Corporate outline  (as of April 1, 2005)

Company name
All Nippon Airways Co., Ltd.

President
Mineo Yamamoto

Date of establishment
December 27, 1952

Address
Shiodome City Center, 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo 105-7133, Japan

Website URL
http://www.ana.co.jp

Paid-in capital
¥107,292 million

Number of employees
12,091

Number of routes and flights
Domestic service: 132 routes, 865 flights per day
International service: 35 routes, 488 flights per week

Outline

Editorial Policy
We published the CSR Report as a new tool for communication. This Report presents plain and simple descriptions of our CSR activities to a wide range of stakeholders.

* For more details about our environmental activities, please refer to the ANA Group Environmental White Paper. Activities and data not included in the Report will be available on a CSR information page on our website – ANA Sky Web.

Organizations Covered
In principle, the ANA Group as a whole.
(Some activities are distinct to All Nippon Airways Co., Ltd. or its group companies.)

Period Covered
April 1, 2004 to March 31, 2005
(Includes some activities before or after this period.)

Referenced Guidelines
* “Sustainability Reporting Guidelines 2002”
    Global Reporting Initiative
* “Environmental Report Guidelines (Fiscal Year 2003 Version)”
    Ministry of the Environment (Japan Government)

Date of Publication
December 2005

Cover Art and Illustrations
The cover art and illustrations in the Report are from the winning entries in the Second Aozora (Blue Sky) International Environmental Picture Book Competition sponsored by ANA. We trust you will enjoy these works, which were drawn in the hope of conveying environmental problems to children, our future leaders.

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Message from the President

We sincerely strive to make our activities fully transparent, just like the clear blue sky.

On publication of this CSR Report

ANA was the first purely privately owned airline to be established upon the resumption of civil aviation in Japan. We are indeed gratified to have continued to provide air transport services of benefit to the public good for more than 50 years, and are deeply indebted to our customers for their patronage.

Recently, there has been much focus on corporate social responsibility (CSR). The ANA Group regards the sustainable service of safe and pleasant flying as our foremost responsibility to society.

We have taken security and reliability as the very cornerstones of our corporate philosophy, and realize that sustainable safety in the skies is of critical importance in this aspect. This is why our philosophy on safety begins with the statement that safety is the foundation of our business and our promise to the public. This commitment to safety is shared by all of our employees as the most important value. We place our approach to safety above all other priorities.

Beginning this year (2005), we present our stakeholders with the CSR activities of our Group in the form of this Report. We sincerely strive to ensure that our corporate activities are fully transparent, just like the clear blue sky. Many points undoubtedly require improvement, and we appreciate your views on the Report so that we may reflect them in ANA’s future CSR activities.

In all these efforts, we sincerely appreciate your continued support.

Mineo Yamamoto
President & CEO
Express your feeling about the global environment, nature, wildlife and resources into picture books!

The Aozora (Blue Sky) International Environmental Picture Book Competition began with this call of ours. Yoji Ohashi, Chairman of ANA, recently held a three-way interview with Ms. Mei Matsuoka, who won first prize in 2004, and Mr. C.W. Nicol, the author and naturalist who has chaired the judging panel since the first competition in 2003.

The Picture Book Competition

Ohashi Ms. Matsuoka and Mr. Nicol, thank you for accepting my invitation today. Ms. Matsuoka, I understand that you won first prize in the Second Aozora (Blue Sky) International Environmental Picture Book Competition. What prompted you to enter the contest?

Matsuoka A friend of my father’s heard about the competition and encouraged me to enter in the belief that the theme of picture books about environmental problems was perfect for me. I received an honorable mention in the first competition, and decided to enter the second as well.

Ohashi Tell us about your picture book.

Matsuoka It is entitled “Ten-san, Kamesan and Muri-san Go on a Journey.” It tells the story of a trip by three friends (a ladybug, a turtle and a snail) in the great outdoors.

Ohashi What did you keep in mind when you created it?

Matsuoka I figured that the book would be more engaging and could better deliver its message by having these three characters visit the places they like the best, which were the mountains, sea and forest, and talk about the three senses of sight, sound and smell. As the story has to be told in four pictures, I kept the words simple so that the book could be enjoyed by people of all ages.

Ohashi Mr. Nicol, you have been serving as chairperson of the judging panel since the first contest. I imagine it must be hard to reach decisions on awards. Why did the panel select Ms. Matsuoka’s entry for the first prize?

Nicol It was so cute and interesting. As its theme is environmental problems, the contest attracts a lot of entries that call for picking up litter or cleaning up the air. Such entries are admirable, but the important thing for picture books is to keep the children’s interest and prevent them from getting bored. In addition, I personally have always been enchanted by ladybugs, and her book is colorful, too. All in all, it is an excellent work.

Matsuoka Thank you so much. I saw some of the other entries. A lot of wonderful books were submitted in the contest by people from various countries and of all ages. I find it hard to believe that mine was chosen from among so many fine works.

Ohashi The competition attracted almost 400 entries by entrants ranging from five to 84 in a total of 13 countries. We published 100,000 copies of Ms. Matsuoka’s entry and are distributing it on our planes, at our airport counters and to schools and libraries around the world.

Matsuoka That is a tremendous number of copies. I am really delighted to have my picture book read by so many people around the world.
The UK and Japan

Ohashi Ms. Matsuoka, I understand that you are currently living in the United Kingdom.

Matsuoka That’s right. Our family moved near to London when I was 11.

Ohashi What is being done on the environmental front in the United Kingdom?

Matsuoka In the United Kingdom, too, many people are concerned about the abnormal climate. The mass media and government have a very positive-minded attitude towards action on environmental problems.

Nicol I was born in South Wales, 65 years ago. At the time, only 5 percent of the land was forested. Nature had been destroyed because of the priority on industrialization. People began to realize that something was wrong. Today, forests cover about 60 percent of the land, and salmon have returned to the rivers. From age 13 to 17, I lived in the Cotswolds. There, too, the situation is much better now than it was then. There are farms growing vegetables organically and even beekeeping businesses. Green markets have also been revived. The town now attracts many tourists who are lured by the scenic countryside.

Matsuoka Nowadays, many people I know try to avoid driving as far as possible. Purchasing organic products have also become a common sight. People are presorting trash and also have a high awareness of recycling. The important thing is for each person to do what he or she can.

Nicol Dr. Mikail, who was Vice President of Malta at the time of its independence, said an ideal society had to have three elements. One is peace among all living creatures, from dragonflies and wild roses to human beings. The second is the health of all living creatures. And the third is beauty of nature and its appreciation. Only when all three of these elements are present can there be peace of mind where the old may die in peace.

Matsuoka Mr. Nicol, you have been to many countries. How do you think Japan is doing from a global perspective?

Nicol I first came to Japan in 1962. Although there are about twice as many people as the United Kingdom and a booming industry, nearly 70 percent of the land was forested and inhabited by bears in some parts. I can see drift ice in the north, and coral reefs in the south. The country was rich in the aspects of nature, philosophy, religion and culture. I really respected the Japan of those days. Unfortunately, the construction boom began around the time of the 1964 Tokyo Olympics. This was accompanied by wholesale destruction of nature and also an increase in illegal dumping of industrial waste. I felt betrayed.

Ohashi Notwithstanding, the Arakawa River and Tokyo Bay have become cleaner in recent years.

Nicol Right, things have gradually become better, but there is still a lot to do. I have often said that Japan is like a boat with a long rudder. It starts out slowly, but eventually makes a big turn.

Ohashi I have heard that Tokyo Bay looks beautiful from outer space.

Nicol We can do it if we try.

Japan is like a ship with a big rudder. It is slow at the start, but eventually makes a big turn.
It would be nice if companies would support our desire to preserve nature.

Revival of forests and coral reefs

Nicol  Mr. Ohashi, what motivated ANA to begin the contest?
Ohashi  Every time an aircraft flies, it inevitably emits carbon dioxide. We wanted the contest to be an occasion for everybody to think about nature, the environment and our earth.
Our corporate philosophy emphasizes our commitment to “Continue to be a familiar presence” and “Offer dreams and experiences to people around the world”. In order to fulfill this philosophy, we began planting trees in the vicinity of the five airports of New-Chitose, Hakodate, Haneda, Matsuyama and Miyazaki in fiscal 2004. We did so under the slogan “Thinking of People and the Earth” and as something we could do to preserve the environment. We are going to plant more trees and nurture forests together with the local community. Through this 10 year program, we wish to extend the planting to other airports.
Nicol  For most people, the very thought of going to an airport induces stress due to all the procedural bother and the flight itself. Aircraft noise is also a nuisance to people in the surrounding area. Planting trees around the airport strikes me as a good idea.
Ohashi  We also planted corals off the coast of Onna Village in Okinawa under our program for revival of beautiful coral reefs.
Matsuoka  I think that ANA’s outlook on the environment is really wonderful. It is important for companies to actively practice environmental preservation in the 21st century. We all want to preserve nature, but it is hard for most people to find a way to put this idea into practice. I would like to see companies lead the way.
Nicol  In Japan, people working for major companies have usually not had much contact with nature. People aged up to 30 rarely have any experience of chopping logs or feeding chickens. They are not going to come up with good ideas for nature conservation. People need contact with nature.
Ohashi  Once we actually get involved in planting trees or corals, we come to appreciate the difficulty and value, and take an interest in such projects. Lately, we have been calling for volunteers in tree-planting tours to other countries. We had many applications in spite of the substantial expense.
Nicol  I would be happy to support ANA as an advisor on managed woodlands.
**ANA’s CSR**

**Ohashi** The key words “security” and “reliability” are the basis of our corporate philosophy. We must be a Group that can be patronized with peace of mind while enjoying the trust of our customers. I regard them as the fundamentals of our activities and existence. To be considered secure and reliable by the public, we must always be conscientious. To fulfill CSR as well, we need not do anything special; all that is required is conscientious performance of each and every one of our current approaches, with a higher transparency. As I see it, CSR lies in conscientious approaches to these tasks. As our Group is centered on air transportation, we recognize the public service dimension inherent in reliable flight operations. CSR at ANA consists of the sustainability of safety and comfort in the air as our core business. We have been making efforts in the environmental and social aspects, and intend to continue doing so.

**Matsuoka** While companies are presumably engaged in various activities, I think ANA’s picture book contest is a unique and excellent idea. It is also enormously beneficial to instill children with an affinity for nature through participation in tree-planting programs.

**Nicol** I am delighted that a major corporation is concerned about the environment and has begun to take action on it.

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**Profile**

**C.W. Nicol**
Mr. Nicol was born in Wales in 1940. He has researched wildlife and was active in environmental issues in Canada and Ethiopia. In 1980, he decided to take up residence in the Kurohime district of Nagano, where he purchased abandoned farmlands and worked to restore the ecosystem. In 2002, he established the C.W. Nicol Anan Woodland Trust. He serves on various committees, including the Tokyo Metropolitan Ecotourism Support Committee. From 2003, he has chaired the judging panel for the Azorra (Blue Sky) International Environmental Picture Book Competition.

**Mei Matsuoka**
Born in Tokyo in 1981, Ms. Matsuoka is an illustrator who now lives in London. Since graduating from Kingston University in 2003, she has continued to produce illustrations, mainly for children’s books. She authored and illustrated the picture book ‘Burger Boy’ published in September 2005, and another book of hers telling the story of a raccoon and a tree is scheduled for publication in 2006. She was awarded the first prize at the Second Azorra (Blue Sky) International Environmental Picture Book Competition for her picture book entitled “Ten-san, Kame-san and Muri-san Go on a Journey.”

**Yoji Ohashi**
Yoji Ohashi was born in 1940 and is the Chairman of ANA.

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**CSR at ANA lies in conscientious promotion of our approach as opposed to something special.**
Opening of the Terminal 2 at Haneda Airport (Tokyo) and Central Pursuing convenience and comfort as top priority for our customers

**Rakunori Counter**

Haneda Airport and Central Japan International Airport

We launched the ANA Rakunori Service for customers requiring a little extra help, such as the elderly, passengers with children, children flying alone and passengers with pets. At the Rakunori Counter, baby strollers and wheelchairs are provided. The counter is only 75 centimeters high, which is universally designed to facilitate use by passengers in wheelchairs.

**Electric cart service**

Haneda Airport

Terminal 2 at Haneda Airport (Tokyo International Airport) is an L-shaped building that has 15 gates with access to passenger boarding bridges (PBBs) compared to the 11 that were available for ANA in Terminal 1. This has increased the rate of PBB use from approximately 60 percent to 75 percent and significantly increased convenience.

At the same time, measures for easier access in the large terminal became necessary. Therefore, moving walkways were installed and it was made possible for wheelchairs to be checked at the boarding gate for easier access in the terminal. Furthermore, we offer rides on electric carts for customers that are not in wheelchairs but have difficulty walking.

**For a relaxing time in the air**

Staffs of the Rakunori Counter are ever mindful that the people we meet may be uneasy about air travel.

Through attentive conversation, we strive to understand the services needed by each passenger.

Chiemi Yoshizawa

Passenger Services, Tokyo Airport Office
Japan International Airport (Nagoya)

Flight information system with consideration for the color-blinded

Haneda Airport and Central Japan International Airport

To display flight information in four languages (Japanese, English, Korean, Chinese), the system is designed with special features. A different color is used for each language, so people can instantly recognize the change of language by the change of color. In addition, the selected colors are distinguishable by the color-blinded.

Star Alliance Lounge

Central Japan International Airport

The Star Alliance Lounge has no steps inside and is accessible by an elevator from the international departure floor. The tables are universally designed for use by passengers in wheelchairs. Such design provides an environment where all passengers can relax.

Universally designed airport facilities

Haneda Airport and Central Japan International Airport

Terminal 2 at Haneda Airport was certified under the Heart Building Law, which requires consideration for all, regardless of age, physical condition, nationality, etc.

The terminal has many escalators and elevators, and its moving walkways are wide enough (160 centimeters) for a wheelchair user and a walker next to each other. The stepless pathways are wide enough for wheelchairs to turn around, and the slope angles are gentle enough for the physically challenged. The multipurpose restrooms in the airport are equipped with toilets for use by ostomates (people with artificial anus or bladders), large tables for changing clothes or diapers and emergency notification alarms that can be operated even if people fall on to the floor.

Central Japan International Airport advanced the barrier-free concept and adopted a universal design facilitating use by all, regardless of age or disability.

To ease the burden of walking, the distance from the check-in counter to the boarding gates were designed to be no more than 300 meters. Moving walkways are wide enough (180 centimeters) to allow wheelchairs to turn around. The airport is also installed with large elevators and slopes with shallow angles.

These airport facility designs incorporated ideas from ANA and other airlines.
2004 was a year of earthquakes. Step by step, we did what we could as a good corporate citizen.

**Hot water service support**

In response to the Mid Niigata Prefecture Earthquake

When the Mid Niigata Prefecture Earthquake struck on October 23rd, 2004, we operated extra/non-scheduled flights and voluntarily transported relief supplies from the following day. A subcommittee in response to the earthquake was organized, and shipment of supplies, financial aid, and collection of donations from employees were arranged on behalf of the ANA Group. In addition, we considered how we could effectively offer support through the employees and facilities that ANA is proud of, and came up with the idea of a “hot water service” using the snow removal vehicles for airplanes.

We sent relief teams to supply the service after surveying the shelters to confirm that people were inconvenienced by the lack of hot water. We started the service on November 15th, at the evacuation site on the playgrounds of an elementary school in the Kawaguchi, Kita-Uonuma, where a magnitude of 6.8 had been recorded and recovery of water and gas supplies were slow.

The snow removal vehicle, based at Haneda Airport, equipped with a 6,000-liter water tank and a powerful boiler was used for the service. The boiler can heat 250 liters of water to 90 degrees Celsius in a minute. We served the hot water, adjusting the warmth for use in temporary bathtubs, tanks for dishwashing, laundry and hot water bottles.

64 Group employees took part in the relief effort. The interaction with volunteers and the people evacuated at the shelters left the employees with strong feelings of the importance of mutual aid, communication and compassion. After 31 days, the service was ended on December 15th, once all evacuees had moved into temporary housing. During this period, we supplied a total of 152,700 liters of hot water and 2,473 people bathed with our hot water service.

**Participation in the relief activities for the Mid Niigata Prefecture Earthquake**

I was stunned at the damage, which was much worse than I had imagined. It left me speechless. The worry and feelings of the people in the affected area were painfully obvious.

From my participation in the relief effort, I realized the importance of taking the initiative, as an active principal myself. I believe we were able to deliver something that embodied the ANA Group Philosophy. I feel such activities are the foundation and strength of our Group.
Support for helicopter maintenance
In response to the Sumatra Earthquake

In response to the Sumatra Earthquake, an international emergency relief team from Japan was dispatched to the island of Phuket in Thailand, one of the affected areas. Three mechanics from the helicopter department of ANA Aircraft Maintenance Co., Ltd. were on this team to support with the maintenance of helicopters used in the relief effort. In the enormous devastation left by the tsunami, their duty was extended two weeks longer than originally planned and they devoted themselves to maintenance support.

