%;">Establish health management offices at each branch and construct a health management system</div> </div> <ul style="list-style-type: none"> <li>Create a post-checkup follow-up cycle conducted by industrial physicians</li> </ul>	<p><b>2 Disease Prevention Initiatives</b></p> <ul style="list-style-type: none"> <li>Enhance measures for each target employee</li> </ul> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid #ccc; padding: 5px; width: 45%;">Strengthen cancer prevention measures for all Group employees</div> <div style="border: 1px solid #ccc; padding: 5px; width: 45%;">Adopt policies regarding women-specific diseases</div> </div> <ul style="list-style-type: none"> <li>Establish and monitor health management indicators across all Group companies</li> </ul>
<p><b>3 Mental Health Initiatives</b></p> <ul style="list-style-type: none"> <li>Deploy mental health-related measures to all Group companies</li> </ul> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid #ccc; border-radius: 50%; padding: 10px; background-color: #4CAF50; color: white; text-align: center; width: 30%;">Implement stress checks</div> <div style="border: 1px solid #ccc; border-radius: 50%; padding: 10px; background-color: #8BC34A; color: white; text-align: center; width: 30%;">Educate employees at the workplace and management level</div> <div style="border: 1px solid #ccc; border-radius: 50%; padding: 10px; background-color: #4CAF50; color: white; text-align: center; width: 30%;">Provide care through occupational health staff</div> <div style="border: 1px solid #ccc; border-radius: 50%; padding: 10px; background-color: #8BC34A; color: white; text-align: center; width: 30%;">Provide care through external consultation desks</div> </div> <ul style="list-style-type: none"> <li>Conduct follow-ups by occupational health staff and activate workplace communication to encourage prevention</li> </ul>	<p><b>4 Safety and Health Initiatives</b></p> <ul style="list-style-type: none"> <li>Develop safe, secure workplace environments</li> </ul> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid #ccc; padding: 5px; width: 45%;">Deploy measures to prevent occupational accidents</div> <div style="border: 1px solid #ccc; padding: 5px; width: 45%;">Establish a strong safety and health management system</div> </div> <ul style="list-style-type: none"> <li>Deploy cross-organizational educational activities driven by the activities of health and safety committees</li> </ul>

**Mental Health Initiatives**

As the social environment changes and causes rapid changes in the working environment, healthy minds become an even more important factor in the quality of life and work. The ANA Group has introduced measures in line with the four types of mental health care described in the Ministry of Health, Labour and Welfare's Guidelines for Maintaining and Improving Workers' Mental Health.



Care through External Consultation Desks	Consultations through external specialists
Care through Occupational Health Staff	Health consultations through industrial physicians / nurses
Care by Line Supervisors	Managers address mental health problems, including workplace environment and active communication improvements
Self-Care	Self-awareness through stress checks, voluntary consultations

## Encouraging Work-Style Reforms and Kaizen

To promote D&I and health management, as well as to build an environment in which people can work with enthusiasm, it is essential that we transform the awareness and work styles of all employees.

The ANA Group strives to improve productivity, driven by the commitment of management. We use the time saved to transform operations with new ideas and promote the work-life balance of every employee.

### Encouraging Telework

We are creating a culture in which every employee can play an active role, and in which organizations and individuals maximize results. We are working to evolve toward flexible, diverse ways of working that are not limited to specific times or places.

We implemented a telework system for office work in 2010, introducing virtual desktop environments. In January 2017, we expanded the scope of places, eligible employees, and number of work days related to telework. We continue to introduce a variety of measures encouraging telework, including a special hometown telework program we adopted in fiscal 2019.

As a result, we were able to transition smoothly to telework, even during the COVID-19 pandemic. The situation has led to a review of work styles and details from new perspectives.



Remote conferencing using the latest newme communication avatar

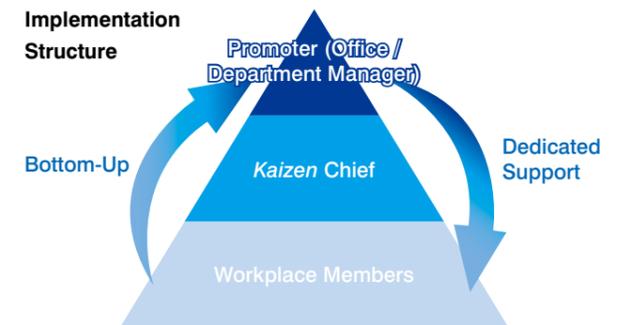
### Encouraging Kaizen

We are working to establish *kaizen* as a style of work within the ANA Group. This process of continuous improvement is designed to find and resolve problems in daily work, creating room to breathe mentally and increase time for customers and employees.

We have implemented *kaizen* in ANA operations departments, our head office, and the Marketing & Sales Department. We have also expanded these activities to overseas branches.

Nearly 3,000 initiatives were conducted to eliminate waste, inconsistency, and overburden (*muri, mura, muda*) in our operations. Our employees are taking bold, voluntary steps to create a comfortable office environment and an efficient work structure.

We will continue to integrate *kaizen* and innovation strategically to create new customer value and evolve toward smart ways of working.



We established an implementation structure for each group company and department to eliminate waste, inconsistency, and overburden (*muri, mura, muda*) hidden in work and workplaces, as well as to promote *kaizen* activities. In addition to continuing an action-based approach of trying new methods and improving old methods, we will continue to pursue human resources education.

### The Kaizen Award: A Forum for Lateral Deployment of Good Practices

The *Kaizen Award* aims to provide a summary of *kaizen* activities for the year, commend good practices, and deploy these practices laterally to the entire Group.

In fiscal 2019, overseas branch activities received commendations for superior practices, which have been expanded as global activities. Superior practices were shared from not only the front lines but also from administrative departments. These ideas have also resulted in work-style reform.



# Unique ANA Group Initiatives

Built on a foundation of security and trust, “the wings within ourselves” help to fulfill the hopes and dreams of an interconnected world.

The phrase, *the wings within ourselves*, from our Mission Statement represents the strong desire of each employee to become wings, connecting people, goods, and emotions. Even during the COVID-19 pandemic, we carry on, uplifted by the wings within ourselves and fulfilling our mission as a public transportation provider. We move forward, creating unique and new actions based on our Group code of conduct, ANA's Way.

## Support for Sewing Medical Gowns

The spread of COVID-19 has led to an increasing need for medical gowns and resulting inventory shortages in Japan. In April 2020, in response to a request from the government and the ANA Group's desire to play a role in the safety of healthcare workers, we recruited employee volunteers to help sew portions of medical gowns, cut sleeve fabrics, and inspect end products.

Under the direction of Valley LLC, volunteers worked in a hygiene-conscious environment at ANA Blue Base, the ANA Group's general training center. A total of 380 employees from the Group contributed to producing gowns over 32 days.



**Hideki Tani**  
Valley LLC  
President

In April 2020, we launched our gown project with participation by craftspersons across Japan. From the moment we held our first online meeting, I could feel the passion of each participant, and I was convinced this would be a successful project. The cohesion among our members grew day by day, and on July 16, we delivered our initial target of 100,000 gowns on time.

I always thought that working behind the scenes, no one on the front lines of medical care would think about our efforts. However, I remember feeling an indescribable happiness from the support we received from so many people. I was also greatly pleased when we received a note of appreciation for our gown production efforts from a medical professional onboard an ANA flight.

Though there are many tough days still ahead, I will remember the lessons I learned from the ANA Group about what it means to be a professional.

Please visit the page linked to the right for more information about this initiative.

[https://www.anahd.co.jp/ana\\_news/en/2020/05/28/20200528-1.html](https://www.anahd.co.jp/ana_news/en/2020/05/28/20200528-1.html)



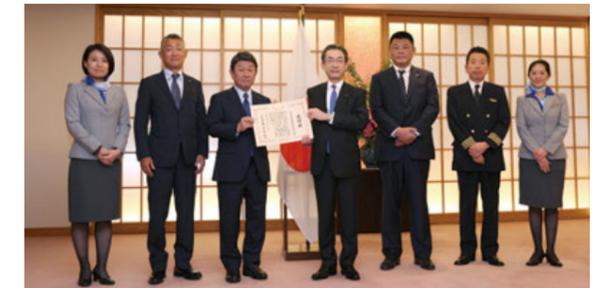
## Wuhan to Haneda Charter Flight

On January 29, 2020, ANA operated a charter flight between Wuhan and Haneda for persons wishing to return to Japan from Wuhan, China, which had been on lockdown due to the outbreak of COVID-19. In a short period of time, we prepared for the flight and operated a total of five charter flights to help people without a means to return to Japan. Every Japanese person residing in China's Hubei Province and wishing to return to Japan were able to return. In total, 828 Japanese citizens and their family members were brought home safely on ANA flights.

On June 23, 2020, we became the first airline to receive a letter of appreciation from Foreign Minister Motegi for this initiative to safeguard the lives and health of many people, including Japanese persons living abroad.



A Boeing 767-300ER that transported returnees from Wuhan



Letter of appreciation presentation ceremony at the Ministry of Foreign Affairs



## #ANAGroupWingsWithinOurselves Project

Beginning in May 2020, the ANA Group reduced or suspended numerous flights. At the same time, we implemented telework and adopted a temporary leave program. Amid these circumstances, we launched the #ANAGroupWingsWithinOurselves project in response to a question posed by an employee. The question was what we could do for children and customers unable to travel by air and how could we help make time at home more meaningful?

The ANA Group uploaded videos and other content to our website and social media to offer greater familiarity with our aircraft and the ANA Group employees. Our first published



Production of a video supporting medical professionals and other heroes



At-Home Aviation Class video

content, the *At-Home Aviation Class*, featured ANA pilots who presented interesting facts about our aircraft. This well-received class offered fun, educational content in a quiz format, other information about the work done by ANA pilots, and answers to questions asked to our pilots.

In addition, we have uploaded musical telework performance videos performed by energetic volunteer employees, videos expressing appreciation and encouragement for healthcare workers, and more.

Even in the post-COVID-19 world, we will continue to offer a variety of content to foster trust and emotional connections with our airlines and the ANA Group in the daily lives of our customers.

#ANAGroupWingsWithinOurselves  
Special Website (In Japanese Only)

<https://www.ana.co.jp/group/kokoro-no-tsubasa/>



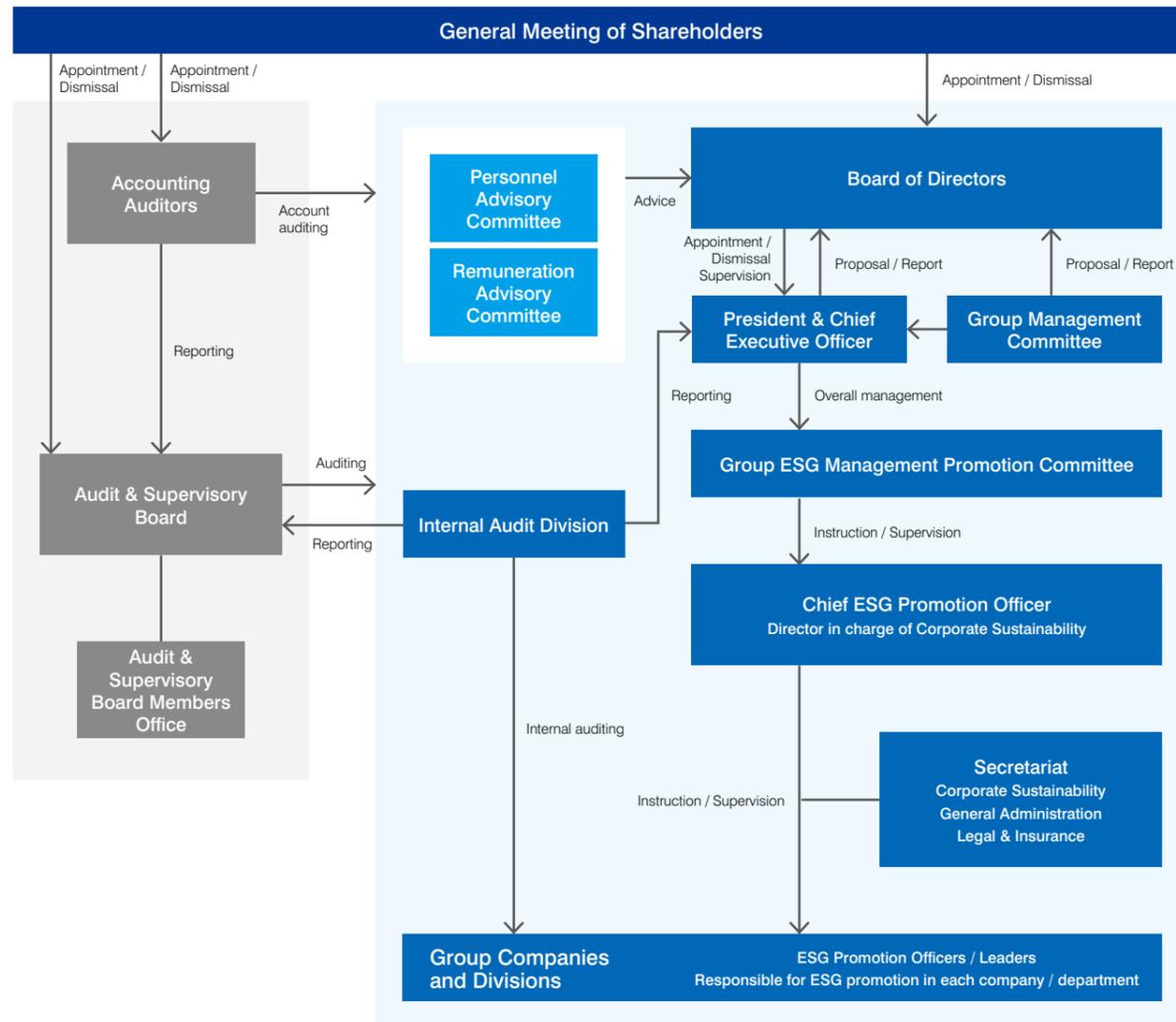
# Corporate Governance System

## Mission Statement

Built on a foundation of security and trust, “the wings within ourselves” help to fulfill the hopes and dreams of an interconnected world.

The ANA Group aims to practice management that contributes to value creation for our various stakeholders in accordance with our Mission Statement and to promote sustainable growth and enhance corporate value over the long term. To accomplish this goal, ANA HOLDINGS INC. plays the lead role in Group management for overall policies and goal-setting, pursuing transparent, fair, prompt, and effective decision-making. For this purpose, we have built a corporate governance system and work continuously to enhance governance within the ANA Group.

## Corporate Governance System



## ANA HOLDINGS Corporate Governance System

### Holding Company Structure

The ANA Group has adopted a holding company structure to remain competitive in any challenging business environment. Each Group company is guided by experienced and specialized personnel who are delegated authority to operate their respective businesses.

### Company with Audit & Supervisory Board Members

The board of directors and members of the Audit & Supervisory Board oversee and audit the execution of duties by directors. The Group strengthens the supervisory function of the board of directors by appointing outside directors. We also strengthen the audit function of members of the Audit & Supervisory Board by appointing full-time outside members.

### Corporate Executive Officer System

The Group has adopted a corporate executive officer system under which management and executive functions are separated to promote efficient decision-making and to clarify responsibilities and authority in the execution of duties. Under this system, directors supervise management decision-making and the execution of duties, while corporate executive officers conduct day-to-day business.

### Board of Directors

Number of Board Members	Term of Office	Number of Meetings*
<b>10</b> <small>(including 3 independent outside directors and 1 female director)</small>	<b>1</b> Year <small>(also applies to outside directors)</small>	<b>13</b>
<b>5</b> <small>Audit &amp; Supervisory Board members</small>		

The board of directors of ANA HOLDINGS INC. sets groupwide management policies and goals, while also overseeing the management and business execution of each Group company. The board of directors is chaired by the chairman of the board. All directors, including outside directors, and all members of the Audit & Supervisory Board, including outside members, participate in board meetings.

### Group Management Committee

Number of Meetings*
<b>54</b>

Chaired by the president and CEO, the Group Management Committee consists of full-time directors, full-time Audit & Supervisory Board members, and others, and functions as an organization that complements the board of directors. The role of the committee is to provide more timely and detailed discussions of management matters.

### Advisory Committees

Personnel Advisory Committee		
Chairman	Number of Members	Number of Meetings*
<b>Ado Yamamoto</b>	<b>4</b>	<b>5</b>

The Personnel Advisory Committee discusses the selection of director candidates and the dismissal of directors, and reports to the board of directors. The Personnel Advisory Committee, chaired by an outside director, consists of three outside directors and one inside director to ensure transparency and fairness in the selection process of directors.

Remuneration Advisory Committee		
Chairman	Number of Members	Number of Meetings*
<b>Ado Yamamoto</b>	<b>6</b>	<b>3</b>

The Remuneration Advisory Committee consists of a majority of outside directors, outside Audit & Supervisory Board members, and outside experts to ensure fair and transparent process of decision-making related to director remuneration. The committee develops the director remuneration system and director remuneration standards based on surveys of director remuneration at other companies provided by outside experts and reports to the board of directors.

### Audit & Supervisory Board

Number of Members	Term of Office	Number of Meetings*
<b>5</b> <small>(including 3 independent outside Audit &amp; Supervisory Board members)</small>	<b>4</b> Years <small>(also applies to outside Audit &amp; Supervisory board members)</small>	<b>13</b>

To ensure healthy development and to earn greater levels of trust from society through audits, we appoint five individuals to serve as Audit & Supervisory Board members who possess extensive experience and the advanced expertise required to conduct audits. The Audit & Supervisory Board strengthens the collaboration with the accounting auditors and the Internal Audit Division. The board also exchanges opinions with outside directors on a regular basis.

\* The number of meetings held in fiscal 2019.