For these efforts, we received a letter of appreciation from the Minister of Foreign Affairs of Japan, the Director General of the Fire and Disaster Management Agency (of Japan) and the Japan International Cooperation Agency (JICA).

Lending a hand to international contributions

Although it was winter, Thailand was sweltering; the temperature was around 35 degrees Celsius, day after day. The conditions were tough for both people and helicopters. Nevertheless, it eased my fatigue and was glad I had come when I heard how grateful the people in the affected areas were for the effort. I feel fortunate to have had the opportunity to be on the international emergency relief team and make a contribution even though I am an employee of a private firm. For the people of Thailand, who were so kind to us during this period, I wish for their early recovery.

Establishment of donation miles
In response to the Mid Niigata Prefecture and Sumatra Earthquakes

Following the Mid Niigata Prefecture Earthquake, we received requests and inquiries from many customers about the idea of exchanging accumulated miles for donations.

In response, we established a scheme for earthquake donation miles as one of the items in ANA Selection, our ANA Mileage Club program of gifts for 10,000 accumulated miles. Although the scheme was executed for a limited period (November 4th – 30th) and only accepted applications via the Internet, it attracted a tremendous response from Japan and abroad. As a result, a total of 12 million yen was donated to the Niigata Disaster Relief Headquarters.

In December 2004, we instated the same kind of scheme in response to requests from customers after the Sumatra Earthquake, and collected a total of 7.27 million yen which was donated to the Japan Red Cross.
People-Friendly, Eco-Friendly, Community-Friendly
A revolutionary aircraft – the Boeing 787 “Dreamliner”

Pursuit of lighter weight with lower emission and noise levels

In April 2004, we decided to add the Boeing 787 series to our fleet in 2008 as our next-generation medium-sized aircraft. We are now participating in the development of the B787 model as the launch customer.

The B787 will be a revolutionary aircraft offering improvements in fuel efficiency through superior aerodynamics and the use of lighter composite materials. Therefore, it is anticipated to make more effective use of our natural resources. The B787 will be powered by the Rolls-Royce Trent 1000 series engines, offering high levels of safety and reliability and low noise and emission levels with high fuel efficiency. In this respect, we are the leaders in reducing emissions of pollutants, CO₂ and noise.

The B787 is an aircraft designed with passengers in mind. Compared to currently operating aircrafts, the B787 will provide a lower cabin pressure to be as comfortable in flight as on the ground. Furthermore, it will be capable of controlling the humidity as well as the temperature in the cabin. Noise within the cabin will be less thanks to the quieter engines and the enhanced aerodynamic features of the body.

By comparison with other aircrafts of the same size, the B787 will reduce both fuel consumption and emissions by 20 percent, and weigh some 30,000 to 40,000 pounds less.

Specifications of the B787-3 (short range) and B787-8 (long range)

<table>
<thead>
<tr>
<th></th>
<th>B787-3</th>
<th>B787-8</th>
<th>B767-300</th>
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<tbody>
<tr>
<td><strong>Length</strong></td>
<td>55.5m</td>
<td>55.0m</td>
<td></td>
</tr>
<tr>
<td><strong>Height</strong></td>
<td>16.5m</td>
<td>15.9m</td>
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<tr>
<td><strong>Wingspan</strong></td>
<td>51.6m</td>
<td>58.8m</td>
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<td><strong>Cabin width</strong></td>
<td>5.0m</td>
<td>4.5m</td>
<td></td>
</tr>
<tr>
<td><strong>Number of seats</strong></td>
<td>Approx. 300 (1 class)</td>
<td>Approx. 230 (2 class)</td>
<td>288 (1 class)</td>
</tr>
<tr>
<td><strong>Cargo capacity</strong></td>
<td>Approx. 16 tons</td>
<td>Approx. 10 tons</td>
<td></td>
</tr>
<tr>
<td><strong>Cruising speed</strong></td>
<td>M0.85</td>
<td>M0.80</td>
<td></td>
</tr>
<tr>
<td><strong>Range</strong></td>
<td>Approx. 2,200km (Shanghai)</td>
<td>Approx. 11,000km (US West Coast)</td>
<td>Approx. 7,400km (Honolulu)</td>
</tr>
<tr>
<td><strong>Maximum cruising altitude</strong></td>
<td>Approx. 13,000m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

※1 Cabin width at shoulder height (1.3 meters) from the cabin floor.
※2 With full load (passengers & cargo)
Corporate governance in the ANA Group

The key words for corporate governance in the ANA Group are “transparency” and “strategy.”

Assurance of transparency is essential for a trusted enterprise. This Report itself is a means of accountability to our stakeholders by disclosing information on our CSR activities. Our executive organization and internal control system also reflect a keen awareness of the need for transparency and objectivity.

Our aspiration to become one of the leading airline groups in Asia similarly requires efforts to increase our competitiveness and corporate value. This, in turn, demands effective and prompt determination of business policies. As such, we are also striving for the improved and enhanced corporate governance needed for strategic decision-making.

Hiromichi Toya
Senior Executive Vice-President
Corporate Philosophy of the ANA Group

Our corporate philosophy sets forth our desired orientation for the whole Group also a statement of what we must constantly be committed to in all of our activities, which is the foundation of our business. It consists of our Corporate Philosophy and Course of Action to meet the Philosophy.

Recent years have seen major changes in the business climate.

United States and the consolidation of Japan Airlines and Japan Air System. Our philosophy expresses our ideals for the Group and the fundamental purpose that it must fulfill to survive the fierce competition under these circumstances and remain the airline of choice for customers and society. The Corporate Philosophy was established in January 2002 following discussion across all layers, from executives to rank-and-file employees, in ANA and its subsidiaries.

ANA Group's Corporate Philosophy

Our Commitments

On a foundation of security and reliability, the ANA Group will:

- Create attractive surroundings for customers
- Continue to be familiar presence
- Offer dreams and experiences to people around the world

Course of Action

1. Maintain top priority on safety
2. Customer oriented
3. Contribute to society
4. Embrace new challenges
5. Debate with active interest, decide with confidence, and execute with conviction
6. Build a powerful ANA Group by effectively using human resources and focusing on teamwork as a competitive strength

ANA Group Code of Conduct

In May 2003, we established the "ANA Group Code of Conduct" to be adhered to by all Group employees. This Code was drawn up from the CSR perspective and aims to ensure the implementation of our philosophy. It covers aspects from safety management and quality control to topics such as relations with stakeholders, environmental concerns, social contribution, relationship with the society, rules in the workplace and employee behavior. The preamble presents our position on corporate ethics.

We advocate compliance awareness to all Group employees along with the distribution of the booklet on the Code.

Preamble of the ANA Group Code of Conduct

We at All Nippon Airways Co., Ltd. & our subsidiaries ("ANA Group") acknowledge our social responsibility and mission in air transportation and every other sector of our business. We make great efforts to build our customer trust and loyalty.

The ANA Group promises to act ethically and morally. Should a conflict arise between profitability and legality, we will strictly comply with the law.

Delivering and maintaining the highest quality in services, products and safety are our foremost priorities to become the natural choice of our customers. ANA Group dedicates its utmost effort to conducting its daily business in a fair and legal manner. Furthermore, as good corporate citizens, we positively engage in community activities.

Always proud of "Our Way", we act with honesty and the utmost integrity.
CSR Policy and Approach

Basic Perspective on CSR

In April 2004, we established the CSR Promotion Conference and initiated discussion on how we should promote CSR activities in our Group. In conclusion, we decided on such matters as our approach to CSR and the promotional organization. In April 2005, we established the CSR Promotion Committee and an executive office with a secretariat.

The newly established CSR Promotion Committee is headed by the President and is composed of executives from all divisions in connection with CSR.

There is nothing particularly new about our CSR activities. Our CSR policy is to take an overview of initiatives undertaken separately at the divisional and departmental levels from the CSR standpoint, publicize them to society and thereby discharge our duty associated with accountability to society.

Organizational Chart

| Chairman |
| President |
| Vice-President |
| Management Committee |
| Operations Committee |
| CS Promotion Committee |
| CSR Promotion Conference (abolished) |
| CSR Promotion Committee (new) Safety |
| Promotion Committee Environment |
| Committee |
| IT Strategy & Governance Promotion Committee |
| Risk Management Committee |
| Compliance Committee |

Historical Background to Our Approach

Weaving a beautiful world with a warp of trust and web of love

Kahelita Okazaki, the second president of ANA, assumed this position after Masuichi Midoro, the first president who had created a purely civilian airline company out of his desire to advance aviation in Japan. (The Occupation Force had imposed a total ban on civil aviation in Japan after the Second World War.)

During his presidency, the company experienced two aircraft accidents, and was consequently jeered for his earnest efforts to improve relations between Japan and China. One reporter questioning him about responsibility for the accidents asked which he would choose, relations with China or ANA. “ANA can be managed by others, but I have no substitute when it comes to relations with China, an issue that bears on the country’s future,” he shot back.

As this indicates, Okazaki was even more concerned about Japan’s future and its relations with China than running the company. He often lectured his employees on the need to build relationships of trust grounded in love of humanity. In his words, he wanted to “weave a beautiful world with a warp of trust and a web of love.” The phrase affords a clear glimpse of his magnanimous soul, which far transcended concern solely about the company. When one joins the company, new employees learn about the founding spirit, which lives on in ANA’s DNA even today.

-Offer dreams and experiences to people around the world

-Contribute to society

Our Corporate Philosophy states our pledge to offer dreams and experiences to people around the world. To fulfill this, we formulated the Course of Action, the third of which calls for contribution to society. These statements were based on our founding spirit.

Illustration by Yuko Tsujita
ANA’s Management Style

Group Corporate Vision

ANA Group’s Corporate Vision

With passenger and cargo transportation in Japan, elsewhere in Asia and around the world as its core business, the ANA Group aims to be one of the leading corporate groups in Asia.

Being the leader in Asia means that we will become:

Number one in quality
Number one in customer satisfaction
Number one in value creation

The corporate vision for our Group is based on the new corporate philosophy formulated in 2002, and sets out our immediate goals. Specifically, our primary aspiration is to be one of the leading airline-based corporate groups in Asia. This is not merely a matter of size; we hope to rank first in Asia for quality, customer satisfaction and value creation.

To achieve this vision, we have set our management axis with an emphasis on profit (i.e. value creation), and the strategic axis to this end, on a consistent and continuous strategy for customer satisfaction and thoroughly distinguishing ourselves from our competitors. In addition, under our provisions for executing such strategy, we put emphasis on “promptness and customer-first stance” and on “utilizing each employee’s individuality and spirit of challenge”.

Structures to Fulfill Social Responsibility

Corporate Governance

We clearly recognize the importance of strategy and transparency in our corporate governance. In today’s harsh business climate, a competitive management structure is indispensable. Therefore, decisive action by executives versed in management is essential. We do not apply a system of committee-based governance resting on the complete separation of executive and audit functions, which was newly introduced with the 2002 Commercial Code revision in Japan. Also, on our board of directors, where the crucial business decisions are made, the majority of executives have particular expertise in our operations.

In addition, we are delegating authority to departments and divisions, and have appointed executive officers with experience and expertise at these levels. We also instituted a Group strategy conference led by the president and corporate executive officers. Being distinct from the board of directors, it is the mission of this conference to decisively engage in issues fundamental to operation of the Group, as necessary for prompt adaptation to changes in the business climate as well as agile and effective execution of operations. This conference facilitates speedy decision-making.

At the same time, we are making special efforts in respect of transparency and objectivity, which are regarded as the advantages of committee-based companies, in the belief that we shall extend beyond the legal requirements for such companies. By appointment of outside directors, we attach importance to the supervisory capabilities of the board. Similarly, we are appointing full-time external auditors in order to augment our auditing capabilities. Additional measures are being taken to strengthen the system of internal control.

Management System

Prompt decisions and effective audits/supervision

ANA appoints 15 directors, five auditors and 35 corporate executive officers (including directors). Our governance structure aims to set the right balance between an appropriate and prompt decision-making system, effective and efficient management and professional auditing and supervision.

1. Board of directors

We are reducing the number of directors in the interest of prompt decision-making at board meetings. Ever since our founding, we have appointed outside directors to respect external views from an objective standpoint. In addition, highly experienced executive officers attend board meetings to reach appropriate decisions on important issues. We are working towards strict supervision and prompt decision-making to these ends. By limiting the term on the board to one year, our management system reflects our shareholders’ will.

2. Corporate executive officer system

Personnel appointed to the post of corporate executive officer are thoroughly acquainted with the business, and given the authority and responsibility to execute their tasks. We started this system in 2001 with a view to building a scheme enabling such personnel to concentrate on stable operation of the company. Corporate executive officers are selected from each field to enhance management efficiency.

3. Auditing system

To strengthen our auditing capability, we appoint five auditors, including three from outside the company, to the board of auditors. Also, one full-time auditor is from outside the company. As is apparent from such measures, this system is designed for close external monitoring.

We are also enhancing our auditing capability through linkage with the internal control system. Besides the audits undertaken by the auditors and those supported by the Corporate Auditors Office, the board examines reports from internal control units on a

Illustration by Yukiko Abe
regular basis. This further enables it to keep a close eye on the corporate executive capabilities.

4 Business Advisory Board
In addition to those bodies stipulated by law, we have instituted an advisory board comprised of seven experts in various fields and representatives of top management. The board’s opinions on the overall business of the Group are fully reflected in our management.

Internal Control System
The aim of our internal control system is to increase stability and efficiency in business, implement appropriate information disclosure and assure observance of laws, regulations and internal rules. We consider risk management, compliance and internal auditing as the means of attaining these goals. From this perspective, we established the Risk Management Committee in July 2002 and Compliance Committee and Internal Audit Department in April 2003 to complete our system of internal control.

4.1 Internal auditing
The Internal Audit Department, which reports directly to the president, implements operational and account auditing for ANA and its subsidiaries. Periodic audits are conducted in accordance with annual business plans, and non-periodic audits on request from management or as a result of various risk analyses.

Regular auditing covers each organizational unit in the whole Group. Plans are drawn up to audit all the major units every year, and other units at least once every three years. The results are reported to the president on a monthly basis and to the board of auditors on a quarterly basis.

4.2 Help Line - internal reporting desk
In May 2003, we established the Help Line in the secretariat of the Compliance Committee for internal reporting within the Group. The office receives calls concerning all areas, from activities for compliance promotion to problems that cannot be resolved in the workplace. The Help Line is an exclusive toll-free line which also accepts contact by e-mail and fax. In addition, it accepts anonymous inquiries and is open to all Group employees.
ANA’s Management Style

Structures to Fulfill Social Responsibility

Compliance

Reporting directly to the president, the Compliance Committee (secretariat : Legal Affairs) promotes the compliance activities of the ANA Group. The Chief Compliance Officer is responsible for compliance throughout the Group and the Compliance Officers are responsible for each Group company. Executives themselves are instructed to exercise leadership for compliance.

Besides employee education and awareness-raising, to encourage compliance and to identify and solve problems, we have workplaces audited by the divisional Compliance Leaders.

Establishment of activity plans

Each year, we establish specific activity plans. With “Deeper penetration of compliance” as our theme for fiscal 2004, we designated four priority tasks (including safety/quality, protection of personal information) and took steps to heighten awareness of compliance in each unit. We are also doing more in the aspect of education. Besides launching and making extensive use of a compliance website on our intranet for this purpose, we also provide e-learning programs about various laws. The agenda for fiscal 2005 includes the introduction of a Code of Conduct for each country in which we have an office, along with the opening of the Help Line and notification of related information to all employees.

Transparency and accountability

In terms of compliance, our focus is on transparency and accountability. The fundamentals of compliance are to prevent problems from occurring by raising awareness. One of the most important factors is our response in the event of occurrence. We must properly address any problems and disclose such information to the public, rather than seeking to conceal them. Accepting stern criticism from all layers of society will sharpen our consciousness to prevent any recurrence.

Several incidents afflicted the ANA Group in fiscal 2004. Each was taken up by the Compliance Committee for review. In particular, we focus on whether responsible action was taken in regards to transparency and accountability. Thus far, information has been disclosed both proactively and promptly.

The Compliance Committee makes periodic reports on its activities to the board of corporate auditors.

Risk Management

Under the direct supervision of the president, the Risk Management Committee (Secretariat : General Administration) is tasked with providing concrete risk and crisis management. We are striving to ascertain and control risks that could impede our business in order to maintain stability and smoothly achieve our goals.