# Management Members: Directors

As of July 31, 2020



## 1 Shinichiro Ito

Chairman of the Board  
Chairman of the Board of Directors

**Major concurrent position**  
Outside Director, Mitsui Fudosan Co., Ltd.

2004: Executive Vice President  
2006: Senior Executive Vice President  
2007: Senior Executive Vice President, Representative Director  
2009: President & Chief Executive Officer, Representative Director  
2015: Chairman of the Board of Directors, Representative Director  
2017: Chairman of the Board (present)

## 2 Shinya Katanozaka

President & Chief Executive Officer, Representative Director  
Chairman of the ANA Group Management Committee  
Head of Group ESG Management Promotion Committee  
In charge of the Internal Audit Division  
Chairman of ALL NIPPON AIRWAYS CO., LTD.

**Major concurrent positions**  
Vice Chair, Keidanren (Japan Business Federation)  
Director (Outside Director) of Tokio Marine Holdings, inc.

2011: Executive Vice President  
2012: Senior Executive Vice President  
2013: Senior Executive Vice President, Representative Director  
2015: President & Chief Executive Officer, Representative Director (present)

## 3 Yutaka Ito

Senior Executive Vice President, Representative Director  
Chairman of Group ESG Management Promotion Committee  
In charge of Legal & Insurance, General Administration, Group Procurement and Corporate Sustainability

2019: Member of the Board of Directors  
2020: Senior Executive Vice President, Representative Director (present)

## 4 Yuji Hirako

Member of the Board of Directors  
President & Chief Executive Officer, ALL NIPPON AIRWAYS CO., LTD.

**Major concurrent position**  
Chairman of All Japan Air Transport and Service Association Co., Ltd.

2015: Member of the Board of Directors (present)

## 5 Naoto Takada

Executive Vice President  
In charge of Corporate Communications and Branding, Executive Secretariat, Human Resources Strategy

2017: Member of the Board of Directors (present)

## 6 Ichiro Fukuzawa

Executive Vice President, Chief Financial Officer

2019: Member of the Board of Directors (present)

## 7 Koji Shibata

Executive Vice President  
In charge of Corporate Strategy, Group IT Management, Facilities Planning, Digital Design Lab, Group D&I Promotion, Okinawa Region

2020: Member of the Board of Directors (present)

## 8 Ado Yamamoto\*

Outside Director

2013: Outside Director (present)

**Major concurrent positions**  
Chairman and Representative Director, Nagoya Railroad Co., Ltd.  
Outside Director, Yahagi Construction Co., Ltd.  
Chairman, Nagoya Chamber of Commerce & Industry

## 9 Izumi Kobayashi\*

Outside Director

2013: Outside Director (present)

**Major concurrent positions**  
Outside Director, Mitsui & Co., Ltd.  
Outside Director, Mizuho Financial Group, Inc.  
Outside Director, OMRON Corporation

## 10 Eijiro Katsu\*

Outside Director

2020: Outside Director (present)

**Major concurrent position**  
President and Representative Director and COO of Internet Initiative Japan Inc.



\* Independent directors

# Appointment of Directors

## Approach to Selection of Director Candidates

<b>Internal Directors</b>	The Company selects directors from among candidates who have impeccable character, extensive experience, broad insight, and advanced expertise. Ideal candidates have the potential to contribute to improved policy-making, decision-making, and oversight befitting a global airline group with widespread businesses centered on the Air Transportation Business. Our selection is made without regard to gender, nationality, or other such factors, and falls within the scope of the Civil Aeronautics Act and other relevant laws.
<b>Outside Directors</b>	The Group selects a multiple number of outside directors who possess practical viewpoints based on extensive experience in corporate management, or who possess unique global or regional viewpoints. These individuals must be independent from the Company, and able to offer objective and expert opinions based on a sophisticated knowledge of social and economic trends.

## Reasons for Appointment of Directors

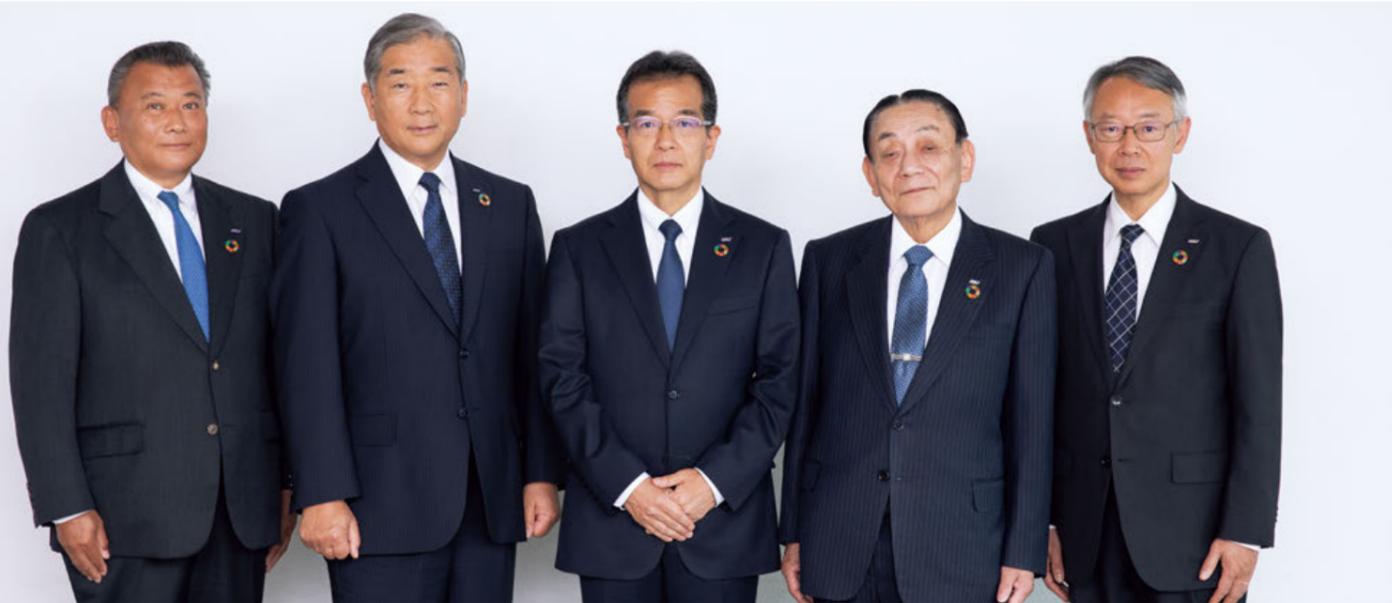
- The following director candidates were selected based on the judgment that their abundant experience, performance, and insight would be crucial to overcoming the management crisis caused by the current COVID-19 pandemic and for achieving sustainable increases in Group corporate value.
- These director candidates assumed their positions after being appointed at the 75th Ordinary General Meeting of Shareholders.

	Reasons for Appointment
<b>Internal Directors</b>	<p><b>Shinichiro Ito</b> Chairman of the Board, Chairman of the Board of Directors</p> <p>Shinichiro Ito has extensive experience in sales, human resources, and other disciplines. Mr. Ito was appointed director of ALL NIPPON AIRWAYS CO., LTD. in June 2003 and was instrumental in overcoming the management crisis caused by the SARS outbreak and the Iraq war. After being appointed president &amp; CEO in April 2009, he guided the ANA Group through the challenging business environment left in the wake of the Lehman Shock, introducing management reforms and expanding the Group's revenue base to support a successful performance recovery. Since April 2015, he has served as chairman of the board of directors, working to strengthen the functions of the board by promoting proceedings that encourage free, open-minded, and constructive discussions and exchange of opinions.</p>
	<p><b>Shinya Katanozaka</b> President &amp; Chief Executive Officer, Representative Director</p> <p>Shinya Katanozaka has extensive experience in sales, human resources, corporate planning, and other disciplines. He was appointed representative director and president &amp; CEO of ANA HOLDINGS INC. in April 2015. Under his uncompromising stance on safety, he has established a stronger foundation for Group business management. At the same time, the Group has implemented a growth strategy, achieving a profit growth for four consecutive years. At board meetings, he strives to bolster decision-making and supervisory functions. He was also instrumental in overcoming a series of large-scale management crises caused by the SARS outbreak, the Lehman Shock, and other factors. Mr. Katanozaka is spearheading efforts to implement emergency measures against the COVID-19 pandemic.</p>
	<p><b>Yutaka Ito</b> Senior Executive Vice President, Representative Director</p> <p>Yutaka Ito has extensive experience in legal, finance, and other disciplines. Mr. Ito studied and has been stationed in Europe and the United States for many years throughout his career. Since April 2013, he has served as representative of the European operations of ALL NIPPON AIRWAYS CO., LTD. In April 2016, he was appointed director and has endeavored to improve ANA competitiveness by raising customer satisfaction. After being appointed director of ANA HOLDINGS INC. in June 2019, he has been engaged in CSR activities and risk management, striving to promote a greater understanding of our businesses and promote ESG management by actively communicating with investors. After being appointed senior executive vice president in April 2020, he has contributed to bolstering decision-making and supervisory functions of the board.</p> <p><b>Professional Overseas Experience: Europe and the United States</b></p>