Business Continuity Plan (BCP) in the event of an earthquake

As a Group operating in earthquake-prone Japan, the preparation of a BCP in the event of an earthquake is an issue of significant importance. Aircraft operators, including ANA, are important source of transportation for the provision of aid to affected areas. We view it as part of our duty to society to maintain operations even upon the occurrence of serious disasters. From this perspective, we have prepared a BCP to hedge against the particular risks associated with a large-scale earthquake in the Kanto region, where our management resources are concentrated, or in the Tokai region. Under this plan, we are enhancing the seismic resistance of our telecommunications facilities, stocking emergency supplies, as well as establishing a safety confirmation system and facilities for service continuity.

High level of ethics expected of the ANA Group

In the ANA Group, compliance is not merely a matter of obeying the law; it encompasses activities to meet the expectations of all stakeholders (such as customers, shareholders, transaction partners, investors and the community) and disclosure of information to the same.

The Group is based on air transportation, which is a means of public transportation. I feel we must be highly ethical on the basis of safety.

Only a few years have passed since the scheme was introduced, and we would therefore like to prepare many more opportunities to further share the concept behind compliance and concrete actions with the highly skilled employees of our subsidiaries, each with their own specialized work.

Mami Natsuno
Legal Affairs

Illustration by Rosemary Grumble
Approach to Safety
Aiming for the world’s highest levels of safety

Safety in the ANA Group
The perception of safety at the foundation of our business is firmly rooted by all employees of the ANA Group as the key concept. But this is not a goal for us, as one can never do enough in terms of ensuring safety. We are doing our utmost to maintain safety at all times. We must ensure safety and the comfort that it affords.

We are acutely aware of the strong concern about safety among our customers. Therefore, we will provide timely and transparent information on safety. Through such efforts, I believe we will remain trustworthy in the eyes of our customers.

We can hope for nothing more than to continue being viewed as safe and reliable by our customers through the assurance of safety. We will continue to march resolutely ahead with our dedication to safety.

Suguru Omae
Senior Executive Vice President
Approach to Safety

Kiyotaka Honda
Safety Promotion, Safety Promotion & Audit

Safety assurance, a perpetual theme

ANA’s Commitment

At ANA, safety takes absolute precedence. All employees think and act in full awareness of our duty to support safe flight operations.

We collect and analyze information related to safety and assess it from all angles. We are also prepared to react promptly to any shortcomings. Pursuit of higher levels of safety is a perpetual theme and constantly requires a fresh approach. Lately, the issue of security has also come to the fore. While there are always agenda to tackle, we are determined to solidly ensure safety as the underpinning of continued peace of mind and trust among our customers.

Approach to Safety

ANA Group Safety Principles

To achieve the reputation for security and reliability among customers noted in our Commitment, we formulated the ANA Group Safety Principles in recognition of the need for a shared perception and unified policies and outlooks among all employees in regard to safety, the most important element at the very core of air transportation.

The philosophy begins with the statement that safety is our promise to the public and is the foundation of our business. It goes on to clearly assert the Group’s obligations with regard to air transport.

Squarely in the tradition of the Group’s safety culture, the philosophy plainly sets forth the roles and responsibilities of the three both universal and basic entities for maintaining and improving safety: companies, organizations and individuals.

<table>
<thead>
<tr>
<th>ANA Group Safety Principles</th>
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<tbody>
<tr>
<td>Safety is our promise to the public and is the foundation of our business.</td>
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<tr>
<td>Safety is assured by an integrated management system and mutual respect.</td>
</tr>
<tr>
<td>Safety is enhanced through individual performance and dedication.</td>
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</tbody>
</table>

Safety Promotion Committee

The Safety Promotion Committee of each airline in the ANA Group are overseen or chaired by the corporate president, and constitute the supreme organs of deliberation and decision-making on safety. The committees work to maintain and improve safety by examining major safety issues, determining policy, confirming that safety measures are being implemented throughout the company, engaging in related monitoring, and offering proposals and advice.

Also, there is an ANA Group Safety Promotion Committee that brings together the top safety officers (i.e. presidents) from each airline. Members discuss safety problems of common concern and share safety information with each other. The purpose is to help resolve safety problems and maintain/improve the level of safety throughout the Group.

Operations Report (OR) Meeting

Attended by the president, vice-presidents and the directors of concerned divisions, meetings are held to review operational reports on taking prompt measures and improvements. The top management members themselves go to the airport to hear firsthand reports on the operational status and study the issues. The meetings are held every week at Haneda Airport in Tokyo.

Immediately upon discussion in the OR meetings, the heads of all concerned divisions (including those of subsidiaries) come together for concrete studies extending to details.

These strict arrangements for learning actual on-the-spot conditions enable the flexible and quick action needed to maintain the highest levels of flight safety and comfort, and have the company leaders recognize the status of the flight operations right before their eyes. We regard safe operations as the most important requirement, and therefore consider it crucial for management to exercise leadership directly on the site.
SAFER (Safety Evaluation and Review Program)

In April 2001, we launched SAFER as an internal scheme for checking our safety management system. Its objective is to evaluate the mechanisms that support safe operations. We check to see that tasks are performed in accordance with the designated procedures, the results properly managed and that the requisite arrangements have been made for each process.

The auditing standards are based on aviation laws and ordinances and safety-related requirements around the world. Auditors trained for ISO 9000 certification, the international standard for quality, check compliance with these standards. Their findings are linked to active improvement of issues for certain units as well as those common to a number of them. Audit reports are submitted directly to the president, who then leads a management review aimed at eliminating any latent difficulties in organizations.

IOSA (IATA Operational Safety Audit)

In November 2004, we became the 14th airline in the world, and first in Japan, to be registered under the International Air Transport Association (IATA) Operational Safety Audit (IOSA). IOSA is a safety audit program with standards incorporating international laws and safety requirements.

In the future, there is the distinct prospect of our expanding alliances and code-sharing services with other airlines. Under these circumstances, systems for airlines’ mutual safety management are assuming increased importance. The resolution of problems by means of common international standards and mechanisms will be indispensable for passengers around the world to enjoy a relaxing flight.

Since joining the Star Alliance in 1999, we have undergone its own safety audits. In addition, over the last few years, we have made efforts to achieve complete compliance with the IOSA standards established in 2003 and other international standards. Even with IOSA registration, we are determined to push ahead with our ongoing endeavors for even higher levels of safety.

For the safety of our worldwide customers

With the increasing number of airline partnerships, we are now responsible for providing safe flights for ever-increasing numbers of passengers from around the world. The quality of safety is something that is not visibly quantifiable. For us, taking up the challenge of meeting the IOSA standards and obtaining such registration was a crucial milestone that compelled us to find ways to deliver a quality of this kind beyond global norms and a comfort for our customers. The undertaking rested on a unified effort by all units of the company as well as leadership and partnership across all fields. In the end, it proved we are maintaining levels of safety above the global norm. We are proud of this achievement, but shall not allow it to dull us into complacency. I would like to see each and every one of us continue to emphasize our safety at all times.

Kayo Morikawa
Group Safety Auditing

Illustration by Miyuki Tanaka
Approach to Safety

ECHO

Developed in 1971, Experience Can Help Others (ECHO) is a program for voluntarily reporting experiences which could have led to an incident. It allows cockpit crew members to share such experiences.

ECHO collects reports on cases of misinformation, inadequate controls and of experiences thought to be useful for excluding hazardous elements, to be shared by the cockpit crews. Its aim is to prevent incidents or accidents that may otherwise occur in future.

To encourage the provision of information from all, ECHO assures the anonymity of its sources. The reports submitted are reviewed by the cockpit crew of all aircraft types in the ECHO committee, which meets every month. Information from the reports is presented in the ECHO journal, distributed to all cockpit crew six or seven times a year.

ECHO is currently being extended to all airlines in the Group as the “ANA Group ECHO.”

ANF FOQA Program

The ANA Flight Operational Quality Assurance (FOQA) Program enables the review of all flights at all times, based on the analysis and assessment of flight record data.

Through the Program, cockpit crew and associated divisions are given feedback on points identified as requiring improvement in respect of operational quality, in order to respond promptly. The Program helps to maintain and promote flight safety while improving operational quality.

Safety Manual

We have prepared a safety manual with regulations for all important safety items. The list includes policy on safety as an airline, safety targets, the safety responsibility and authority of the heads of organizational units, safety reporting systems, safety audits, accident investigation, operation of safety promotion committees and safety education.

In some countries, administrative authorities require airlines to have a safety management system (SMS) for systematic management of perspectives, mechanisms, and schemes for flight safety. The IATA, too, fully supports the introduction of SMS. The auditing standard of its IOSA, the safety auditing program recognized around the world, contains many articles relating to SMS.

Our safety manual extensively reflects the substances of SMS.

Punctuality Based on Safety

We are working to heighten our operational punctuality with complete assurance of safety, the foundation of our business and our duty to society, as the key precondition.

Punctuality is a key element of air transportation. Operating strictly on schedule, with departures and arrivals at the scheduled time, is an essential part of our service quality.

In our endeavors to increase punctuality, we have launched a Group-wide project for all employees involved in operations at airports. We have these employees submit proposals for improvement and utilize them as the basis for executing measures under a system of strict safety management. As a result, we have been able to maintain a high level of punctuality as compared to other airlines. Specifically, in fiscal 2004, we attained an on-schedule departure rate (the share of the total number of flights departing no more than 15 minutes after the scheduled time) of 95.17 percent for domestic service and 90.34 percent for international service. We have had our operational flight data including the punctuality rate disclosed on the ANA Sky Web on a monthly basis since April 1999.

We are mounting a company-wide effort for continuous improvement, understanding that punctual operation is the responsibility of all airlines as a public transportation.

URL

http://www.ana.co.jp/eng/aboutana/flight_data/e/index_sm.html

Operational Data
Air Turn Back Rate
Diversion Rate
On Time Departure Rate

Illustration by Chiori Fuyuki
<table>
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<th>reports on Safety-related Incidents</th>
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<tr>
<td>The ANA Group was given a stern warning by the Ministry of Land, Infrastructure and Transport for operational incidents in 2004 and 2005. Our Group Safety Principles state that safety is our promise to the public and is the foundation of our business. We are constantly reminding all Group employees of the importance of safety, and greatly deplore the occurrence of such incidents, especially when problems are being pointed out in regard to transport safety. We offer our deepest apologies for having caused so much apprehension to our customers and all other parties as a result. We take a very serious view of these matters and are undertaking a comprehensive review of safety systems throughout the Group. In so doing, we are putting particular emphasis on heightening awareness of safety and reconfirming procedures and manuals. We constantly ask ourselves what more can be done to eliminate errors and keep our operations safe, and remain committed to doing our utmost to ensure safety.</td>
</tr>
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</table>

| Entry of passengers into the cockpit in flight |
| Description |
| On July 13th, 2004, the captain of ANA Flight 1969 (a charter flight from Osaka/Kansai to Dublin) admitted over 20 passengers into the cockpit while the plane was cruising. |
| Cause |
| Because it was a chartered flight, with clearly identified passengers, the captain misinterpreted the in-house rules and admitted the passengers into the cockpit. |
| Measures |
| • Issuance of a written circular from the president to all employees, instructing a further enhancement of awareness on security |
| • Issuance of a written circular from the director of the Flight Operations to all cockpit crew instructing higher awareness of crisis management and observance of regulations |
| • Issuance of a written circular from the directors of Inflight Services and Marketing & Sales, instructing a heightening of awareness of security and tightening security measures |
| • Implementation of a self-assessment flight for all cockpit crew in management positions |
| • Implementation of a safety meeting for all cockpit crew in non-management positions |
| • Confirmation of knowledge on safety and heightening awareness of security in periodic drills and inspections for all cockpit crew, and in periodic emergency drills for all cabin attendants |

| Consumption of alcohol by flight crew less than 12 hours before the scheduled time of departure |
| Description |
| On May 4th, 2005, three cockpit crew and five of the six cabin attendants consumed alcoholic beverages with their dinner during their stay in the city of Akita, and thereby violated the in-house rule prohibiting consumption of such beverages less than 12 hours before flight service. Substitutes were arranged for the cockpit crew, whose violation was detected in time, but the cabin attendants worked as scheduled on the flight the following day. |
| Cause |
| The flight crew neglected the basic practice of ascertaining the specific time limit before drinking and failed to engage in mutual confirmation of self-management. |
| Measures |
| • Issuance of a written circular from the directors of Flight Operations and Inflight Services to all flight crew instructing strict observance of rules |
| • Presentation of this case at various conferences and meetings to heighten awareness of rule observance |

| Neglecting air traffic control instructions at Komatsu Airport |
| Description |
| On April 22nd, 2005, ANA Flight 361 operated by Air Nippon began the take-off roll at Komatsu Airport without clearance from the control tower. The aircraft stopped on instruction from the air traffic controller to abort the take-off. |
| Cause |
| On the taxiway right before entry into the runway, the captain instructed the co-pilot to take over the controls for take-off. For this reason, the captain and the co-pilot were preoccupied with changing roles of the pilot in control. As a result, neither confirmed the tower’s approval to take-off. |
| Measures |
| • Issuance of a written circular from the directors of the Flight Operations of all airlines in the Group to all cockpit crew, strictly instructing proper communication with air traffic control |
| • Holding an emergency safety meeting with all cockpit crew for discussion focused on air traffic control to heighten safety awareness |
| • Implementation of mutual assessment by cockpit crew regarding communication with air traffic control in actual flights |
| • Stipulation in the flight manual to the effect that the pilot in control must be designated before the flight |
### Approach to Safety

<table>
<thead>
<tr>
<th>Movement of cargo containers in flight</th>
<th>Flight at an altitude different from air traffic control instructions</th>
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</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td><strong>Description</strong></td>
</tr>
<tr>
<td>On ANA Flight 22 on May 15th, 2005, containers in the cargo space moved forward when the plane began to descend. This movement caused noise and vibrations.</td>
<td>ANA Flight 664 on June 5th, 2005 operated with inaccurate altitude data until landing due to a malfunction with an altimeter-related system. As a result, the flight cruised at an altitude different from that instructed by the air traffic control.</td>
</tr>
<tr>
<td><strong>Cause</strong></td>
<td><strong>Cause</strong></td>
</tr>
<tr>
<td>The cargo loading staff did not report to their supervisor about the lock-down being completed. In addition, the supervisor mistakenly assumed that the containers had been secured. As a result, locking procedure and the confirmation were neglected.</td>
<td>The atmospheric pressure data on the co-pilot side was rendered inaccurate due to a loosening of a connection tube for the atmospheric pressure measurement system. Nevertheless, the captain mistakenly believed that the altimeter system on the captain’s side had malfunctioned, due to a lack of in-depth knowledge of that system and some improper trouble-shooting. Furthermore, the mechanics on the ground did not give proper advice when informed of the situation. As a result, the captain’s misunderstanding went unresolved throughout the flight.</td>
</tr>
<tr>
<td><strong>Measures</strong></td>
<td><strong>Measures</strong></td>
</tr>
<tr>
<td>• Sharing information on this case through presentation to the concerned units at all airports, and instructions for repeated confirmation and enhancing confirmation procedures</td>
<td>• Issuance of a written circular from the director of Flight Operations to all cockpit crew to draw their attention to such issues, and publication of a newsletter presenting the case to share the information</td>
</tr>
<tr>
<td>• Implementation of a reeducation program for the Group employees involved in the incident, with a safety education video on human error</td>
<td>• Review of operating procedures for handling such cases, and studies for improving the training of knowledge and procedures on the system</td>
</tr>
<tr>
<td>• Introduction of a new procedure for locking containers</td>
<td>• Inspections of the piping for the atmospheric pressure measurement system on all aircraft</td>
</tr>
<tr>
<td><strong>ANA’s Response</strong></td>
<td><strong>Commitment by the Director of Flight Operations</strong></td>
</tr>
</tbody>
</table>
| Listed below are the measures taken by ANA in response to the series of safety-related incidents. | Mitsuo Morimoto  
Executive Vice-President |
| ① Emergency safety inspections         | To keep the skies safe, we absolutely cannot tolerate even the slightest error or laxity. The expression “to err is human” does not apply to air transport safety. |
| ② Executive visits to the front line   | Toward the goal of eliminating human error, we are going to promote a consciousness renewal among flight crew and conduct a rigorous review of procedures and manuals. |
| ③ Direct safety talks                  |                                                                     |
| Direct dialogue between executives and employees |                                                                     |
| ④ Emergency safety meetings           |                                                                     |
| A total of 1,000 meetings with about 11,000 participants | | |
| ⑤ Safety executive caravan            |                                                                     |
| 11 sites with 820 participants         |                                                                     |
| ⑥ Special inspection for safe operation | | |
Engagement
with Stakeholders
As a good corporate citizen

CS (Customer Satisfaction) in the ANA Group
ANA’s character is summed up in the slogan “Anshin, Attaka, Akaruku-genki! (Reliable, Warm, Enthusiastic !)” We are doing our utmost to elevate the status of the ANA brand towards our goal of ranking first for services, with features that really impress customers. In a sense, a company’s brand is shaped by the customers’ ratings of its activities. In the ANA Group, we are also making a determined effort to build up the brand ourselves. While this may be impracticable in certain respects, it is but another example of our “Anshin, Attaka, Akaruku-genki!” spirit.

We also believe in the importance of listening to our customers’ views. We regard the voice of our customers as the key to improving services and creating corporate value. We are always considering ways to better reflect it in our services. Thus far, we have received numerous precious insights from our customers. While there have also been complaints, the frank opinions will help make ANA even better tomorrow.

We look forward to comments on all aspects of our service from our customers. Naturally, we are always delighted to hear a few words of approval.

Masao Nakano
Senior Executive Vice-President
Customers

CS Activities

ANA Group Brand Vision
Creating Personal and Human Experience with Customers

The ANA Group brand vision is to create a personal and human experience with our customers. A satisfied customer and a simple “thank you” afford us all the joy and gratification we need. In our view, with each employee that adopts this outlook, our CS levels – the key element for solidifying the position of our brand – rise ever higher.

Therefore, our CS activities are focused on employee consciousness-raising and the quality management of our products and services based on customer feedback.

The Character of ANA
“Anshin, Attaka, Akaruku-genki! (Reliable, Warm, Enthusiastic!)”

Now that the air transport industry in Japan is entering an age of genuine competition, we cannot expect to be the airline of choice unless we firmly establish a distinctive ANA character, i.e. strengths and attributes that cannot be imitated by other companies.

With this in mind, we launched the Himawari (Sunflower) Project, which is devoted to a review of our character and establishment of shared values through work by 28 mid-career employees selected as members. This team went into action in June 2004 and participated in activities including lectures by experts, a variety of surveys and in-depth discussions during overnight camps before submitting their report in December 2004. They summarized the ANA character defined through their work in the words “Anshin, Attaka, Akaruku-genki! (Reliable, Warm, Enthusiastic!)” They also defined the ANA “Mind and Spirit” to support this character and be shared by all employees, i.e. a CS mentality, frontier spirit and team spirit.

We depicted this concept as a sunflower (the ANA Group) that is constantly oriented toward the sun (the customer). The whole Group is conducting a concerted campaign to convey our “Anshin, Attaka, Akaruku-genki!” character to all customers.
Good Job Card

On the front lines, for those in direct contact with our customers, we instated a scheme of “good job” cards. Employees hand these cards to each other for a job well done. The scheme increases pride in work through recognition by colleagues and also helps to breed a culture of interest about the work of others. By showing the messages on these cards to others and relaying words of praise from our customers, we are sharing the customer’s joy with our own among all employees.

Management of Personal Information

It is our duty to strictly manage our customer’s personal information. With the Act on the Protection of Personal Information in April 2005, we reinforced our controls and modified our services so that our customers will remain free of worries.

More specifically, we began by formulating the methodology of customer information management, and announced it to all under the title “ANA Privacy Policy”. Next, we supplemented our existing rules on information security control with new articles on the protection of customer information and information management by employees, and ensured that all employees were informed of and followed them.

To make sure that all employees understood the substance of the new act and related regulations, we built an environment for e-learning and self-study using CDs. To the same end, we prepared and distributed a handbook on the subject, mainly to employees in service divisions that have direct contact with our customers.

URL
http://www.ana.co.jp/eng/aboutana/legal/index_sm.html
ANA Privacy Policy

Quality Control of Cabin Service

The system for assessment of quality control on flights consists of two components: that by the cabin attendants and that by other employees.

In terms of the first component, about 250 cabin attendants have been appointed as quality improvement inspectors and promoters. They regularly report on in-flight quality after checking it with reference to ANA indicators and assessment standards.

For the second component, assessments and analyses are made by our Quality Assessment Division. The Division checks the actual cabin service quality according to rating standards while taking full account of the passenger’s perspective.

Personal information is precious property entrusted by our customers

We are constantly mindful in our work that the personal information entrusted to us by our customers is precious. In the ANA Mileage Club, we handle information relating to many customers for mileage calculations and granting of privileges. The Club is essential for the improvement of services for our customers, but it also involves a heavy responsibility since we receive personal information from more than 10 million members. We shall resolutely continue to exercise the greatest care in handling it.
Engagement with Stakeholders

Customers
Consideration for All Our Customers

Sky Assist

In 1997, we established the ANA Sky Assist Desk for consultations about flying to ensure that all challenged customers could enjoy a relaxing and pleasant flight. The Desk is equipped to readily provide factual knowledge, accurate information, and proper arrangements for trips in response to requests of all customers, from reservation to disembarkation.

URL
http://www.ana.co.jp/dms_svc/service/assist_eng/index.html
ANA Sky Assist

Barrier-free Airports and Aircrafts

For barrier-free arrangements, we take on board the views of customers and opinions of others both within and outside the company, and act on them to provide improvements and new services. We began by making special writing pads available for customers with hearing disabilities at eight airports in Japan in 1998, a service which is now available at all airports in Japan and on all domestic aircraft (except for certain small aircraft). From 1999, prior to the enforcement of the Transportation Barrier-Free Law, we provided wheelchairs for all domestic aircraft.

Even after this law came into effect, we took additional measures such as equipping aircraft with movable armrests and installing restrooms for use by passengers in wheelchairs. We have also introduced “assist seats” to help physically challenged customers take their seats and prepared subtitles for ANA Sky Vision (ANA’s in-flight video program). As this indicates, we listen closely to our customers and actively implement improvements. We also publicize barrier-free features, such as a special page on ANA Sky Web (our website) for the physically challenged.

Barrier-free Hotels

ANA Hotel Tokyo has new barrier-free rooms with greatly improved furnishings. In advance of the renovation, we sought advice directly from users of wheelchairs and incorporated their valuable insights into numerous details.

For guests with hearing disabilities, we installed “door knock transmitters” that react even to soft knocks and chimes, a TV “doorphone” with a wireless monitor enabling guests to see people at the door, and an “alert master” that informs occupants of knocks, chimes, telephone calls, fax receptions and clock alarms by a combination of signals, such as blinking lights, flashes and vibrations. Additional touches may be exemplified by electric-powered beds that can be horizontally raised to facilitate nursing care, washrooms large enough to allow wheelchairs to easily turn around and toilet paper holders from which the paper can easily be torn from the roll with one hand. In these and other ways, the rooms are specially designed from the guest’s perspective.

URL
http://www.anahoteltokyo.jp/e/index.html
ANA Hotel Tokyo

Offering a relaxing and pleasant flight for all passengers

I currently handle phone inquiries at the Sky Assist Desk and help customers who are physically challenged or in poor health with their trips. I can often sense the apprehension or stress of the customer on the other end, and try to allay such feelings as my primary task. Next, by listening to our customers, I attempt to get a firm understanding of the customer’s situation, concerns and all requisite information. Finally, I try to furnish the caller with all the assistance they need based on expert knowledge.
Customers

Sign Language Activities

Sign language activities were begun by cabin attendants under their own initiative. At present, it is being extended from a project to upgrade capabilities, with sign language leaders preparing educational materials and teaching seminars.

In the summer of 2004, cabin attendants versed in sign language began to wear badges for easy recognition by customers needing their services and to increase customer satisfaction. This practice is now spreading throughout the Group through coordination with other sections.

In 2004, we also took additional steps to upgrade sign language skills as a means of communication and higher customer satisfaction. More specifically, all cabin attendants were instructed in the signs for simple greetings and expressions of gratitude as well as requests to fasten seat belts, stow carry-on luggage and refrain from using mobile phones.

Passengers have told us of how reassured they felt about flying when ANA cabin attendants communicated in sign language. Some of them also encourage our attendants to persevere in learning the language.

Reassuring customers at ease with a simple “hello”

Almost 200 ANA cabin attendants have been certified as having sign language skills of Grade 4 or higher, and wear the sign language badge in the cabin. As leaders, we hold sign language mini-classes three times a month. Passengers have told us how pleased they are with ANA because we know sign language. Even cabin attendants who cannot fully communicate in sign language can really bridge the gap with passengers who have hearing disabilities by flashing a simple “hello” sign. I hope to extend this movement so more passengers can fly ANA with ease.

ANA Rakunori (Easy Travel) Services

The aim of the service is to deliver comfortable flights to all customers. There are various categories to serve all types of passengers needing assistance. “Senior Rakunori” provides all manner of assistance for the elderly, so they can enjoy a worry-free flight. “Family Rakunori” offers support for customers traveling with babies or small children and for expectant mothers. “Kids Rakunori” helps children traveling alone all the way from departure to arrival. And “Pet Rakunori” enables passengers to enjoy trips with their pets.

ANA staff wearing this badge are always ready at airport Rakunori Counters to ensure our passengers have an enjoyable flight.

URL
http://www.ana.co.jp/eng/int_svc/rakunori/index.html
ANA Rakunori (Easy Travel) Services

Introduction of AED

Automated external defibrillators (AEDs) are highly effective if a passenger suffers an attack of ventricular fibrillation. We began installing AEDs on all aircraft from March 2003, and plan to complete this installation for subsidiaries as well (excluding Air Hokkaido) by the end of the first half of fiscal 2005. (As of July 2005, AEDs are installed on all aircraft except the DHC8-300/400 and F50.) Meanwhile, we have instructed cabin attendants in the operation of AEDs to ensure they are able to take the proper action in emergencies.
Aiming to be a familiar presence to our customers

In the ANA Group, it is our duty as a good corporate citizen to make a positive contribution to society. We promote contributions to the community with participation by our employees toward the goal of a sustainable tomorrow. We aim to keep the Group close to our customers through communication with society.

Through my part in production of the monthly Group newsletter, I, too, hope to promote these activities widely throughout our Group.

Volunteer Activities

Lily of the Valley Event

In this yearly event, cabin attendants and passenger services staff present lilies of the valley grown in Hokkaido to patients in hospitals nationwide. The program was begun in 1956, and 2004 was therefore the 49th year of the event.

The program started following a proposal to present these charming white flowers, which represent the return of happiness, to patients and staff in hospitals by His Imperial Highness Prince Takamatsu.

Up until 2002, we presented freshly cut flowers. We switched to flowers pressed into bookmarks in 2003, in response to requests to be able to keep the flowers for a long time and thereby make the wishes for happiness associated with them more permanent. After the flowers had been pressed with the cooperation of Japan Remiko Pressed Flower, volunteers in the ANA Group carefully make each bookmark by hand.

In 1956, the presentations were made at only 10 hospitals. The number steadily grew along with the expansion of the ANA Group network to nearly 50 across the country. In 2004, approximately 18,000 patients received the bookmarks, which delight both them and their families.

60 cabin attendants visited hospitals to present these gifts, and a total of about 2,700 employees helped to make the bookmarks over a period of ten days.

We intend to continue the program as a modest form of social contribution, as long as it brings joy to the patients.

Communities and Society
Communities and Society

Lily of the valley - “return to happiness”

As a token of our wishes for their happiness and to give patients some encouragement, we present bookmarks bearing pressed lilies of the valley that have been carefully and individually hand-made by Group employees for patients in 50 hospitals across the country. We made about 18,000 lily bookmarks, each one extending our wish for the message of happiness conveyed by the flowers. We handed the bookmarks to each patient, together with a smile. To see the smiles reciprocated on the grateful faces of the patients receiving the bookmarks made me feel happy as well.

Sachiko Nishimura
Inflight Service Administration, Inflight Services
Captain Asada and the Bed School

The story began with an e-mail from the Nishitaga Hospital School (School for the physically challenged) that ran as follows.

“I am writing to ask you whether you have a record of flights on April 29th, 1963. We are now compiling an outline history of our school in commemoration of the 50th anniversary of our founding three years from now. In the process, we discovered a clipping of a newspaper article about how ANA gave 50 of our students a free flight on what was then the latest passenger plane, circling the city of Sendai twice. We would appreciate it if you could look into your records for this flight.”

An investigation revealed that the wife of the captain of the flight in question was still alive and well. Here is the story she told us – a story bringing together a pilot who loved the sky and a group of children who drew their dreams on it.

The Douglas DC3, the mainstay of the fleet at the time of ANA’s founding

On April 9th, 1958, a carrier pigeon flew into the National Tamaura Sanitarium near Sendai Airport. Living in the Sanitarium were about 200 people with various illnesses, including children of school age. The adult patients began to teach the children on their own initiative, in courses that came to be known as the “bed school”.

That morning, the bed school children found an unfamiliar stray pigeon among the flock they were raising. The ring around its foot revealed that the bird belonged to a man in Tokyo.

The children asked each other how they could return the pigeon back safely to Tokyo. They were worried that such a long ride on the train could adversely affect its health.

One of them had a bright idea: “Let’s ask the airplane company!” Sendai Airport lay across the road from the sanitarium.

Although the request was rather unreasonable, Mr. Kamada, the station manager of Sendai Airport, graciously accepted, and Captain Asada agreed to undertake the job of flying the pigeon back home.

The pigeon was brought safely back to its owner, and the episode was given a lot of attention in the newspapers. It was the start of the friendship between the bed school children and Captain Asada. Captain Asada visited the bed school many times. The children seemed to be always gazing out the window at the sky. He was painfully aware of their yearning to someday run around outside, under a sky unframed by windows.

“Wouldn’t it be possible to take the children on an excursion flight?” Captain Asada wondered. He wanted to hear their shouts of joy in the open skies. An excursion flight from Sendai Airport may not have much impact on their condition, he thought.

Captain Asada suggested his idea to ANA, but there were numerous problems to overcome, and the issue of revenue was the least of them. “Won’t the children get sick during the flight? And how will you get children in wheelchairs onto the plane?” he was asked. But nevertheless, he repeated the proposal to ANA every year. He was moved by the looks on the faces of the children in the bed school. He wanted to make their longing for the sky come true.

In 1963, five years after the pigeon flight, ANA finally approved the excursion flight.

Two flights were made on April 29th, as the 50 children were divided into two groups.

Up in the air, the excited children continuously shouted for joy.

“Look, our school!”

“The city of Sendai looks so small!”

“I can see Matsushima!”

The children who had always gazed at the sky framed by the hospital window were now soaring freely in it.

Captain Asada and the children on the flight

Thereafter, Captain Asada went to Seattle for training on the B727 aircraft. He fell ill upon his return, and passed away in September 1967.

There are no records of any exchange between ANA and the bed school afterwards. But the memory of the dream and experience lives on in the children and the staff of the “bed school” (currently Nishitaga Hospital School). The e-mail noted at the beginning of this article inquired about the details of the flight, to be included in the story of Captain Asada in a publication celebrating the school’s 50th anniversary.

The memory of the “dreams” and “experiences” shared with our customers never fades.

Dreams and experiences are eternal – stretching from the past into the future.

ANA Group’s Corporate Philosophy

Our Commitment

Offer dreams and experience to people around the world
Communities and Society

Volunteer Activities

Red Feather Community Chest

Since 1962, ANA has supported the Red Feather Community Chest fund-raising drive as part of our social contribution activities in accordance with the Course of Action to "Contribute to society" in our Corporate Philosophy.

Our cooperation began with services at 24 airports in response to a proposal by the then-Minister of Health and Welfare, who took note of our extensive routes. On October 1st of each year, cabin attendants and passenger service staff of the ANA Group deliver messages and red feathers from the Minister of Health, Labour and Welfare to governors, mayors and the heads of municipal subcommittees at ceremonies to kick-off the drive all over Japan. The year 2004 marked the 43rd year of our participation.

In 2004, we also set up donation boxes at our check-in counters at 48 airports and 6 ANA Square (city ticketing office) locations in Japan. As we did in 2003, we painted the red feather symbol of the drive on six Boeing 767 and four Boeing 737 aircraft. By the end of the drive on December 31st, these aircraft had made approximately 6,000 flights, publicizing the drive throughout Japan.

“Change for Good” Program

We solicit donations on board flights from the United States (excluding Honolulu) under the UNICEF "Change for Good" program. Every month, we receive donations from nearly 1,200 passengers.

ANA Marche

ANA Marche is a bazaar that we began for residents in the vicinity of airports about ten years ago. Over the years, it has grown into a large-scale volunteer activity with the participation of subsidiaries in the Narita area (in 2004, there were 102 volunteers and about 1,000 visitors with sales of approximately 1.5 million yen). Part of the proceeds was donated to the Japan Rescue Association (which raises rescue dogs), the Narita Municipal Welfare Council and victims of the Mid-Niigata Prefecture Earthquake.