<b>Internal Directors</b>	<p><b>Yuji Hirako</b> Member of the Board of Directors (President &amp; Chief Executive Officer of ALL NIPPON AIRWAYS CO., LTD.)</p> <p>Yuji Hirako has extensive experience in sales, finance, and other disciplines. In April 2012, he was appointed representative for businesses across the United States. In June 2015, he was appointed director, overseeing financial strategies to enhance corporate value. In April 2017, he was appointed president &amp; CEO of ALL NIPPON AIRWAYS CO., LTD., a core subsidiary of the ANA Group. Since that time, he has guided the company with an uncompromising stance on safety and a focus on global business by leveraging his extensive knowledge of the International Business, leading the company toward becoming the world's leading airline.</p> <p><b>Professional Overseas Experience: the United States</b></p>
	<p><b>Naoto Takada</b> Executive Vice President, Member of the Board</p> <p>Naoto Takada has extensive experience in labor relations, industrial policy, public relations, and other disciplines. Since being appointed director in June 2017, he has focused on Group public relations, CSR activities, risk management, and active communications with individual investors. Through these duties, he has endeavored to create a wider brand awareness of the ANA Group. Since April 2019, he has been in charge of ANA Group human resources development.</p>
	<p><b>Ichiro Fukuzawa</b> Executive Vice President, Member of the Board</p> <p>Ichiro Fukuzawa has extensive experience in finance and investor relations. Since April 2017, he has served as an executive officer, and since June 2019, as director and chief financial officer for ANA HOLDINGS INC. He has implemented financial strategies, including efficient capital restructuring and securing a stable financial base for the Group. In addition to active engagement with institutional investors in Japan and overseas, he assists the president appropriately and is actively engaged in ESG. This includes playing a central role in the Group being the first airline in the world to issue Green and Social Bonds.</p>
	<p><b>Koji Shibata</b> Executive Vice President, Member of the Board</p> <p>Koji Shibata has extensive experience in sales, international alliances, and other disciplines. Since April 2012, he has served as an executive officer and representative for ANA European operations. Since April 2013, he has been engaged in forming equity alliances with foreign carriers in Asia. Since April 2017, he has been in charge of planning and implementation of Group management strategies to promote Group management.</p> <p><b>Professional Overseas Experience: Europe</b></p>
<b>Outside Directors</b>	<p><b>Ado Yamamoto</b> Independent Outside Director</p> <p>Ado Yamamoto has a wealth of experience and expertise in transportation industry management. At meetings of the board of directors, he offers the benefit of his background to provide opinions and advice about Group management strategy, risk management, organizational management, investment management, and the promotion of safety measures.</p> <p>He was appointed member of the Remuneration Advisory Committee and the Personnel Advisory Committee in June 2016. He was subsequently named chairman of the Remuneration Advisory Committee and the Personnel Advisory Committee in July 2020.</p>
	<p><b>Izumi Kobayashi</b> Independent Outside Director</p> <p>Izumi Kobayashi has a wealth of experience and expertise as a representative for private financial institutions and international development and finance institutions, as well as an outside director for other operating companies. At meetings of the board of directors, she offers the benefit of her background to provide opinions and advice from a global perspective on Group management strategy, risk management, investment management, corporate governance, and organizational management.</p> <p>She was appointed member of the Remuneration Advisory Committee in July 2013 and member of the Personnel Advisory Committee in June 2016.</p>
	<p><b>Eijiro Katsu</b> Independent Outside Director</p> <p>Eijiro Katsu served as administrative vice minister and in other major positions in the Ministry of Finance. He has a wealth of experience and expertise as an administrative officer. In June 2013, he was appointed president and representative director of Internet Initiative Japan Inc. He has a wealth of experience in corporate management and extensive knowledge of innovation, including digital transformation.</p> <p>Since April 2014, he has served as a member of our Management Advisory Council and has a wealth of knowledge regarding business conditions in the airline industry and the ANA Group businesses.</p>

# Management Members: Audit & Supervisory Board Members

As of July 31, 2020



Toyoyuki Nagamine Audit & Supervisory Board Member	Kiyoshi Tonomoto Audit & Supervisory Board Member	Nozomu Kano* Outside Audit & Supervisory Board Member	Shingo Matsuo* Outside Audit & Supervisory Board Member	Eiji Ogawa* Outside Audit & Supervisory Board Member
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\* Independent Audit & Supervisory Board members

## Approach to Selection of Candidates for Audit & Supervisory Board Member

Audit & Supervisory Board Members

To ensure healthy development and to earn greater levels of trust from society through audits, the Company appoints individuals to Audit & Supervisory Board members from both inside and outside the Company who possess extensive experience and the advanced expertise required to conduct audits. Our selections do not consider gender, nationality, or other factors. The Company appoints at least one individual who possesses appropriate levels of knowledge related to finance and accounting.

Outside Audit & Supervisory Board members are selected from among candidates who have advanced levels of knowledge in a variety of areas and who are independent of the ANA Group. These individuals include candidates who are well-versed in corporate management, candidates who have sophisticated knowledge of social and economic trends, and candidates who have advanced knowledge in finance, accounting, or legal matters.

## Reasons for Appointment of Audit & Supervisory Board Members

Mr. Toyoyuki Nagamine and Mr. Shingo Matsuo were elected at the 75th General Meeting of Shareholders.

	Reasons for Appointment
Audit & Supervisory Board Members	<p><b>Toyoyuki Nagamine</b> Audit &amp; Supervisory Board Member</p> <p>Toyoyuki Nagamine has extensive experience in flight operations, labor relations, corporate planning, and other disciplines. He has a wealth of knowledge and experience of Group management, including growth in the Group's revenue domains and in implementing Group management strategies. Aiming for sustainable growth in the group corporate value, we have nominated Mr. Nagamine as an Audit &amp; Supervisory Board member. This nomination is based on his wealth of experience and expertise in the airline industry, as well as our confidence in his ability to strengthen the audit function within the Group.</p>
	<p><b>Shingo Matsuo</b> Outside Audit &amp; Supervisory Board Member</p> <p>Shingo Matsuo has abundant experience and deep insight developed as a corporate manager in highly public businesses, which is why he has been appointed outside Audit &amp; Supervisory Board member. At meetings of the Audit &amp; Supervisory Board and the board of directors, he provides the benefit of his background to offer advice and opinions concerning Group operation focused on safety as a top priority. He also provides insight into management strategies to encourage discussion of management issues. Aiming for sustainable growth in Group corporate value, we have again nominated Mr. Matsuo as outside Audit &amp; Supervisory Board member to reinforce the supervisory function of the board of directors.</p>

Mr. Kiyoshi Tonomoto was elected at the 72nd General Meeting of Shareholders.  
Mr. Eiji Ogawa was elected at the 73rd General Meeting of Shareholders.  
Mr. Nozomu Kano was elected at the 74th General Meeting of Shareholders.

# Fiscal 2019 Initiatives

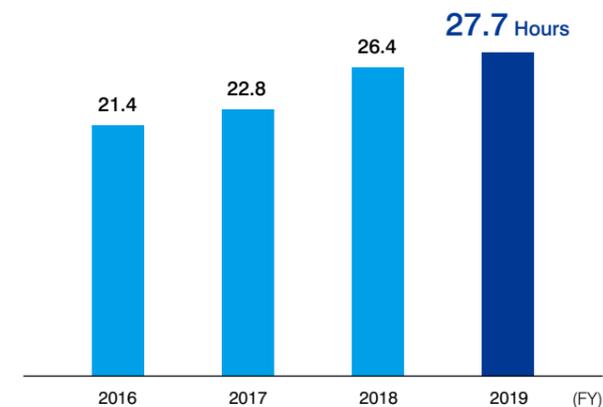
## Major Agenda Items for the Board of Directors (Fiscal 2019)

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. Items Related to General Meetings of Shareholders                     <ul style="list-style-type: none"> <li>• Proposals to be submitted to General Meetings of Shareholders for approval</li> </ul> </li> <li>2. Items Related to Directors, Corporate Executive Officers, the Board of Directors, etc.                     <ul style="list-style-type: none"> <li>• Selection of director candidates and corporate executive officers</li> <li>• Results of the evaluation of the effectiveness of the Board of Directors</li> <li>• Policies for officer remuneration</li> </ul> </li> <li>3. Items Related to Financial Results                     <ul style="list-style-type: none"> <li>• Financial results and earnings forecasts</li> <li>• Reports from operating companies</li> <li>• Evaluations in the capital markets</li> </ul> </li> <li>4. Items Related to General Meetings of Shareholders                     <ul style="list-style-type: none"> <li>• Capital stock, etc.</li> </ul> </li> <li>5. Items Related to Organizational Restructuring</li> <li>6. Items Related to Personnel and Organizations</li> <li>7. Items Related to the Company and Important Subsidiaries                     <ul style="list-style-type: none"> <li>• Impact of the COVID-19 pandemic</li> <li>• ANA Group Corporate Strategy update</li> <li>• ANA Group ESG Commitments</li> <li>• ANA brand business plan</li> <li>• ANA digital transformation initiatives</li> </ul> </li> </ol> | <ol style="list-style-type: none"> <li>8. Items Related to Disposal and Receipt of Important Assets                     <ul style="list-style-type: none"> <li>• Aircraft procurement, sales, and leases</li> </ul> </li> <li>9. Investment-Related Matters</li> <li>10. Items Related to Major Debts                     <ul style="list-style-type: none"> <li>• Financing plans</li> <li>• Bond issuances</li> </ul> </li> <li>11. Items Related to Corporate Governance                     <ul style="list-style-type: none"> <li>• Internal audit plans and results reports</li> <li>• Overview of the proceedings of the Group CSR / Risk management / Compliance Committee*</li> <li>• Valuation of cross-shareholdings</li> </ul> </li> <li>12. Other Items                     <ul style="list-style-type: none"> <li>• Avatar business</li> <li>• Customer satisfaction survey results</li> <li>• ANA's Way Survey (Employee awareness survey) results</li> <li>• Personnel Advisory Committee report</li> <li>• Remuneration Advisory Committee report</li> </ul> </li> </ol> |
|--|---|

\* The Group CSR / Risk Management / Compliance Committee was renamed the Group ESG Management Promotion Committee in fiscal 2020.