ANA Hotels Volunteers Day

ANA Hotels Volunteers Day is a social contribution program sponsored by the ANA Hotels Labor Union Federation. It was begun ten years ago by employees who wanted to do what they could to help the victims of the Great Hanshin Earthquake. It comprises a wide range of activities, from blood donations and registration for the bone marrow bank, to collecting used stamps and prepaid cards, charity bazaars and collecting donations throughout the country. The donations are presented to the Japan Guide Dog Association, ASHINAGA and NGOs actively supporting children in developing countries.

With the Community

Aircraft Maintenance Center Tours

ANA Aircraft Maintenance Center offer free tours for the public. These tours are available for all, including students on school trips, families and the challenged. Each year, there are nearly 40,000 participants. Thus far more than 300,000 people have participated in the tours.

Visits to Child Welfare Institutions

Each July, we participate in the Fuji Gakuen Summer Festival held at Fuji Gakuen (a child welfare institution) near Narita Airport, together with Tokyo Electric Power Co., the Lion’s Club and other organizations. During the Festival, we deepen ties with children by participating in the bazaar and joining in with dances. In the "CA (Cabin Attendant) Santa" program, ANA cabin attendants visit child welfare institutions in Santa Claus costumes together with the Student Samba Team of the Latin American Association of Waseda University each December. They perform dances, play the violin and entertain with picture-card shows, as well as presenting Christmas gifts.

In March of 2004, we invited children from Bosco Futaba Gakuen in Chiba to our Narita Maintenance Center to view airplanes, which was a spectacular experience for them.

Facilities Visited by CA Santas in Fiscal 2004

Child Welfare Institutions

Futaba Gakuen (Narita)
Narita Gakuen (Narita)
Boso Futaba Gakuen (Chiba)
Yotsukaido Yogo Gakuen (Yotsukaido)

Schools for the Visually Impaired

Chiba Prefectural School for the Visually Impaired (Yotsukaido)

CA Santa at a child welfare institution
Across National and Regional Borders

Sports Tournaments and Other Events

Beijing and Dalian International Marathons

![Beijing International Marathon](image)

We sponsor international marathons in China. In 2004, we sponsored the ANA Beijing International Marathon on October 17th and the Dalian International Marathon for the ANA Cup on October 31st. In the Beijing Marathon, 29,000 runners set out from the starting line in Tiananmen Square. In the 18th Dalian marathon, numerous athletes ran through the nostalgic streets of the city. We will continue to do our best to build ties of goodwill between Japan and China through these marathons.

Mini-soccer and Tag Rugby Tournaments in Kumamoto

![Tag rugby match held in October](image)

From May 15th to 16th in 2004, we held the ANA Cup Mini-Soccer Tournament in the prefectural sports park in the city of Kumamoto, Japan. During the two days, the Tournament attracted a total of 6,000 people (players and spectators) and 197 teams. Spectators watched some intense matches that called to mind the 2002 World Cup games co-hosted by Japan and Korea.

On October 11th (Sports Day, a Japanese national holiday), we held a tag rugby tournament open to boys and girls. Exciting matches were played by a total of 350 children from 37 elementary school teams and 17 junior high school teams in the prefecture. Including the spectators, about 1,000 people enjoyed the tournament.

The 2004 ANA Open

![ANA cabin attendants with the winner, C. Plaphol](image)

The 32nd ANA Open Golf Tournament was held on the Wattsu course of the Sapporo Country Club over a period of four days starting on September 16th. We recruited volunteers to run the tournament, and strengthened ties with the community. The number of volunteers has been steadily increasing with the cooperation of people mainly from the local community (Kitahiroshima City), and the number reached 626 in 2004 from 13 in 1997 (the first tournament).

We donated a portion of the profits from the tournament to the city of Kitahiroshima, which produced many volunteers and rendered valuable assistance. In addition, we donated the profits from a Pro-Am charity tournament to the Hokkaido Transportation Safety Association and other parties.

Cargo Transportation Support

![Artworks are carefully transported](image)

ANA Cargo transports many paintings, sculptures, and other works of art displayed at exhibits around the world, to and from Japan. We supported the transportation of artworks for many exhibits throughout the globe, such as those on dinosaurs, ancient artifacts and fine arts.

Besides safe and reliable shipment, the transportation of artworks requires careful handling. We not only place top priority on assurance of quality, we help transport the joy to the exhibition visitors.

ANA Musical Concert with the Children’s Castle Band

We invited a band from the National Children’s Castle, a children’s center in Aoyama, Tokyo, to stage concerts under our sponsorship in six European cities (London, Paris, Brussels, Düsseldorf, Frankfurt, Geneva). The concerts were composed with the participation of the audience, and were enjoyed by people of all ages. ANA staff sang on stage with the children to infuse the event with ANA’s warmth. The concerts collected a total of 270,295 yen in donations, which were donated to the United Nations High Commissioner for Refugees (UNHCR) for the relief effort in areas affected by the tsunami from the earthquake off Sumatra.
**ANA’s Commitment**

We wish to help with the development of future generations. It is our duty to offer as much support as we can for the growth of children and human resources needed for the future of this world.

Out of respect for the aspirations of Kaheita Okazaki, ANA’s second president, who believed it was important to assist the development of talented personnel and promote mutual interchange with other Asian countries, ANA established the Okazaki Kaheita International Scholarship Foundation partly with donations from his family. The foundation has supported many scholars from China and other Asian countries. Also, pilots and mechanics organize aviation classes all over the world. This gives us an opportunity to talk to children on the basics of aviation.

**ANA Pilots’ Aviation Class**

We have been organizing aviation classes in response to requests from all over the world. From 2004, we have been providing classes for elementary and junior high school students around the globe. These classes are part of our customer satisfaction activities based on the aims of the Flight Operations Division. The focus is on enhancing customer recognition of safe flight operation and ANA’s operations policy. In 2004, we held a total of 33 classes. In addition, our cockpit crews voluntary lectured at 17 classes in their alma maters.

### ANA Pilots Aviation Class in Fiscal 2004

<table>
<thead>
<tr>
<th>Month</th>
<th>Location / Event</th>
</tr>
</thead>
</table>
| April | Paris
Tokyo (Junior High School) |
| May   | Frankfurt
Tokyo (Junior High School)
Gifu Prefecture (Junior High School) |
| June  | Hong Kong Japanese School
Fukuoka (High School) |
| July  | Family aviation class for AMC members
Sky Day Event
Kansai International Airport Tour |
| August| Kansai International Airport Tour
Hareeda Airport Tour
Yonago Airport
Aviation class for junior high and high school students |
| September | Tottori Airport Niigata
Airport Matsuoka
Airport Okayama Airport
Barcelona and Hamburg |
| October| Asahi Shimbu Aviation Class
Dublin, Geneva, Brussels
Miyazaki Airport |
| November| Central Japan International Airport
Aviation class at Junior College |
| December| Tour for kids
Niigata Prefecture (Elementary School)
Family aviation class for AMC members |
| January| Aircraft Maintenance Center Tours
Dalian |
| February| Full-day tour for kids
Niigata Prefecture (Junior High School) |
| March  | Full-day tour for kids |

Giving dreams to children through aviation classes

At ANA, we often visit elementary and junior high schools to hold aviation classes, where we talk to the children about how airplanes fly and what a pilot does in a day’s work. Some of the children dream of becoming pilots. With so many questions, we often don’t have enough time to answer them all. I hope we can continue to nurture these children’s dreams through such classes.

I shall continue offering these classes, as I look forward to working in the cockpit in the future with children we meet at the classes.

In ANA Sky Web, our website, a page for elementary and junior high schools to submit requests for aviation classes is available.

**URL**

http://www.ana.co.jp/anafan/school

(*Currently available in Japanese only*)

**E-mail**

pilotkokukyoshitsu@ana.co.jp

Illustration by Hana Rude

Seiji Watanabe
Engine Maintenance Section 1,
Power Plant Maintenance Center, Engineering & Maintenance

It is our duty to offer support for future generations around the world.
Power Plant Maintenance Center Aviation Classes

The mechanics of the Power Plant Maintenance Center hold aviation classes on a voluntary basis. This program, rooted in the community, stimulates children’s interest in aircraft and engines and strengthens our ties of friendship. In the classes, mechanics go to their alma maters to talk to the children about the principles of flight and methods of engine maintenance. The classes include making and flying paper airplanes together.

Since 2004, we have recruited volunteers from the Center and have held classes for more than 700 participants, not only at elementary schools, but also for high school students and Sora no Hi (Sky Day) events. The participants rated the classes highly, commenting that they were “really great fun”, “made aviation more familiar” and were “fun for the whole family”. Also, we have received many handwritten letters of thanks and encouragement, which further motivates the volunteers.

The volunteer mechanics from the Power Plant Maintenance Center mentioned that their encounters with customers through these classes also enhanced their recognition of working in the airline industry, and wish to take part in future classes to enlighten more children.

We hope to continue such classes where we can see the delighted smiles of the children.

“Mini-mini CA (Cabin Attendant)” Aviation Classes

In March 2005, we held a “Mini-mini CA” Aviation Class in Osaka. The classes are planned in the hope of making ANA more familiar to children in the area as an “Anshin, Attaka, Akaruku-genki! (Reliable, Warm, Enthusiastic!)” airline. The class, which followed a proposal from the cabin attendants themselves, is appreciated every year. In its third year, it attracted applications from almost 1,000 elementary school students for the 24 seats offered in the class. Even children who were a little tense at the start, gradually loosened up, as they changed into cabin attendant uniforms to take a memorable photograph in the terminal with their parents, experienced in-flight service and a delightful lunch with ANA cabin attendants and pilots. By the end of the class, every student had become a charming little cabin attendant. The class concluded with a graduation ceremony in which all of the children were presented with “Mini-mini CA” diplomas. The ceremony finished in a friendly atmosphere, with parents and classmates showing off their graduation albums to each other.
Airline Business Lectures in Universities

Over the last few years, universities have been endeavoring to initiate and promote appealing curricula not found in other schools. This is because of certain trends, such as a decline in the number of candidates along with falling birthrates and the transformation of national universities into independent administrative institutions in the spring of 2004. One of the new types of classes popular with students are those that lecture on developments in the real world of business, by people actually involved. ANA sends personnel to several universities to lecture on topics such as the airline and tourism business and the environment surrounding the industry. A better understanding of our industry in society is welcomed, and we wish to continue cooperating in such classes.

In 2006, Tokai University will initiate Japan’s first college program for training pilots with the full cooperation of the ANA Group. Besides lectures on technical aspects, the curriculum will include classes, such as those on the overall state of the airline industry. Through this program, ANA will expand the interaction between industry and academia.

The Okazaki Kahelita International Scholarship Foundation

Out of respect for the wishes of Kahelita Okazaki, our second president, the Foundation was established in March 1990 for the purpose of supporting human resource development in Asian countries. The foundation awards scholarships to university graduates in various countries, invites them to Japan and offers support for their studies at graduate school.

Donation of Aircraft Parts for Exhibition

We received a request from the Okinawa Kids Discovery Kingdom Foundation concerning the dismantling of an ANA aircraft that had been damaged during a training flight on the island of Shimojishima in Okinawa. The Foundation wished to put parts of the aircraft on display so that the children of Okinawa could actually expound on their dreams of the sky and airplanes.

The detached parts were not in good enough condition for display. Therefore, ANA Techno Aviation Co., Ltd. re-painted the parts. Delighted to learn that it would be put to good use, the Group employees volunteered to set up displays for the flaps, tires and seats. We donated the displays together with a model plane on July 22nd, 2004 in the hope of stimulating children’s interest in aircraft and their aspirations for the future.
## Business Partners

### Relations with Business Partners

#### Fair relations with Business partners

To promote fair transactions throughout the ANA Group, we fully comply with the Antitrust Law and all other related legislation based on the principles concerning “Relationships with Our Business Partners & Competitors” in our Code of Conduct.

#### ANA Group Code of Conduct (excerpts)

**II. Relationships with Our Business Partners & Competitors**

- Relationships with Our Business Partners: ANA Group purchase transactions are open worldwide, and are designed to be as fair as possible and easily understandable.

- Business Gifts and Entertainment: When offering or accepting business courtesies from a business partner, we neither accept nor offer any gifts or entertainment that are more than a nominal value, or that otherwise would be unreasonable or inappropriate in a business relationship.

- Compliance with Antitrust Laws and Truth-In-Advertising Laws: In our relationships with our clients and competitors, we promise to comply with all antitrust laws in order to ensure fair and open transactions, and not to engage in false or misleading advertising or any unlawful activities.

### ANA Group Purchasing/Transaction Guidelines

Many of the goods and services we provide to customers require the purchase of materials and services from business partners across a wide range of fields, including aircraft, jet fuel and cabin / office supplies. We wish to fulfill our CSR through coordination with our business partners and in accordance with our purchasing/transaction guidelines.

#### Compliance and CSR among Business Partners

We will continue to engage in green purchasing as stipulated by the Green Purchasing Network (GPN).

Besides our existing approach to green purchasing and procurement, we will be asking our business partners for their understanding of and cooperation with our CSR activities. At the same time, we will take account of their approaches regarding compliance, social contributions and other CSR activities, in order to promote such activities while building stronger interactive ties.

### Resource Recycling and Green Purchasing

As one of our approaches to “resource recycling” as stipulated in the ANA Group Ecology Plan 2003 – 2007, we promote green purchasing and disclose developmental information.

#### Green Purchasing for Office Supplies

In July 2002, we installed an electronic purchasing system on our intranet for office supplies such as stationery and copier paper to promote green purchasing. In fiscal 2004, with the added participation of ten of our subsidiaries, the amount spent on green purchasing increased by about 30 percent from fiscal 2003, but the green purchasing rate declined. We regard the priority purchase of environment-friendly stationery and copier paper used on a daily basis as important for raising the consciousness of environmental conservation among ANA Group employees.

In the future, we will expand our purchase of environment-friendly office supplies and promote green purchasing throughout the Group in order to increase the green purchasing rate.

### Green Purchasing Rate for Office Supplies, etc.

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<thead>
<tr>
<th></th>
<th>Target</th>
<th>Actual</th>
</tr>
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<tbody>
<tr>
<td>Fiscal 2007</td>
<td>80%</td>
<td>62%</td>
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<tr>
<td>Fiscal 2004</td>
<td>74%</td>
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### Green Purchasing Rate for Paper (copier paper, etc.)

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<tr>
<th></th>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2007</td>
<td>100%</td>
<td>47%</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>
Employees

We seek to develop personnel with the “spirit of challenge” from our founding.

Basic Policies on Personnel

Group Human Resources (HR) Philosophy

We established the Group philosophy on human resources in 2002, in order to fulfill the commitment stated in our corporate philosophy to “Build a powerful ANA Group by effectively using human resources and focusing on teamwork as a competitive strength”. It defines the type of human resources and values to be prioritized by the Group, and emphasizes “customer-oriented” as the primary prerequisite for our growth.

“Take up the Challenge”

The challenge for personal "GROWTH" and challenge for our customer’s “EXCITEMENT” and “EXPERIENCE".

Always challenge. Limitless challenge creates a strong ANA GROUP.

Personnel sought by ANA

At ANA, we seek people who are “customer-oriented, well equipped with innovative capabilities, self-driven and team-oriented”.
- People who are customer-oriented and pursue the Group Brand Vision of “creating personal and human experience with customers”.
- People with the ability to strive for ambitious targets with a global dimension and promote ongoing reform by combining a strong will unafraid of failure with a flexible mind unrestrained by established frameworks.
- People with the versatility to contribute to the team, with respect for colleagues that achieve mutual growth while fully exercising their individual strengths (such as an international outlook, enthusiasm and vitality).

We feel that people with these attributes best embody the “Anshin, Attaka, Akanukugenki! (Reliable, Warm, Enthusiastic!)” characteristics of ANA and can grow with the company into the future.

Towards a comfortable work environment for female employees

ANA aims to be a company where women can fully exercise their abilities. Approximately 5,000 women (accounting for more than 40 percent of our employees) are working mainly as cabin attendants and airport passenger service staff. We are also actively recruiting women for Sogoshoku staff (sales / administration, engineering & maintenance) and cockpit crews. We were the first airline (in Japan) to appoint a woman to the board of directors, and are expanding the management positions occupied by women. Meanwhile, we are taking steps to make full provisions for maternity and childcare leave and for shorter working hours. With our action plan to assist employees raising the next generation, we will further improve the workplace environment for women to pursue their career.

Expanding employment of the physically challenged

ANA is eager to employ motivated but physically challenged individuals, and many are now working in the Group. ANA Wing Fellows Co., Ltd. was established in 1993 to expand the workplace for the physically challenged. At 1.6 percent, the share of the workforce occupied by the physically challenged in fiscal 2004 was lower than the 1.8 percent mandated by law. Therefore, we are reinforcing our approach in this respect and making efforts to creating workplaces for the physically challenged.

Share of Female Employees Recruited in Sogoshoku (sales / administrations)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>29.9%</td>
</tr>
<tr>
<td>2004</td>
<td>20.3%</td>
</tr>
</tbody>
</table>
Education and Human Resource Program with Respect for Individual Performance

Amid the tremendous changes underway in the current socioeconomic climate, more sophisticated expertise is needed for swift adaptation to change and execution of business, with its increasing degrees of refinement and complexity. Our perspective on human resource development rests on pursuit of such expertise. Personnel must possess the ability required to maintain the fundamental quality of air transport services. Moreover, we support individual efforts to perform tasks and acquire skills for the achievement of results beyond expectations. More specifically, we have instated various educational schemes to support the autonomous development of skills by aspiring employees themselves based on our conviction that individual growth is linked to ANA’s advancement.

Educational Schemes

- Stratified education
- Requisite education
- Open seminars
- Electives
- Aimed at the development of capabilities and deepening of expertise for strategic business tasks in areas such as improvement of business skills, career development, internationalization, IT, CS, etc.

Program for support of self-improvement

- Corporate rates for correspondence and other schools, in-house testing of language proficiency (TOEIC), etc.

Global business training

- Joint seminars with Star Alliance members
- Internationalization training

- Systematic support for internationalization
- Practical training overseas (US, Europe, Asia)
- Study abroad program

Respect for Human Rights

In order to comply with the trust placed in us by our customers and society, we practice corporate management with an emphasis on respect for human rights as one of our social roles. It is part of our basic policy that, “as a company advancing with society, we must work for the resolution of various human rights problems existing in society.” To fulfill this policy, we have mounted a Groupwide campaign to enlighten all about human rights. This campaign is led by the “ANA Human Rights Enlightenment Office (Personnel Department)”. With a full-time staff, it is the mission of the Office to draft campaign plans and support the activities of the “human rights enlightenment committee members” instituted in each business office.

Occupational Health and Safety

Approach to health and safety

We believe that the assurance of employee safety, health and a pleasant work environment are fundamentals of corporate activity. Therefore, we have committees on safety and health in our offices nationwide. These committees lead activities best suited to the situations in each office to prevent risks and health hazards to our employees.

Number of Work-related Accidents Over the Last Three Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2002</td>
<td>40</td>
</tr>
<tr>
<td>Fiscal 2003</td>
<td>38</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>41</td>
</tr>
</tbody>
</table>

Health management

We have taken various steps for better management of employee health. Besides periodic health examinations that are more extensive than those stipulated by law, steps include subsidies for the cost of full physical examinations (through the health insurance society), health examinations upon mandatory retirement and the establishment of health consultation desks in every office.

To maintain and improve mental health, we also have a program of regular check-ups and offer counseling services (through the health insurance society) by professionals.
Employees

Safe and Pleasant Workplaces

Participation in the National Industrial Safety and Health Convention

Sponsored by the Ministry of Health, Labour and Welfare and hosted by the Japan Industrial Safety and Health Association (JISHA), the National Industrial Safety and Health Convention, the biggest event in labor administration, was held at Osaka Castle Hall and 14 other locations across the country in October 2004. Altogether, some 15,000 people participated. At the work group on safety management in the convention, Hiroaki Takei (member of the health and safety committee in the Aircraft Maintenance Department) presented the achievements in the Aircraft Maintenance Center to more than 500 participants.

Entitled “For More Active Safety and Health Committees,” his presentation dealt with distinctive activities applying IT and the training of personnel to lead them. It generated much interest, as evidenced by the inquiries received from several companies subsequently.

We are striving for further enhancement in the level of safety and health through such independent activities of the safety and health committees instituted in each office.

Employee Health and Welfare – ANA Welfare Plan

To help our employees feel fulfilled and motivated, we have well established programs for employee health and welfare in each stage of their lifecycles, from joining ANA to post-retirement careers. The Plan is divided into six categories, and offers employees a choice of schemes best suited for their own particular lifestyle.

We also instituted a “Cafeteria Plan” to assist independent and self-help efforts by employees.

Outline of the ANA Welfare Plan

Health plan
Support for physical and mental health management not only for employees but also their families

Financial plan
Assistance with funding for the future and purchase of homes

Insurance plan
Compensation for bereaved families, funding for education and group insurance plans offering compensation for family members as well

Life support
Leave for childbirth, childcare and nursing, and provision of housing for transferees and newlyweds

Leisure support
Full assortment of recreational, cultural and sports activities through mutual aid associations

Second life
Support for a fulfilling post-retirement life through measures such as life plan simulations, life plan seminars, and pension plans based on self-help efforts

Approaches for Mental Health

In fiscal 2004, our Aircraft Maintenance Center was selected as “a model facility promoting mental health policies” due to its being a business establishment that is actively taking measures in this area. The selection was made by the JISHA, which was commissioned to carry out the project by the Ministry of Health, Labour and Welfare. Together with supporting experts from the Association, the Center planned and implemented measures for the resolution of problems related to mental health and linked them to a more pleasant work environment.

Lecture on mental health

Features of the Model Facility

- Training in active listening as part of managerial training for managers and chiefs in the Aircraft Maintenance Department
- Setting up a mental health care scheme, in coordination with the Health Management Center, for employees that need such support
Direct Talks

Since 2001, we have actively encouraged direct dialogue between the president and other members of top management with employees (mainly those on the front lines). In these talks, the management representatives share their thoughts on matters such as the environment surrounding the Group and their directions for the future in their own words with the employees, who, in turn, directly express how they see the situation and problems on the front lines to the top management. This two-way communication cuts through any barriers between management and actual operations. In fiscal 2004, we held direct talks about 50 times on issues such as management plans, what is expected of employees and current developments at the business locations.

Free Conversation Room

The Free Conversation Room is a BBS on the Group intranet for the free expression of opinions by employees. In fiscal 2004, employees posted nearly 400 messages, covering content ranging from identification of safety-related problems and proposals for service improvements, to impressions of lectures by noted figures and observations on recent trends. We hope that the chain of entries will generate unprecedented new ideas and insights giving rise to new developments.

ANA Virtual Hollywood

"Perhaps it has no direct relation to your present work, and there is no unit assigned to it in the company. It may not even have anything at all to do with our business. But you still want to do it anyway. Here, we provide an opportunity to help employees who have such desires pursue them."

So began our notice for the "ANA Virtual Hollywood" program, which grew out of the following three perceptions.

1. As the business climate changes in ways that extend beyond "conventional concepts", the company needs to discover and cultivate the growth of "people with views outside the mainstream" in order to increase its ability to cope.

2. Sanctioning autonomous activities outside the scope of the organization would be an effective way to prompt action on themes that cannot be handled by the existing organization. Activities will be assisted by a system enabling collaboration via the web.

3. As by-products of this system affording employees the opportunity to take up challenges of their own choice and encouraging their initiative, the company could expect more widespread employee interaction at the grassroots level and breakthroughs where there are impasses.

In fiscal 2004, 34 employees (called "directors" in the program) made their proposals to executives and are working to realize them. In fiscal 2005, 21 employees followed them into this movement and are now taking action to implement their unique ideas.

Opportunity to exchange information and ideas across departmental and corporate borders

I am working on an idea of a spa at Haneda Airport using water heated by the thermal energy from test operation of aircraft engines.

I am delighted to have taken part in the "ANA Virtual Hollywood" program because it gave me a chance to exchange information and ideas with other directors and members, across departmental and corporate borders. I made suggestions for the actual implementation of ideas that were somewhat vague from a corporate standpoint, and this gave me the opportunity to learn so much about the current status of the company that I had not known before. I must admit that it was hard to find the time for these activities (laughter). "ANA Virtual Hollywood" supports employees who have themes they want to pursue outside their regular duties. I consider myself really fortunate to be working at ANA.

Masahiko Kato
Administration
Power Plant Maintenance Center, Engineering & Maintenance

Illustration by Shion Kosuge
Linking active dialogue with stakeholders to enhance our corporate value

Misae Koto  
Customer Relations, CS Promotion

ANA values active communication with stakeholders. We try to get a firm understanding of their wants and needs by listening to their views. We believe that always responding to the expectations of stakeholders in business activities will increase our corporate value.

The Customer Desk, where I work, provides numerous opportunities to hear directly from our customers. By actively identifying the issues that need to be focused on, we improve our services.

Communication with Stakeholders

Customer Comments

One of the Courses of Action in our Corporate Philosophy states that we shall be customer oriented. To put these words into practice, we have instated a "Closed Loop" scheme as a mechanism for company-wide problem-solving.

Every day, the ANA Group operates approximately 900 flights carrying more than 120,000 passengers. Our Customer Desk collects comments from these customers on our products and services by various means, including telephone calls, e-mails and letters. We also have extensive interaction with customers throughout the process from reservations, airport services to in-flight services. Therefore, we have many opportunities to hear from our customers.

Customer comments number about 30,000 every six months. We store them in a database on our intranet, where they can be checked by authorized employees. The "Closed Loop" is our cycle of collection and analysis of the views of customers and staff, from the service front line, which are then reflected in plans for goods and services and solution of problems.

Problems that are issues faced by multiple divisions or those that cannot be solved through ordinary channels are examined in the CS Promotion Committee composed of executive officers of all divisions. In addition, to feed information back to customers, we profile instances of business improvement in response to customer comments in "Wingspan" (our in-flight magazine) and on the ANA Sky Web (our website).

Being "customer oriented", all employees and executives truly recognize that customer feedback is an important source of evaluation. The "Closed Loop" helps not only to resolve service issues but also to instill the whole company with a CS-oriented mentality.

URL
http://www.ana.co.jp/ana-info/bletline
Past "customer comments" (*Currently available in Japanese only)

Closed Loop

- Front lines
- Reports of the views from customers and staff

CS Promotion Office
- Collection, sharing, analysis
- Appreciation of the overall picture and identification of problems to be solved

Ad-hoc subcommittees composed of representatives of the key unit or related units
- Drafting measures for solution

CS Promotion Committee
- Determination of measure execution

Each department
- Execution of the measures

Comments and requests

Customer’s comments on ANA Sky Web

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Comments and requests

Customer’s comments on ANA Sky Web
Customer Comments

The following is an outline of some improvements that we made on the basis of comments received from our customers.

**Case 1**
**Customer comment**
“When I board an aircraft in a wheelchair, the difference in level before the door always bothers me.”

**Improvement**
Installation of a slope to eliminate the difference (May 2005)
When the boarding bridge is attached to the aircraft, a difference in level is inevitable due to the operation of opening and closing the door. This had inconvenienced passengers in wheelchairs. In May 2005, we began installing slopes to eliminate this difference in airports across the country for smooth boarding of wheelchairs.

**Case 2**
**Customer comment**
“It would be nice if I could check flight information via a mobile phone.”

**Improvement**
Initiated a flight information service for mobile phones (June 2005)
We have refined the system to provide comprehensive information on flight operations of the day, accessible from mobile phones as well as from personal computers. In addition to information on individual flights, we also provide the latest information on the weather and the flight outlook.

**Case 3**
**Customer comment**
“Passengers should not be allowed to bring pets into the cabin.”

**Improvement**
Prohibition of pets in the cabin (August 2005)
We allowed passengers to carry pets into the cabin on international flights, but discontinued this service from July 31st, 2005 in light of the need to maintain a comfortable cabin environment and following complaints from passengers allergic to animals. We now ask passengers to check pets for transportation in the cargo compartment maintained at 15 - 20 degrees Celsius.

* This prohibition does not apply to passengers accompanied by guide (seeing or hearing) or nursing dogs.

Labor-management Relations

The operations of the ANA Group depend on collaboration by people in a diversity of positions. Communication among employees and workplaces, and between labor and management, is of critical importance to the proper operation of business. A high level of employee motivation and skill is also of fundamental importance to our business. Preparation of an environment to maximize these elements is consequently essential.

With an awareness of these factors, we strive to build and maintain ties of mutual trust and cooperation through extensive discussion and dialogue between labor and management. At the same time, we contribute to society by maintaining a constructive tension in these relationships as we strive to ensure safety, improve our customer services and fundamental quality to fulfill our mission as an airline.
Communication with stakeholders and investors (Investor Relations)

At ANA, we consider our shareholders and investors as vital stakeholders and stay in close communication with them.

**Prompt and Proper Disclosure of Information**

Our financial statements, corporate plans and other important management information are posted on our website at the time of announcement.

**URL**

http://www.ana.co.jp/eng/aboutana/corporate/ir/index_sm.html

For our shareholders, we publish “ANA Vision” (news report), on a quarterly basis. Besides reports on our business, this publication provides a wide range of information on current topics. For shareholders and investors both within and outside Japan, we publish our annual report in Japanese and English every July to present a detailed picture of our finances and management plans. ANA’s website for investor information not only presents these publications, but also provides financial and operational statistics.

**Enhanced Communication**

We regard our ordinary general meeting of shareholders as a valuable opportunity for communication between our shareholders and executives. Therefore, we answer questions and obtain comments from as many shareholders as possible.

For analysts and institutional investors, we hold presentation meetings after releasing the financial statements and announcing our management strategy. Also we upload the data used in these presentations to our website. In fiscal 2004, ANA’s president himself led such IR presentations three times in Japan (for the annual, midterm financial statements and announcement of our medium-term strategy) and twice overseas (in Europe and the United States).

Besides the general meeting of shareholders, we solicit views about and requests for the ANA Group from shareholders and investors on other routine occasions, such as corporate presentations and telephone calls, and relay them to the top management.

We strive to deepen support for the Group among our shareholders by providing special discounts on domestic flights and coupons with privileges from our subsidiaries.

**Capital Market Rating**

Thanks to these positive approaches of ours, we were ranked second in the transport industry and one of the five companies with the “biggest improvement in disclosure” amongst all industries in the disclosure survey conducted by the Security Analysts Association of Japan (SAAJ) in fiscal 2004. In addition, we were given high marks for the editing and composition of our annual report and awarded “a prize for excellence” in the fiscal 2004 Nikkei Annual Report Award.
Approach to the Environment
For contribution to a sustainable society

Environmental Activities of the ANA Group
The airline industry imposes what is definitely not an inconsiderable burden on the environment through its consumption of fossil fuels and the accompanying emission of carbon dioxide. Bearing this firmly in mind, we intend to do our best to preserve the environment.

We have entered an age requiring consciousness of our position as a global corporate citizen. Approaches to environmental problems are now the duty of everyone on our planet. Across the ANA Group, we actively endeavor to contribute to society through a heightening of awareness among our employees and participation in campaigns for environmental preservation under the banner “Thinking of People and the Earth.”

As a member of society, we are determined to do what we can to help Japan and other countries restore the earth of its former beauty and create a global environment conducive to all living creatures.

Koshichiro Kubo
Executive Vice-President
Philosophy and Management

Environmental Policy and Principles

ANA’s Commitment

On December 17th, 1903, the Wright brothers made four flights, the total flight time lasting 98 seconds and covering a distance of 311 meters. Since those first flights over a century ago, our aspirations for flight have vastly broadened. The ANA Group has thus covering 337 million kilometers. Yet we must do much more than flying; and indeed we are taking various measures to maintain our conscientious about the environment. For example, in order to reduce our consumption of aviation fuel, which accounts for 98 percent of our total CO2 emissions, we take initiatives such as optimizing fuel efficiency and regularly cleaning the engines.

In the aspect of noise, too, almost all of our aircraft already meet what are the world’s highest standards effective from 2006. Furthermore, in 2008, we will welcome 50 of the “super efficient” Boeing 787 series to our fleet (making us the first airline in the world to fly these models), in order to boost our fuel efficiency by 15 to 20 percent.

We have posted mitigation of environmental impact as a goal in the ANA Group Ecology Plan 2003 - 2007. Information on our efforts toward this goal and achievements in fiscal 2004 are presented on page 45 of this report. Further details may be found in the ANA Group Environmental White Paper.

ANA Environmental Policy

ANA’s Attitude towards the Environment

Basic Policy
We will pursue:
- Protection of the environment
- Effective utilization of limited natural resource
- Awareness of the public good

Course of Action
1. We will evaluate the impact of our commercial activities on the environment, and persevere in our efforts to protect the environment.
2. We will observe environmental laws and regulations, and furthermore, think and act independently to protect the environment.
3. We will make our best endeavor to minimize the environmental impact arising from operations of the airline industry.
4. We will make every effort to save energy and resources, to recycle articles, and to reduce waste.
5. We will contribute to the communities in which we live and work, through participation in social activities on environmental protection.
6. We will educate employees so that each may pay much more attention to environmental protection.

Environmental Management

Compliance with Environmental Legislation

Since 2002, we have been conducting studies and making provisions to ensure compliance with environmental laws and regulations so that we can cope completely with the demands of CSR and expansion of its scope. In fiscal 2004, we extended these activities to a wider circle of subsidiaries with a survey and assessment, in cooperation with experts in each field, to confirm compliance with the law in terms of our industrial waste disposal.