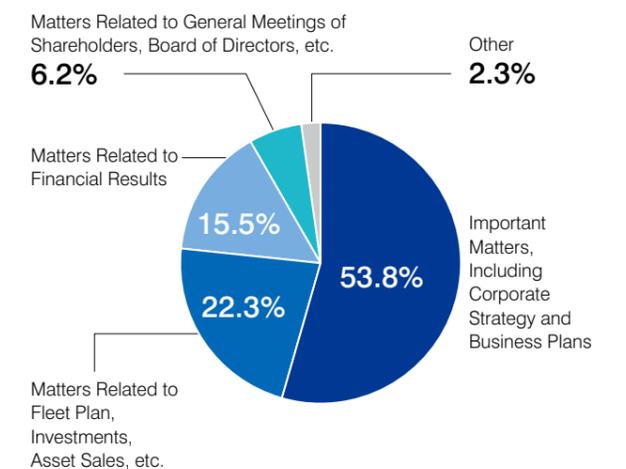
## Changes in Board Meeting Length (Annual Transition)

Since we began encouraging more substantial discussions in board meetings, the annual total time devoted to board meetings has increased over the last several years.



## Discussion by Agenda Topic (Fiscal 2019)

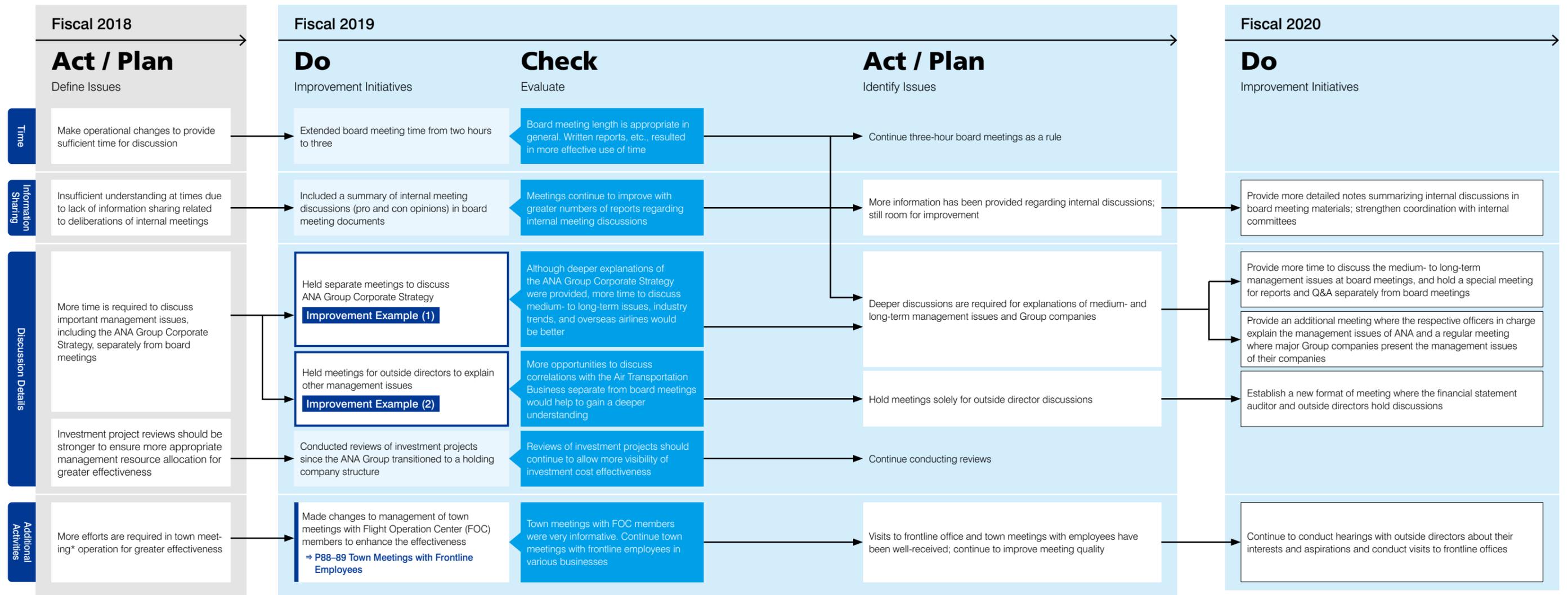
We encourage active discussions of corporate strategy at board meetings, selecting major related topics about which to exchange opinions from medium- to long-term perspectives.



# Effectiveness of the Board of Directors

The ANA Group continues initiatives to improve the functions of the board of directors. We conduct a questionnaire survey for all directors and Audit & Supervisory Board members, and we individually interview the chairman of the board, president & CEO, senior executive vice presidents, outside directors, and outside Audit & Supervisory Board members. We provide a detailed analysis of the survey and interview results and present a report to the board of directors.

We strive to enhance further effectiveness of the board of directors by improving the PDCA cycle through operational changes toward new solutions.



\* Dialogue between officers and employees

**Improvement Example (1)**

**Held meetings for outside directors to discuss the ANA Group Corporate Strategy**

Outside directors are not provided with sufficient time to discuss the ANA Group Corporate Strategy at board meetings alone. We held meetings separately from board meetings in which the ANA HOLDINGS representative director, the ANA president & CEO, officers in charge of corporate planning, and outside directors discussed the ANA Group Corporate Strategy.

**Opinions Discussed**

- Time spent on business in Europe provides a real sense that climate change is a very hot topic there. We must also take environmental issues more seriously.
- What is the ideal business model for ANA, which operates in a small country such as Japan, compared to airlines in the United States and China operating over a vast land area? What measures should ANA take toward this ideal?
- The cargo business is greatly impacted by economic trends. Can we grow it into a core business of our portfolio with our current understanding that cargo is an accessory to the passenger service?
- Global risks are likely to increase in the future. We must prepare for the continued rise of populism and nationalism, leading to gradual restrictions on the movement of people and goods.

**Improvement Example (2)**

**Held meetings for outside directors to discuss the avatar business**

We established avatarin Inc. in April 2020 to create new businesses and resolve social issues. We held a meeting separately from board meetings for outside directors to provide deeper explanations of our avatar business and solicit opinions from various perspectives. At the meeting, outside directors learned the details of the avatar business and received a demonstration of the remote-controlled robot *newme*. Outside directors discussed the avatar business after the presentation and demonstration.

**Major Topics Covered by the Board Effectiveness Survey**

- The performance of board functions (decision-making, supervision of business execution)
- Response to issues identified in the prior year's survey
- Management of board meetings
  - Discuss board deliberations, including dissenting opinions, at other internal meetings
  - Provide balance among agenda item explanations, questions and answers, and time for discussions
  - Content (time, quality) for explanations to outside directors prior to meetings
  - Materials (quantity, quality) handed out during board meetings

## Effectiveness of the Board of Directors

### Town Meetings with Frontline Employees

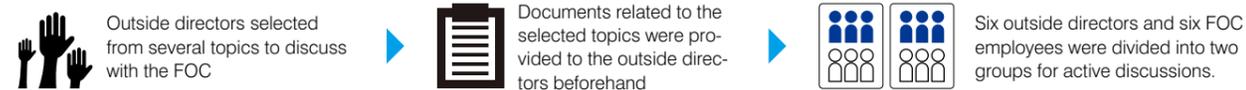
#### Background

Following the principles of Japan's Corporate Governance Code, we conduct a twice-yearly survey (ANA's Way Survey) to determine whether ANA Group employees understand and comply with ANA's Way, our Group code of conduct. The survey results revealed the need to encourage further communications between management and employees. Also, outside directors have requested to meet and talk with frontline employees to deepen an understanding of the Group's business and corporate culture as a whole. Based on these requests, we have held town meetings between outside directors and frontline employees since fiscal 2018.

Town meetings were held with section managers at the ANA Engineering & Maintenance Center and maintenance departments within Group companies during fiscal 2018. In 2019, we conducted similar interactions with members of the Flight Operation Center (FOC).

### 2019 Town meetings with members of the Flight Operation Center (FOC)

#### Process



### 1. Consistent Training Programs for Flight Crew Members

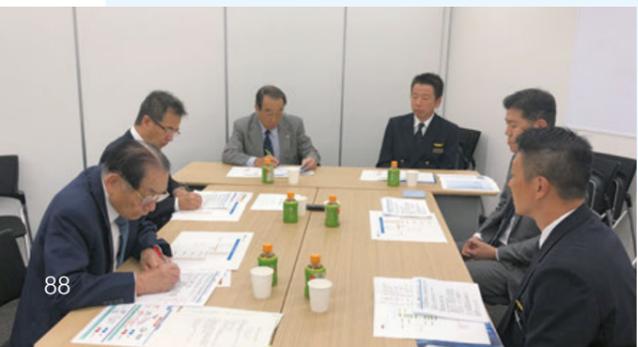
**Q** What are the issues in providing consistent training for skilled flight crew members?

**A strong mentality to express their own opinions is a must.**  
Young people tend to try to judge other people's feelings and worry about what other people think. Worrying too much about what other people think becomes a hindrance in making decisions when decisiveness is required.

**A captain must always exercise appropriate judgment.**  
Advanced technological innovation of aircraft allows the captain to concentrate more on management and communication in the cockpit, rather than solely on aircraft operations. The issue is how to improve judgment through everyday operations.

**How do we conduct our business to develop pilots over the long term?**  
Approximately 100 pilots were hired when our generation joined the Company (class of 1992–1993). However, every time the economy stalled, we reduced recruitment and postponed captain promotion training. Fluctuations in recruitment may be unavoidable over the short term. However, this variance certainly impacts the consistency of flight crew training over the medium and long term.

**Flight crew members over 65 years should be allowed to continue to work if they are willing and able.**  
The ANA retirement age is 60 years (which can be extended to 65 years). However, flight crew members are allowed to continue to work until 68 years based on Japanese government regulations. The qualification of flight crew members can be confirmed by a health check and skills assessment. We have seen flight crew members over 65 years who have left to work at other airlines.



Town Meeting (November 2019)



### 2. Measures to Address Alcohol Use by Flight Crew

**Q** ANA has experienced a series of problems involving alcohol use by flight crew. Why couldn't the Company prevent these issues? What do you think about measures to eliminate alcohol-related issues?

**We must improve communications between captains and first officers.**  
The captain concentrates on safety during a flight. The captain does not have much time to provide detailed instructions or discuss their experiences with the first officer. The response to alcohol issues is becoming stricter. Senior members have passed on their experience and skills to junior members in their spare time after flight service. However, such a culture is on the decline recently.

**We must strive to improve human relations and a sense of belonging to ANA.**  
The younger generation does not seem to like close human relations. However, we are proud that we have grown together, exchanging frank opinions with each other, regardless of the relationship between senior and junior ranks. A lack of dialogue with others will result in less rejection and possibly greater personal comfort. However, it is also true that receiving honest feedback can lead to personal growth. We expect management to take the lead in systematically reducing the sense of isolation and communication gaps.

**Q** Do you think irregular work patterns and different crew composition for every flight might hamper organizational functionality? Could it be that an organizational structure that leaves each person their own decisions has something to do with alcohol issues?

**The FOC maintains an atmosphere in which everyone can express their opinions freely.**  
Given the nature of the work, not everyone receives instructions from their superiors every day. Each person is responsible for their own duties on each flight. An organization that supports this culture should not be afraid to encourage frank discussions with superiors or senior officers.

**We must strengthen personal communications.**  
We send information regarding alcohol issues via email quite frequently. We also conducted at least one interview with every pilot, performed by a superior. However, this approach has not been completely sufficient, and we believe we must engage in deeper communications.

**Given the nature of our work, providing certain discretion to each individual serves to benefit organizational operations.**  
We admit that we had issues in managing such an extremely limited number of individuals effectively. We must consider an organizational approach that addresses the issue fully.

#### Outside Director Comments

We were glad to hear the opinions of captains and other flight crew members with whom we do not have direct contact. Hopefully, these kinds of opportunities will be provided again in the future.

- Organization** A captain is independent and has the ultimate authority on a flight. He or she is not so much a member of an organization per se.
- Communications** A captain works in a lonely environment. From an organizational operations perspective, it is important that captains create opportunities to talk with junior officers and establish an environment to provide sufficient guidance.
- Skills** We must create a system to enhance communication. This includes an environment that encourages the improvement of skills among flight crew members.
- Retirement Age** Flight crew members are allowed to work until 68 years of age, as long as they have the and ability. ANA should take a close look at extending retirement age.

#### Board Meeting Comments

Captains serving as managers have opportunities to communicate with ANA management. However, other captains do not have sufficient opportunities. We recognize that we have various issues to overcome in the consistent training of flight crew members.

#### Future Direction

We have received opinions from our outside directors based on their broad perspectives. Meanwhile, town meetings have provided outside directors with a detailed understanding of Group businesses, which has further reenergized our board meetings. We will continue to provide opportunities for town meetings with frontline employees across a broader range of our businesses.

# Director and Audit & Supervisory Board Member Remuneration

## 1. Basic Policies for Director Remuneration

The basic policies for director remuneration are as follows.

- Ensure the transparency, fairness, and objectivity of remuneration and establish a remuneration level worthy of his / her roles and responsibilities
- Create a system that can reflect the contributions of individual directors by introducing performance-linked remuneration combining a diverse range of indicators to clarify roles and responsibilities for company results.
- Establish a remuneration system that achieves our social responsibilities as a company, while allowing the Company to share profits with shareholders through raising medium- to long-term corporate value.

## 2. Procedures for Determining Remuneration

The board of directors decides director remuneration, taking into account reports by the Remuneration Advisory Committee. The total amount of director remuneration shall be within the scope of the amount approved at the Ordinary General Meeting of Shareholders.

## 3. Remuneration Advisory Committee / See P.79

## 4. Remuneration System

(1) Internal directors

In addition to a fixed basic remuneration, remuneration for directors includes an annual variable performance-linked bonus and long-term incentive stock option plan as a means of providing healthy incentives for pursuing sustainable growth for the Company.

The ratio of fixed basic remuneration and bonus / stock options for total remuneration is 1:0.67 fixed to variable if annual performance targets have been accomplished. The ratio of variable

remuneration ranges from 0.0 to 1.0 times according to the degree of achievement for annual performance targets.

a. Bonuses

We use net income, safety, and customer satisfaction as indicators that reflect the performance and substance for a single fiscal year. The Remuneration Advisory Committee and the board of directors have previously determined the target values for each indicator and a table for corresponding payment levels. This table determines payment amounts based on the performance on each indicator.

b. Stock options

We use return on equity (ROE), return on assets (ROA), and operating income margin, etc., as indicators for improved corporate value over the medium to long term and sustainable growth. The amount of payment is determined through a combination of payment levels, determined by the Remuneration Advisory Committee and the board of directors, and the respective indicators.

(2) Outside directors

Remuneration for outside directors consists of fixed compensation (monthly compensation) without a performance-linked portion. This compensation encourages outside directors to exercise their supervisory functions from an independent standpoint.

(3) Audit & Supervisory Board members

Remuneration for both inside and outside Audit & Supervisory Board members consists of fixed compensation (monthly compensation) without a performance-linked portion. This compensation encourages those members to exercise their supervisory functions from an independent standpoint.

Remuneration levels for members of the Audit & Supervisory Board are determined in line with remuneration at other companies and in consultation with outside experts.

## Major Indicator Targets and Results in FY2019 (Reference)

	Original Fiscal Year Targets (Consolidated)	Results
Net Income	¥108.0 billion	¥27.6 billion
Return on Equity (ROE)	9.5%	2.6%
Return on Assets (ROA)	6.2%	2.4%
Operating Income Margin	7.7%	3.1%

We set internal targets for **Safety** and **Customer Satisfaction**, in addition to those indicated at the left. The results based on these targets are reflected in the evaluation.

## FY2019 Director and Audit & Supervisory Board Member Remuneration

Segment	Number of persons eligible	Total amount of remuneration, etc. (¥ millions)	Total amount by type (remuneration, etc.) (¥ millions)		
			Basic remuneration	Bonuses	Stock options
Directors	10	323	313	—	10
(Outside directors)	(3)	(44)	(44)	(—)	(—)
Audit & Supervisory Board members	6	137	137	—	—
(Outside Audit & Supervisory Board members)	(4)	(65)	(65)	—	(—)
Total	16	460	450	—	10

Notes:

1. The table above includes one outside director who resigned as of the end of the 74th Ordinary General Meeting of Shareholders, held June 21, 2019.
2. The amounts listed above are rounded down to the nearest million yen.