Survey of compliance and improvement in offices across the nation
In fiscal 2004, we added four Air Nippon facilities and seven ANA Hotels to our survey of legal and regulatory compliance, which now covers 30 ANA offices and 27 offices of 18 ANA Group companies. The survey identified 414 instances of concern, but no environmental incidents or legal/regulatory imposition of penalties.

Points for improvement identified by the survey
- Clarification of the laws and regulations
- Improvement in work procedures following legislative enactments and amendments
- Promotion of recycling

Assessment of waste disposal firms by third parties in the industry
In 2004, we asked three trustworthy waste-related companies to make an independent evaluation of firms commissioned by ANA Group companies to dispose of industrial waste, as a trial assessment.

Their expertise as disposal professionals enables examination and evaluation of these firms from all angles. We believe it will also help us to exclude unsuitable firms while heightening the motivation of Group companies for proper selection and monitoring of such businesses.

Assessment of a waste disposal firms by third parties in the industry

Based on our Environmental Policy formulated in May 1998, we are vigorously working for the preservation of the global environment. In accordance with the action guidelines, we are taking a variety of measures in each workplace towards such ends, including conservation of power and water, proper disposal of waste and efficient use of energy. We engage in our duties with an awareness that approaches by the ANA Group, taking account of the global environment, contributes to the sustainability of society.

Tadashi Nishimura
Environmental and Social Affairs

We don’t just fly. We fly with environmental conscientious.
**ANA Group Ecology Plan 2003 - 2007**

In March 2003, we established the ANA Group Ecology Plan 2003 - 2007, our latest five-year plan for environmental action. The Plan manifests our determination to take group-wide action on numerous tasks, including reflection of customer opinions in our environmental management and further reduction of CO\(_2\) emissions in aircraft operations.

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<table>
<thead>
<tr>
<th>Item</th>
<th>Aim</th>
<th>Fiscal 2004 review</th>
<th>Reference page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promotion of environmental management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental compliance</td>
<td>Group-wide enhancement of legal management and compliance</td>
<td>We confirmed the compliance status at 30 ANA business facilities and 27 facilities of 18 ANA Group companies.</td>
<td>P44</td>
</tr>
<tr>
<td>Environmental communication</td>
<td>Reporting environmental issues to our customers and reflecting their views in environmental management</td>
<td>We participated in environmental events such as Ecotour Fair 2004, included environmental articles in the in-flight magazine &quot;Wingspan&quot; and reported environmental news on Internet TV Channel J.</td>
<td></td>
</tr>
<tr>
<td>ISO 14001</td>
<td>Deployment of environmental management methods based on ISO 14001 throughout the Group</td>
<td>In fiscal 2004, we launched a conference of offices certified under ISO 14001.</td>
<td></td>
</tr>
<tr>
<td>Environmental accounting</td>
<td>Group-wide environmental accounting</td>
<td>Accounting was confined to the four airlines (ANA, ANJ, AIX, AN), as in fiscal 2003, but improvements were made in areas such as the items focused.</td>
<td>P46</td>
</tr>
<tr>
<td>Group Companies</td>
<td>Promotion of transparent environmental management among subsidiaries</td>
<td>Held the 10th Group environmental liaison meeting to encourage the spread of environmental management throughout the Group.</td>
<td></td>
</tr>
<tr>
<td>Reduction of CO(_2) emissions from jet fuel</td>
<td>Reduction of the level of CO(_2) emissions per available seat-kilometer in fiscal 2007 by 12% relative to fiscal 1990</td>
<td>Achieved a reduction by 10.5% relative to fiscal 1990 in fiscal 2004.</td>
<td>P48</td>
</tr>
<tr>
<td>Reduction of energy use in facilities</td>
<td>Reduction of the level of electrical and thermal energy consumption in facilities by 5% relative to fiscal 2002</td>
<td>Achieved a reduction by 7% relative to fiscal 2003 in crude-oil terms.</td>
<td>P47</td>
</tr>
<tr>
<td>Reduction of the level of HC emissions from aircraft</td>
<td>Retirement of engines not meeting ICAO engine emission standards</td>
<td>Retirement of B747 SR/LR aircraft that fail to meet ICAO standards in fiscal 2005.</td>
<td></td>
</tr>
<tr>
<td>Introduction of environment-friendly vehicles</td>
<td>Doubling of the share of all low-pollution and low-emission vehicles</td>
<td>Share increased by 147% (80 vehicles) relative to fiscal 2002.</td>
<td></td>
</tr>
<tr>
<td>Protection of the ozone layer</td>
<td>Maintenance of zero emissions for regulated substances</td>
<td>We have had zero possession of specified CFC gases since fiscal 2003.</td>
<td></td>
</tr>
<tr>
<td><strong>Reduction of flight noise</strong></td>
<td>Conformance with ICAO noise levels (Chapter 4)</td>
<td>All aircraft meeting the Chapter 4 standard by fiscal 2007.</td>
<td>Scheduled to attain the target of conformance by all aircraft by the end of fiscal 2005.</td>
</tr>
<tr>
<td>Reduction of waste</td>
<td>Disclosure of actual recycling data on a yearly basis toward the goal of zero emissions. Reduction of the amount of industrial waste sent out for final disposal to 15% by fiscal 2007</td>
<td>The amount of industrial waste derivation increased, but we more than doubled our sales of scrap metal to recycling businesses through efforts for reduction.</td>
<td>P51</td>
</tr>
<tr>
<td>Promotion of green purchasing</td>
<td>Increase the green purchasing rate to 100% for copier paper and 95% for other office supplies by the end of fiscal 2007</td>
<td>Attained green purchasing rates of 30% for paper and 74% for other office supplies.</td>
<td>P35</td>
</tr>
<tr>
<td>Reduction in use of chemical substances</td>
<td>Development of alternatives to substances covered by the PTR Law and disclosure of actual data for reduction on a yearly basis</td>
<td>Used 39 substances (two more than in fiscal 2003) totaling 25,300 kilograms (about 30% less than fiscal 2003).</td>
<td></td>
</tr>
<tr>
<td>Environmental picture books</td>
<td>Holding an environmental picture book contest every year</td>
<td>We held the Second International Environmental Picture Book Competition, which attracted entries from a total of 362 people in 13 countries.</td>
<td>P55</td>
</tr>
<tr>
<td>Reforestation project</td>
<td>Promotion of greening activities around the globe</td>
<td>Launched extensive reforestation activities under a ten-year &quot;Watashi no Aozora&quot; plan. In fiscal 2004, we engaged in tree planting and management of live forests in Japan. Also, we planted corals in Okinawa.</td>
<td>P52</td>
</tr>
</tbody>
</table>

* For more details on the Ecology Plan, please refer to the ANA Group Environmental White Paper.

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**Philosophy and Management**
Philosophy and Management

Environmental Management

Environmental Accounting

We initiated environmental accounting in fiscal 2001 in order to obtain a quantified appreciation of the costs on environmental preservation activities.

Departments / Companies covered
All ANA departments (excluding overseas offices); Air Nippon Co., Ltd.; Air Japan Co., Ltd.; and Air Nippon Network Co., Ltd.

Period covered

Reference
Environmental Accounting Guidelines published by the Ministry of the Environment of Japan

Fiscal 2004 Environmental Accounting

<table>
<thead>
<tr>
<th>Cost category</th>
<th>Major activities</th>
<th>Cost amount Fiscal 2004</th>
<th>Fiscal 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs within business areas</td>
<td>Pollution prevention</td>
<td>Treatment of wastewater from washing aircraft and in-house kitchens</td>
<td>799</td>
</tr>
<tr>
<td></td>
<td>Global environment conservation</td>
<td>Introduction of highly fuel-efficient, energy-conserving aircraft, and the use of ground power units for parked aircraft</td>
<td>13,345</td>
</tr>
<tr>
<td></td>
<td>Resource recycling</td>
<td>Proper disposal of waste and promotion of waste reduction, sorting and recycling</td>
<td>707</td>
</tr>
<tr>
<td>Upstream and downstream</td>
<td>Green purchasing of in-flight service supplies and conformance with the Container and Packaging Recycling Law</td>
<td>121</td>
<td>62</td>
</tr>
<tr>
<td>Administration</td>
<td>Cleaning of aircraft cabins, administrative personnel expenses, environmental education</td>
<td>5,725</td>
<td>5,721</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>Research for improvement of aircraft engine performance (fuel efficiency) and operational procedures</td>
<td>240</td>
<td>0</td>
</tr>
<tr>
<td>Social activities</td>
<td>Publication of the First Prize entry in the International Picture Book Competition, planting and maintaining forests and planting corals</td>
<td>178</td>
<td>153</td>
</tr>
<tr>
<td>Environmental remediation</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>21,115</strong></td>
<td><strong>20,763</strong></td>
</tr>
</tbody>
</table>

* Purchase and leasing fees for highly fuel-efficient, energy-conserving aircraft account for more than 80% of the total of 13,345 million yen in expenditures for global environment conservation.
* In the ANA Group, 10% of the depreciation costs accompanying such purchase or leasing is posted in the environmental account.

ISO 14001 Environmental Management System Certification

In February 2002, Narita Maintenance Center of the Engineering & Maintenance Division, which is the key unit for the maintenance of aircraft on international routes, became the first facility handling aircraft in Japan to obtain ISO 14001 environmental management system certification from the United Kingdom Accreditation Service (UKAS).

In February 2005, this certification was renewed under the 2004 edition, the latest version of the standard. Among facilities under our subsidiaries, Okinawa Harbortview Hotel obtained ISO 14001 certification in March 2004.
Measures to Prevent Global Warming

Energy Conservation Measures of Aircraft

**ANA’s Commitment**

Inherent to our business is the consumption of natural resources and emission of carbon dioxide (CO₂). This is exactly why we are making such diligent efforts in Engineering & Maintenance, Flight Operations and every other division to increase fuel efficiency and decrease CO₂ emissions for sustained harmony with the global environment. In addition to daily efforts to these ends, we decided in fiscal 2004 to purchase a number of the latest aircraft, which are environment-friendly as well as safe and comfortable. We are always committed to taking good care of the global environment in all of our flights.

**Masayoshi Kamata**
EFP Study Committee Member, Flight Operations

**Energy Consumption**

Across the ANA Group, based as it is on the airline business, nearly all (98 percent) our energy consumption is of jet fuel. The remaining 2 percent is energy consumption on the ground, which is equivalent to 45,000 kiloliters of crude oil, of which about 80 percent (130 million kilowatt-hours) is electrical consumption.

**Breakdown of Energy Consumption in Fiscal 2004**

- **Jet fuel** accounts for 98% of the energy consumption.
- Total energy consumption in the ANA Group: 3.12 million kiloliters (crude oil equivalent)
- Ground energy consumption: 2%
- Municipal gas: 2%
- Automatic fuel: 14%
- Electrical power: 79%
- Others: 3%

**Trend in energy consumption**

Consumption of jet fuel, which accounts for almost all of our energy consumption, has been reduced by 1.9 percent (60,000 kiloliters: crude oil equivalent) from fiscal 2003.

**Major factors**

- Improvement of flight operations
- Utilization of medium and small aircraft on domestic routes

**Trend of Energy Consumption in Jet Fuel (crude oil equivalent)**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Consumption (unit: 10,000 kl)</th>
</tr>
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<tbody>
<tr>
<td>Fiscal 2003</td>
<td>314</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>308</td>
</tr>
</tbody>
</table>

Electrical power consumption, which accounts for the majority of the ground energy consumption, has been reduced by about 7 percent (10 million kWh) from fiscal 2003.

**Major factors**

- As a result of various steady efforts, energy consumption decreased at about 70 percent of the approximately 40 facilities covered.
- At the Business Center Building in particular, factors such as more efficient operation of air conditioning systems reduced energy consumption by 11 percent (5.37 million kWh) from fiscal 2003.
- The change of cables on the computer system which begun during fiscal 2003 fully showed effect.

**Trend of Electrical Power Consumption**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Consumption (million kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2003</td>
<td>138</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>128</td>
</tr>
</tbody>
</table>
Measures to Prevent Global Warming

Energy Conservation Measures of Aircraft

CO₂ Emissions

To reduce emissions of CO₂, the major cause of global warming, we are introducing the new B737-700 and B777-300ER series to our fleet while also making greater use of simulators and improving flight operations. For further reductions in the future, we have placed an order – the world’s first – for 50 of the new B787 series now under development.

CO₂ reduction targets in the ANA Group

The ANA Group Ecology Plan 2003-2007 stipulates our targets for CO₂ emission reduction. Especially, the efficient use of jet fuel, which is the most significant cause of CO₂ emissions in our business, is focused upon.


- **Reduction of CO₂ emissions from jet fuel**
- **Reduction of CO₂ emissions per available seat-kilometer in 2007 by 12% relative to fiscal 1990**
- **Reduction of energy consumption at ground facilities**
- **Reduction of electrical power and thermal energy consumption by 5% relative to fiscal 2002**

**Achievements in fiscal 2004**

In fiscal 2004, CO₂ emissions from all ANA aircraft (domestic and international flights) came to 6.63 million tons, or 3.2 percent less than in fiscal 2003. In terms of available seat-kilometers (ASK**), emissions averaged 24.32 grams (of carbon equivalent) per ASK. This represented a reduction of 10.5 percent relative to 1990, and brought us closer to the target of 12 percent. We have therefore already attained the corresponding target set for the airline industry by the Japan Business Federation (a reduction of 10 percent in ASK terms relative to 1990 by 2010).

**Effective and Efficient Use of Fuel – Efficient Fuel Program (EFP)**

We started the EFP, as a project for business process reform under a restructuring context in August 2003.

Aimed at reducing fuel consumption, EFP is based on the promotion of flying at the optimal altitude and speed. We are working to save fuel with consideration for the balance between increased fuel consumption and its effectiveness in shortening the flight time on domestic sectors (which are fairly short in duration), in line with the operational guideline to avoid selection of altitudes and speeds solely for the purpose of shortening the flight.

**Achievements in fiscal 2004**

In fiscal 2004, we saved 31,300 kiloliters of jet fuel (or about 157,000 drums, enough for about 90 round-trip flights between Tokyo to New York) worth about 1.94 billion yen.

**Approach in fiscal 2005**

We have positioned reducing fuel consumption as an agenda for continued efforts to conserve the global environment as well as to offset rising fuel costs. In 2005, we will further promote flight operations at the optimal altitude and speed, which has taken hold among our cockpit crew over the last two years, on the basis of safety. We are reviewing our operations to improving fuel consumption in all stages from departure to arrival, for both fuel savings and mitigation of the environmental burden.
Non-aircraft Related Measures for Energy Conservation

Washing Engines for Better Performance

As engines are used, fine particulates build up in the compressors, degrading both performance and fuel efficiency. Washing dirty compressors with water to remove this grime restores performance and enables fuel savings. At ANA, we began to periodically wash the engines (compressors) on B777 aircraft in fiscal 2003 and A321 aircraft in fiscal 2004. We also wash engines on other selected aircraft at non-scheduled intervals. In fiscal 2004, we washed 133 engines to achieve savings of about 20,000 drums (or 4,000 kiloliters) of fuel. Currently, it takes from three to four hours to wash a single engine. We intend to expand the procedure by developing simpler procedures and tools for the engine wash.

Adoption of LED Flashlights

Our mechanics have switched to using light emitting diode (LED) type flashlights. Those used for aircraft maintenance consume an enormous number of type D batteries on night shifts (in fiscal 2002, ANA’s maintenance departments consumed 133,000 batteries). Therefore, we looked into LED flashlights in July 2002.

As a first step, the trial use of a selected product on the night shift in the aircraft maintenance (dock) sections determined that there was no problem with its use in the docks, except that the illumination distance was short. Following this evaluation, we switched to LED flashlights throughout the dock at Haneda Airport from August 2003.

Through this replacement, we reduced battery usage by 16,180 cells. This equates to a reduction of 1.6 tons of waste (calculated in August 2004).

We subsequently switched to LED flashlights at the docks at Narita Airport. In January 2005, we found a LED flashlight with a sufficiently long illumination distance for use in the operation maintenance sections (line sections), and introduced it to line sections in Haneda Airport after a trial period. These flashlights are expected to lead to a further reduction in the use of batteries.

Automatic Illumination Brightness Control

The Okinawa Harbortview Hotel adopted an ice regeneration system and completely remodeled its power input and transformer facilities to achieve more efficient energy use. It also installed a luminescence-adjusting (dimming) system to reduce electric power consumption for lighting by the amount of sunlight. In such ways, we are working to further save energy.