## Conceptual Diagram for the Officer Remuneration System

Ratio	Fixed	Variable		Remuneration limits
	1	0.67*1		
Remuneration	(1) Basic remuneration	(2) Bonus (short-term performance-linked)	(3) Stock options (long-term incentive)	
Payment criteria	Internal directors	Payment according to title, etc.	Measure for fiscal year results according to various criteria Net Income Safety Customer Satisfaction	Evaluate contributions to corporate value over the medium to long term Return on Equity (ROE) Return on Assets (ROA) Operating Income Margin
	Outside directors	Uniform payment for all members	—	—
	Audit & Supervisory Board members	Payment according to status as full-time or part-time	—	—
Payment method	Monthly (cash)	Annually (cash)	Annually	Annual maximum of ¥180 million Per resolution at the 74th Ordinary General Meeting of Shareholders, held June 21, 2019

\*1 Range from 0.0 to 1.0 times according to the degree of achievement for annual performance targets.

\*2 Stock options referenced in (3) is paid according to the stock option plan adopted per resolution of the 70th Ordinary General Meeting of Shareholders, held June 29, 2015. This amount is separate from the remuneration limit amount.

## Cross-Shareholdings

We believe that it is essential to maintain and strengthen collaborative relationships with our business partners for further growth and development of Group businesses. The ANA Group, consisting mainly of our Air Transportation Business, engages in cross-shareholdings when we deem such holdings to contribute to improved corporate value over the medium to long term from the viewpoint of continuing smooth business, maintaining business alliances, and growing profits through strengthening business relationships.

Every year, the board of directors conducts a comprehensive review of individual cross-shareholdings. The board evaluates the significance of holdings and the benefits and risks associated. To verify the economic rationality of cross-shareholdings, we conduct a quantitative and multifaceted evaluation, which includes checking the TSR (total shareholder return) for each stock or conducting a comparison

between the effectiveness of an investment in a stock versus the capital costs of the Group. If, as a result of these evaluations, we determine that the price of a stock will continue to be low for a certain period of time and further will not contribute to sustainable growth over the medium to long term, we will reduce our holdings in said stock.

As a result of a comprehensive review of the cross-shareholdings owned by the Group, we have determined that we do not own cross-shareholdings that should be subject to reduction.

In addition, the exercise of voting rights associated with cross-shareholdings will be judged based on the results of dialogue with the company in question after examining the medium- to long-term improvement of the corporate value and the impact on the Group's business.

# Risk Management

## Preserve Corporate Value through Safe and Reliable Business Operations

The ANA Group takes steps to identify, analyze, and appropriately address risks with the potential to severely impact management. In addition, we have developed groupwide frameworks to minimize the impact of risks and prevent reoccurrence in case risks materialize.

### Risk Management Promotion System

The ANA Group Total Risk Management Regulations provides the basic terms of the Group's risk management system. Under these regulations, the Group ESG Management Promotion Committee develops and implements basic policies. These policies are executed in line with the basic policies determined by the board of directors. Each Group company / department has established a risk management system. Here, the ESG Promotion Officer and the ESG Promotion Leader are responsible for promoting and leading risk management operations, respectively. The ESG Promotion Leader assumes a role to conduct risk management operations according to plans and take swift action while working with the secretariat in the event of a crisis.

### Risk Management Principles

#### Risk Prevention

Each Group company implements independent risk management activities (identifying risks, analyzing and evaluating these risks, planning and implementing countermeasures, and monitoring the results).

The Group companies monitor and evaluate progress, effectiveness, and level of achievement of the measures taken with respect to significant risks identified in each organization. The Company implements measures to address issues faced by the Group, and the Group ESG Management Promotion Committee monitors progress.

#### Crisis Management in Response to a Risk

We collect accurate information and implement measures to minimize damage and prevent reoccurrence by investigating and identifying the causes of crises.

The Crisis Management Manual provides responses to crises in general, and the Emergency Response Manual provides responses to incidents with a direct impact on the operation of ANA Group aircraft, including accidents or hijack.

### Major Initiatives

#### Business Continuity Plan (BCP)

Our BCP details policies and procedures for responding to large-scale disasters to ensure the safety of customers and all ANA Group directors and employees, minimize the impact on management and on society as a whole, and resume normal business operations as quickly as possible.

#### Information Security

The ANA Group updates the Group's information security regulations and implements the information security management system. Through this system, we strive every day to improve information systems functions and implement security measures in line with the policies.

Personal information is essential for us to provide services in ANA Group businesses. We view personal information as important assets we receive from our customers. In recent years, various laws and regulations related to personal information and privacy have been established in Japan and overseas. We have therefore revised our privacy policy and relevant internal regulations to ensure compliance with the General Data Protection Regulation (GDPR), established in the European

Union in 2018, and the China Cybersecurity Law (CCSL) and the California Consumer Privacy Act (CCPA), established in 2020.

We require every employee to receive e-learning training on the importance of information assets and proper handling, etc. In so doing we ensure compliance with these laws, regulations, and rules for using our information systems. In this way and others, we strive to raise employee awareness of the significance of information security in the workplace.

#### Security Export Control\*

The ANA Group exports the parts, chemicals, apparatuses, and other articles necessary for aircraft maintenance to overseas airports and aircraft maintenance centers. Certain articles have the potential to be adapted to create weapons. Accordingly, we practice rigorous security export control of exported articles.

A stringent security export control structure is maintained through once-annual audits and trainings. These activities target divisions that are considered exporters for being directly involved in exporting as well as divisions that are involved due to handling customs clearance and other transportation-related processes.

\* Security export control is a term that refers to all regulations placed on exports from Japan by the Foreign Exchange and Foreign Trade Act.

### Cybersecurity Measures

The ANA Group is designated as a critical infrastructure provider in Japan by the National Center of Incident Readiness and Strategy for Cybersecurity (NISC). We implement security measures at entrance and exit control, and we have adopted antivirus measures in accordance with the guidelines formulated by the Ministry of Economy, Trade and Industry (METI). We monitor our security system 24 hours a day, 365 days a year. The ANA Group trains security personnel, and we have established the Computer Security Incident Response Team (CSIRT) to ensure swift action in response to any incidents.

Cybersecurity intelligence is most effective when providing early alerts to counter cyberattacks. Therefore, we participate in information sharing organizations, such as the Aviation Information Sharing and Analysis Center (A-ISAC), which consists of airline, aircraft manufacturer, and other members. We also participate in the Surface Transportation Information Sharing and Analysis Center (ST-ISAC). In these ways, we acquire information from internal and external industry sources as early as possible for use in taking preventive measures.

The Keidanren (Japan Business Federation) published the Cyber Risk Handbook for Directors in autumn 2019. We develop measures assuming that incidents are inevitable. Since the utilization of digital technology is an important means for corporate growth, we understand that we must take a balanced approach. The ANA Group sees cybersecurity as a risk management issue to be addressed by the entire group, including our board of directors.

### Responses to Typhoons and Their Aftermath

Natural disasters such as large typhoons and torrential rains have occurred frequently over the past few years. As a public transportation provider, we see a growing importance to make preparations and conduct drills related to these disasters on a regular basis.

Typhoon No. 21 (Jebi) touched down in September 2018 and caused flights to be suspended for an extended period of time at the Kansai International Airport. We conducted a review in fiscal 2019 of our disaster responses at the time, including a second look at practice drills. As a result, we enhanced the disaster response capacity of the front lines of our business. We also reviewed our facilities at airports across Japan, developing facility enhancement plans to prepare for flooding and power outages.

ANA actively participates in the development of guidelines for Advanced Airport-Business Continuity Plan (A2-BCP) led by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). These guidelines address building airports resistant to natural disasters and participation is part of our efforts to strengthen cooperation with airport administrators and other stakeholders.

The ANA Group strives to update our BCP measures in the event of a crisis, and we continue to improve our capacity to respond on the front lines of our business and to train our people.



Drill at the Kansai International Airport

### Responses to COVID-19 (Employee Infection Prevention Measures)

The ANA Group created a response system based on the Crisis Management Manual and Emergency Response Manual in late January 2020, when the COVID-19 infection spread in Wuhan, China, and the authorities suspended public transportation services. We have endeavored to prevent the spread of infection. For example, when a physician identifies an employee who is suspected of infection, we notify the relevant employee and employees who are likely to have been in contact, directing them to stay home and wait for instructions from the public health center.

In addition, we implemented the following measures to prevent infection among our employees.

- Implement consistent infection prevention measures, such as hand washing
- Instruct employees to wear masks and gloves according to the degree of infection spread
- Check employee health on a consistent basis
- Communicate information and distribute materials based on the latest knowledge
- Ensure employees are aware of government declaration of emergency policies (we imposed some policies that are stricter than those of the government)

Based on the experience acquired through measures to prevent the spread of the infection since January, we will implement the following measures.

- Strive to acquire the latest information and share with employees
- Implement new business and work styles based on the *new normal* published by the Ministry of Health, Labour and Welfare and the guidelines of the Keidanren and the Scheduled Airlines Association of JAPAN, understanding that infections spread in waves

# Compliance

## Preserve Corporate Value by Enhancing Internal Systems and Further Entrench Mission Statement

The ANA Group is taking steps to minimize exposure to legal risks and prevent incidents that could diminish corporate value.

### Compliance Implementation System

The ANA Group has developed a compliance system based on the ANA Group Compliance Regulations to promote compliance with laws, regulations, and other standards related to business activities. Under the direction of the Group ESG Management Promotion Committee, which is an advisory body to the board of directors, each company and department appoints an ESG Promotion Officer that is responsible for promotion and an ESG Promotion Leader as a key driver of ESG initiatives. These officers and leaders strive to raise awareness of compliance across the ANA Group.