URL
http://www.harbortview.co.jp
Okinawa Harbortview Hotel

Lounge ceiling and luminescence-adjusting system
The illumination in the lobby lounge and Printemps, a garden restaurant on the ground floor, is constantly adjusted to make maximum use of sunlight for indoor lighting. The lights are dimmed on sunny days and brightened on cloudy ones, for example. In addition, a system was installed for automatic adjustment of luminous intensity any time of day or night.
Measures to Prevent Noise

Measures to Prevent Aircraft Noise

Types of Airport Noise
The types of airport noise may be classified as follows.

- **Aircraft noise**
  - Wind noise during take-off and landing
  - Engine noise

- **Ground noise**
  - Operational noise from aircraft engines on the ground
  - Operational noise from auxiliary power units (APUs)
  - Operational noise from ground power units (GPUs)
  - Other sources (ground vehicles, maintenance facilities, etc.)

While the location of the airport is a major factor, we are taking various measures in our capacity as an airline to abate noise emission.

Aircraft Noise Standards

The International Civil Aviation Organization (ICAO), under the auspices of the United Nations, has noise standards for subsonic jet aircraft, i.e. "Chapter 2 Standard," "Chapter 3 Standard," and the "Chapter 4 Standard" (to be applied to new aircraft from January 1st, 2006).

The majority of aircraft in the ANA Group already meet the highest "Chapter 4 Standard".

Conformity with Noise Standards

**ANA Group Ecology Plan 2003 - 2007** stipulates that all Group aircraft must comply with the "Chapter 4" standards by the end of fiscal 2007. To attain this goal, we are retiring the "Chapter 3" B747LR in December 2005 and the "Chapter 3" B747SR in March 2006.


Conformity with ICAO noise standards (Chapter 4)
The entire Group fleet is to be brought into conformity with the Chapter 4 Standard by the end of fiscal 2007.

Other Measures to Prevent Noise

Noise reduction facility at Narita Airport

As a measure to alleviate noise from test operation of engines on the ground, we have constructed and operate hangar-type noise reduction facility together with the New Tokyo International Airport Authority (the current Narita International Airport Corporation) and other airlines. At Narita Airport, the use of the facility is mandatory for test operation of engines late at night or early in the morning.
Measures to Prevent Noise
Resource Recycling

Waste – Current Status and Countermeasures

Derivation of Waste

In fiscal 2004, approximately 21,000 tons of waste were derived throughout the entire ANA Group. Of this total, general waste from aircraft (toilet and cabin refuse) accounted for three quarters, while waste derived on the ground was the remaining quarter. Under the category of industrial waste, the primary constituent was waste plastic at about 32 percent. We are therefore focusing on reduction of cabin refuse and waste plastic.

Breakdown of Waste Derived in Fiscal 2004

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial waste</td>
<td>10%</td>
</tr>
<tr>
<td>General waste</td>
<td>14%</td>
</tr>
<tr>
<td>Cabin refuse</td>
<td>16%</td>
</tr>
<tr>
<td>Group total</td>
<td>29,600 tons</td>
</tr>
</tbody>
</table>

Breakdown of Industrial Waste

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste plastic</td>
<td>32%</td>
</tr>
<tr>
<td>Others</td>
<td>9%</td>
</tr>
<tr>
<td>Sludge</td>
<td>8%</td>
</tr>
<tr>
<td>Waste of metal</td>
<td>11%</td>
</tr>
<tr>
<td>Group total</td>
<td>2,194 tons</td>
</tr>
</tbody>
</table>

Reduction, Reuse, Recycling

To ease the environmental effects of our activities, we are promoting the 3R (Reduction, Reuse, Recycling) activities for waste.

Measures for Reduction and Reuse

<table>
<thead>
<tr>
<th>Waste</th>
<th>Measures</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Presorted collection of refuse</td>
<td>Empty bottles and cans from the aircraft (cabin)</td>
</tr>
<tr>
<td>waste</td>
<td>Reducing the on-board waste volume</td>
<td>Installation of a trash compactor on B747-400 and B777 aircraft on international routes</td>
</tr>
<tr>
<td>Industrial waste</td>
<td>Purification of paint thinner and other solvents used in aircraft painting work for reuse</td>
<td>Cleaning of parts using ultra-high pressure water spray</td>
</tr>
<tr>
<td></td>
<td>Reuse of activated carbon used in cabin air conditioning systems and treatment of the wastewater (intermediate water) from aircraft hangars</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reduction of detergents for cleaning engine parts</td>
<td></td>
</tr>
</tbody>
</table>

In fiscal 2004, several departments at Haneda Airport moved from Terminal 1 to Terminal 2 upon completion of the latter in December. In the process, some 225 tons of furnishings, including desks, chairs and lockers, were no longer needed. We transported these furnishings to our new offices in Central Japan International Airport, which opened in February 2005, to reuse them.

In relocation from the former Nagoya International Airport to the newly opened Central Japan International Airport, we made continued use of about 230 tons worth of the 308 tons of furnishings that were no longer needed at the former but capable of reuse.

Recycling in Fiscal 2004 (achievements)

<table>
<thead>
<tr>
<th>Waste</th>
<th>Airport</th>
<th>Recycled item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft engine parts, aluminum scraps from repairs, etc.</td>
<td>Haneda</td>
<td>Metal material</td>
<td>11,46 million yen</td>
</tr>
<tr>
<td>Aircraft engine parts</td>
<td>Haneda</td>
<td>Fashion accessories</td>
<td>Few dozen items</td>
</tr>
<tr>
<td>Vinyl sheets for protection of cargo from rain and dust</td>
<td>Haneda</td>
<td>Solid fuel and garbage bags</td>
<td>6 tons</td>
</tr>
<tr>
<td>ID plate for cargo containers</td>
<td>Haneda and Narita</td>
<td>Iron and auxiliary fuel materials</td>
<td>220 kilograms</td>
</tr>
<tr>
<td>Cargo containers</td>
<td>All airports in Japan</td>
<td>Aluminum material</td>
<td>4.74 million yen</td>
</tr>
<tr>
<td>Used ticket stubs</td>
<td>Nagoya and Kusshiro</td>
<td>Toilet paper</td>
<td>108 tons</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fans and signboards</td>
<td>Approx. 2 tons</td>
</tr>
</tbody>
</table>

Other Recycling Measures

<table>
<thead>
<tr>
<th>Waste</th>
<th>Recycled items</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-flight magazines and timetables</td>
<td>Name cards, picture books, etc.</td>
</tr>
<tr>
<td>Paper cups used for in-flight service</td>
<td>Toilet paper, etc.</td>
</tr>
<tr>
<td>Cabin seat covers</td>
<td>Socks, blankets, etc.</td>
</tr>
<tr>
<td>Cabin carpet</td>
<td>Solid fuel, etc.</td>
</tr>
</tbody>
</table>

Environmental Preservation Activities
Environmental Preservation Activities

To be a company that cares about people and the earth

Michiko Ikeda
Environment and Social Affairs Department

ANA’s Commitment

We are promoting environmental conservation activities to meet the Group slogan: “Thinking of People and the Earth.” In one of the activities, we are planting trees around airports under the Watashi no Aozora (My Blue Sky) program. We solicit volunteers to plant trees from among our employees. Besides helping to preserve the environment, these activities serve to raise awareness about environmental issues among the participants.

We are also planting corals off the coast of Okinawa.

Environmental conservation activities by the ANA Group have just only begun. We are determined to continue taking active steps to demonstrate our corporate dedication to people and the environment.

Watashi no Aozora (My Blue Sky) – ANA Reforestation Program

The ANA Group serves 50 airports nationwide. In 2003, we launched a program for planting and maintaining forests in the vicinity of four or five airports a year for the twin purposes of greening and prevention of global warming. Under this program, our employees work together with volunteers in local communities as well as metropolises such as Tokyo and Osaka.

In fiscal 2004, a grand total of about 900 participants planted trees at Chitose, Hakodate, Haneda (Izu), Matsuyama and Miyazaki. We will continue cooperating with the community to “green” Japan.

Photograph taken in the Amagi Yugashima district of Shizuoka Prefecture (October 2004)

Team Chura (Beautiful) Coral – Planting Corals in Okinawa

Together with 12 other companies both within and outside Okinawa, we formed Team Chura Coral, which is engaged in ongoing activities to restore the rapidly diminishing coral reefs of the island, which will protect the marine habitats and the beautiful ocean. The group invites local elementary school students to take part in environmental forums on the ocean mechanisms and the seas surrounding Okinawa. It also promotes the planting of cultured corals by volunteer divers. The growth of the planted corals can be confirmed on the group’s own website.

URL: http://www.anamanza.co.jp/marine/coral

*Currently available in Japanese only

Photograph taken at the coral planting (April 2005)

Environmental Conservation and Restoration – Collaboration with Kyoto University

In December 2004, the ANA Group signed an agreement with the Field Science Education and Research Center of Kyoto University, which is pursuing research related to preservation and restoration of the natural environment, on collaboration with field activities in their research.

Based on this agreement, we provide assistance and support for community education conducted at stations in forest, village and marine areas owned by the Center. For its part, the Center holds outdoor field seminars in the context of our Watashi no Aozora (My Blue Sky) reforestation program. We are also joining the Center in planning “Field Tour (tentative name)” eco-tours to study environmental issues. In collaboration with the Center, we are promoting extensive environmental conservation activities.

The Field Science Education and Research Center and ANA

The characteristics of Japan’s nature lie in its forests, rivers and the sea. The relentless pursuit of material affluence in the 20th century eventually inflicted serious environmental damage, especially on the linkage between these irreplaceable natural environments.

The Field Science Education and Research Center was founded within Kyoto University in April 2003. Our approach is to link forestry and marine studies, which have conventionally been studied separately, as “Connected Rings of Forest-Human Habitation-Marine”, a new form of integrated, interdisciplinary domain. Our aim is to achieve a revival of the natural environment and renewal of the sense of value in linkage based on the principle of coexistence between man and nature.

This new discipline emphasizes coordination with pioneering activities of social contribution. This led to the agreement on education about environmental renewal in forests, human habitation and marine fields concluded with ANA in December 2004. In line with this agreement, we are holding field seminars as part of ANA’s Watashi no Aozora reforestation program, and look forward to the developing variety of activities.

Masaru Tanaka D.Agr.
Director, Field Science Education and Research Center, Kyoto University
Assessment by Third Parties

Assessment by Rating Agencies

Rating for Sustainable Management

Since fiscal 2002, we have participated in the “Sustainable Management Rating” that was begun in that year as a nationally subsidized project. The ratings are conducted by the Sustainable Management Forum of Japan and the Sustainable Management Rating Institute, special non-profit organizations that research and rate management in this respect. In fiscal 2003, we were selected as one of the 11 “best-practice” companies out of a total of 75 rated, with the recognition that we could serve as a model for other companies in respect of clear disclosure of CSR-related information by the top management. In fiscal 2004, the third year, the organizations began to apply a five-grade rating system and expanded both the scope and the surveyed items and subjects. We received “excellent” ratings in almost all categories.

Similarly, in an environmental rating by the US firm, Innovest Strategic Value Advisors, we received an “A” rating and were ranked fifth among the 13 major airlines around the world.

First Sustainable Management Ranking (fiscal 2002)

Second Sustainable Management Ranking (fiscal 2003)

Third Sustainable Management Ranking (fiscal 2004)

The three domains (branches), i.e., management, environment and society, are divided into survey items (leaves) indicated by letters of the alphabet. The three leaves for each item stand for strategy, system and achievements, respectively. Ratings are represented by the color of the leaves.

Corporate Data
Financial data

Operating revenue

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount (Hundred million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2000</td>
<td>12,796</td>
</tr>
<tr>
<td>Fiscal 2001</td>
<td>12,045</td>
</tr>
<tr>
<td>Fiscal 2002</td>
<td>12,159</td>
</tr>
<tr>
<td>Fiscal 2003</td>
<td>12,175</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>12,928</td>
</tr>
</tbody>
</table>

Net income (loss)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount (Hundred million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2000</td>
<td>402</td>
</tr>
<tr>
<td>Fiscal 2001</td>
<td>-94</td>
</tr>
<tr>
<td>Fiscal 2002</td>
<td>-282</td>
</tr>
<tr>
<td>Fiscal 2003</td>
<td>247</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>269</td>
</tr>
</tbody>
</table>

Operating income (loss)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Operating Income (Loss) (Hundred million yen)</th>
<th>Operating Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2000</td>
<td>229</td>
<td>6.4</td>
</tr>
<tr>
<td>Fiscal 2001</td>
<td>1.9</td>
<td>-0.2</td>
</tr>
<tr>
<td>Fiscal 2002</td>
<td>-25</td>
<td>6.9</td>
</tr>
<tr>
<td>Fiscal 2003</td>
<td>343</td>
<td>6.0</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>777</td>
<td>6.4</td>
</tr>
</tbody>
</table>

Number of employees (consolidated)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount (People)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2000</td>
<td>29,358</td>
</tr>
<tr>
<td>Fiscal 2001</td>
<td>29,095</td>
</tr>
<tr>
<td>Fiscal 2002</td>
<td>28,907</td>
</tr>
<tr>
<td>Fiscal 2003</td>
<td>28,870</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>29,098</td>
</tr>
</tbody>
</table>

Operational data

Passengers

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2000</td>
<td>4,378</td>
<td>45,509</td>
</tr>
<tr>
<td>Fiscal 2001</td>
<td>3,438</td>
<td>45,796</td>
</tr>
<tr>
<td>Fiscal 2002</td>
<td>3,783</td>
<td>47,133</td>
</tr>
<tr>
<td>Fiscal 2003</td>
<td>3,301</td>
<td>44,784</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>4,116</td>
<td>44,485</td>
</tr>
</tbody>
</table>

Cargo

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2000</td>
<td>193</td>
<td>434</td>
</tr>
<tr>
<td>Fiscal 2001</td>
<td>153</td>
<td>367</td>
</tr>
<tr>
<td>Fiscal 2002</td>
<td>196</td>
<td>384</td>
</tr>
<tr>
<td>Fiscal 2003</td>
<td>220</td>
<td>414</td>
</tr>
<tr>
<td>Fiscal 2004</td>
<td>234</td>
<td>422</td>
</tr>
</tbody>
</table>
Information about the Cover Art and Illustrations

This report contains illustrations from entries that won the First Prize, Special Prize and Second Prizes in the Second Aozora International Environmental Picture Book Competition.

Front and back covers: First Prize entry
“Ten-san, Kame-san & Muri-san Go on a Journey” Mei Matsuoka

Text illustrations: Special Prize entry and Second Prize entries

Special Prize
“A Present from the Rainbow,” Kako Toyoshima p46, 47

Second Prize entries
“SOS from the Earth” Yuka Higuchi p48
“Love the Earth” Yuko Tsujita p13, 49
“We’re All Friends” Shion Kosuge p38, 39
“The Mutterings of a River” Motoko Mitsuhashi p41
“Emiko and the Two Chicks” Hana Rude p32
“Because it’s Not Just Ours!” Mana Fujiu p36
“WHEN THE SKY IS...” Claire Ho Yan Yu p33, 45
“Fairy Larry in the Forest” Saya Aramaki p31, 53
“Rafflesia” Ryosuke Fujiki p10, 35
“To Live” Yukiko Abe p14, 25
“Mother Nature Grandpa’s Vegetable Patch” Miyuki Tanaka p19, 25
“Moving Time for Peter the Mole” Chiori Fuyuki p20
“Our Friends” Hiromi Suetake p50
“The Rabbit’s Starry Sky” Yoko Mizumoto p51
“Our Planet” Sachiko Makiyama p27
“Our Powers” Fujiko Tamizu p29
“The Comet’s Path” Shizuko Onodera p37
“Rainbow” Rosemary Grimbles p16

URL http://www.ana.co.jp/ana-info/ana/ehon04
Information on the First Prize entry and Special Prize entry and a list of the Second and Merit Prize entries in the Second Competition (*Currently available in Japanese only)

Aozora International Environmental Picture Book Competition

Our management philosophy emphasizes our commitment to being a familiar presence and to offer dreams and experience to people around the world. We are working to fulfill this commitment in all aspects, and the environmental aspect is no exception. We have positioned environmental conservation as one of our top priorities, and undertaken studies to seek what action we should take to put our philosophy into practice. As one of the environmental activities, we came up with the idea of holding this competition.

The competition is open to people of all ages in all countries. Entrants will consider how to clearly convey environmental issues to children as tomorrow’s leaders, in terms they understand, through a picture book. We hope that the submission of entries will serve to stimulate thoughts on environmental problems.
A STAR ALLIANCE MEMBER

All Nippon Airways Co., Ltd.

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http://www.ana.co.jp

This report was prepared with water-free printing to prevent the derivation of hazardous wastewater.

This report was printed with environment-friendly soy ink.

Information about the Cover Art and Illustrations