### Major Initiatives

#### Legal Compliance Education

We conduct a variety of educational programs for every Group executive and employee to acquire correct knowledge of and exercise appropriate judgment related to various laws and regulations. We hold regular seminars on contract practices, labor practices, and laws and regulations related to air transportation, improving our familiarity with business-essential knowledge. The Company also seeks to foster a mindset focused on legal compliance among Group executives and employees working overseas. To this end, we hold seminars on competition and anti-bribery laws at overseas branches. We also sponsor seminars tailored to topics and content that reflect the needs of each Group company and / or department.



Seminar conducted during fiscal 2019

#### Information Dissemination

To spread awareness of compliance throughout the ANA Group, we distribute e-mail and other newsletters on topics related to revisions to laws and regulations, as well as points of caution regarding labor and contract practices. We have also posted manuals and guidelines for various laws, regulations, and rules on the compliance website on our intranet. In this way and others, we create an environment in which Group executives and employees have access to this information at any time.



Newsletter

#### Initiatives to Prevent Harassment

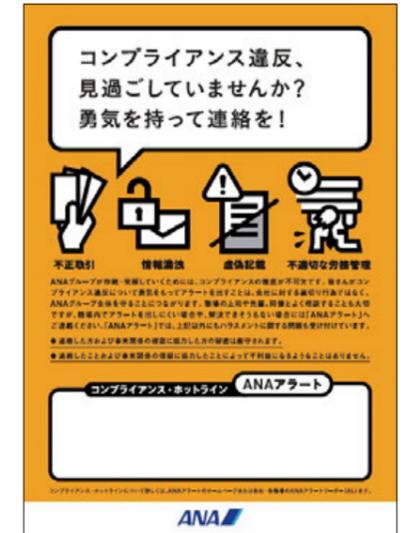
We are working now, more than ever, to strengthen initiatives for workplaces free from harassment. Specifically, we established the new Rules on Harassment Prevention and conduct e-learning harassment education for all Group executives and employees. In this way, we are striving to create workplace environments across the entire ANA Group in which people can work without hindrance and that never tolerate harassment.



Harassment Education Materials

### Internal Reporting System

Based on the ANA Group Rules for Handling Internal Reporting, we have set up a point of contact (ANA Alert) both inside and outside the Company (via a law firm) to collect and resolve any issues. These reporting systems are available to all Group executives, employees, and temporary personnel involved in operations. ANA Group retirees and officers and employees of our business partners may also use these reporting systems. We protect the privacy of the whistleblower and other relevant parties, and assures that no punitive measures will be taken against those that seek consultation or cooperate in confirming facts. This helps us obtain internal risk-related information promptly and aids in self-resolution. We are also engaged in initiatives overseas to improve awareness of our internal reporting system and focus on minimizing legal risks on a global level.



Information Poster for the Internal Reporting System

### Group Companies Compliance Survey

Surveys on compliance at Group companies are conducted once each year. These surveys consist of self-checks on the degree to which compliance was practiced with regard to relevant laws and regulations as well as examinations of issues pertaining to each Group company and to the entire Group. We conduct follow-ups with each company based on survey results as necessary in the interest of resolving issues.

### Strengthening Cooperation with Group Companies and Overseas Branches

To strengthen the compliance system across the entire Group, we have clarified the points of contact between our Legal & Insurance Department, Group companies, and ANA overseas branches, building and operating a system facilitating two-way communication.

### ANA Group Tax Policy

In February 2020, we formulated the ANA Group Tax Policy to strengthen corporate tax governance and respond to growing global interest in taxes.

The core principles of this policy state that the ANA Group considers the proper reporting and fulfillment of tax obligations related to our business activities is a social responsibility. Reporting and paying tax obligations enables the Group to preserve our corporate value and contribute to the development of communities in each relevant country. By implementing tax governance that is groupwide and cross-functional, we comply with the relevant laws, regulations, and other rules, clearly indicating the ideal state whereby we report and fulfill tax obligations in an appropriate manner.

We present courses of action for employees related to (1) compliance with laws and regulations, (2) fair business practices, (3) talent development, (4) tax management, (5) utilization of external knowledge, and (6) relationship with relevant tax authorities. We strive to raise awareness among Group employees on an ongoing basis through internal training and other methods.

By sharing this policy with each of our stakeholders and ensuring that Group employees are in compliance, we aim to reduce tax risk and report and fulfill tax obligations in an appropriate manner.

#### Six Courses of Action for Our Tax Policy

- 1 Compliance with Laws and Regulations
- 2 Fair Business Practices
- 3 Talent Development
- 4 Tax Management
- 5 Utilization of External Knowledge
- 6 Relationship with Relevant Tax Authorities

▼ Details are available on our corporate website.

[https://www.ana.co.jp/group/en/csr/basic\\_approach/tax-policy/](https://www.ana.co.jp/group/en/csr/basic_approach/tax-policy/)

# Responsible Dialogue with Stakeholders

The ANA Group conducts business activities through our relationships with stakeholders. We engage in ongoing dialogue with stakeholders to build trust and offer peace of mind. As we do so, we increase the effectiveness of our strategies by incorporating the opinions and requests of stakeholders into our businesses.

### Dialogue with Shareholders and Investors

The 75th Ordinary General Meeting of Shareholders		IR large meetings / small meetings (for institutional investors / analysts)
Number of attendees	Voting rights exercise ratio	
<b>585</b> people	<b>62.8%</b>	<b>6</b> times
Dialogue with institutional investors / analysts	Presentations for private investors*	Aircraft maintenance center tours for private shareholders*
<b>225</b> times (in Japan : 127 times; overseas : 98 times)	<b>10</b> times / Total: <b>575</b> people (including IR fairs)	<b>10</b> times / Total: <b>614</b> people
* Suspended January–March 2020 due to COVID-19.		

### Communication with Our Employees

ANA Officer Town Meetings	
Number of meetings	<b>949</b> times
Participants	Topic examples
Total: <b>12,612</b> people	<ul style="list-style-type: none"> <li>• Commitment to safety</li> <li>• SDGs</li> <li>• Work-style reform, etc.</li> </ul>

### Dialogue with International Society

Participation in an international conference on the environment	Dialogue with overseas ESG investors	Dialogue with human rights organizations overseas	Participation in international conferences on human rights
<b>7</b> times (United States, Canada, Switzerland, Malaysia)	<b>6</b> times (UK)	<b>2</b> times (Thailand)	<b>5</b> times (United States, Switzerland, Thailand, Japan)

### Dialogue with Business Partners

Exchange of opinions with companies involved in the manufacture of in-flight meals
<b>1</b> time (Thailand)

### Dialogue with Communities

Participation in reconstruction activities, volunteer activities (sponsored by ANA Holdings Corporate Sustainability)	Participation in conferences for the revitalization of communities surrounding Narita Airport
Number of meetings <b>17</b> times	Number of meetings <b>62</b> times
Group employee participants	
Total: <b>423</b> people	

## External Recognition

### Inclusion in ESG Indexes

- Dow Jones Sustainability World Index
- Dow Jones Sustainability Asia Pacific Index
- Sustainability Award Gold Class 2019
- FTSE4Good Index
- FTSE Blossom Japan Index
- MSCI Japan Empowering Women Index (WIN)\*



In collaboration with SAM



FTSE4Good



FTSE Blossom Japan

2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

### Quality

- SKYTRAX (ANA)
- Awarded 5-STAR status for an eighth consecutive year



### On-Time Performance

- Cirium (ANA)
- Asia-Pacific Major Airlines
- Network Category : No. 1
- Mainline Category : No. 1
- Worldwide Major Airlines
- Network Category : No. 2
- Mainline Category : No. 2



## Management Strategy

- Japan Health Conference, Ministry of Economy, Trade and Industry
- Certified Health and Productivity Management Organization Recognition Program –White 500– (ANA HOLDINGS INC., ANA AIRPORT SERVICES Co., Ltd., ANA OSAKA AIRPORT CO., LTD.)
- Ministry of Health, Labour and Welfare IKUMEN AWARD 2019
- Balance Support Category Special Encouragement Award (ANA)
- Ministry of Health, Labour and Welfare Next-generation support certification Company Platinum Kurumin Certified (ANA, ANA AIRPORT SERVICES CO., LTD.)
- DBJ Health Management Ranking Highest Rank (ANA HOLDINGS INC., ANA)
- J-Win Diversity Award 2020
- Advanced Achievement Award (ANA)
- Cabinet Office
- Cool Japan Matching Award 2019
- Kabuki-themed in-flight safety video
- Grand Prix Award (ANA)
- Good Design Award 2019 (New domestic route economy-class seats developed between ANA and Toyota Boshoku Corporation; P:55)
- IAUD International Design Award 2019
- Gold Award, UX Design Category (ANA)
- 2019 ORICON Customer Satisfaction Survey
- No. 1 in category of Instructor, Corporate Training, Extension Seminar for Young, Mid-Level Employees (ANA Business Solutions)



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