



#### **Contents**

ANA Group CSR Message

Message From the President	10
Management	
CSR—Basic Perspective and Promotion	12
Corporate Governance	13
Risk Management	15
Compliance	17
Internal Auditing	18
Safety	
"Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" on the Frontlines - I	00
The ANA Group's Approach to Safety	20
Perspective on Safety	22 22
Approach to Safety Safety-Related Occurrences	26
Finances	20
"Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" on the Frontlines - II  The ANA Group Mid-Term Corporate Strategy	28
Communication With Shareholders and Investors	30
	30
Society	
"Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" on the Frontlines - III	20
Initiatives to Raise Customer Satisfaction Creating Services Based on Customer Feedback	32 34
"Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" on the Frontlines - IV	34
Building a Strong team ANA	36
Together With Employees	38
Relationships With Business Partners	41
Contributing to Communities, Society and Future Generations	42
Environment	
"Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" on the Frontlines - V	
Towards a Leading Eco-Friendly Airline	44
Overview of ANA Group Ecology Plan 2008–2011	46
Environmental Policy/Environmental Management Web Only	48
Report of Final Year of ANA Group Ecology Plan 2003-2007	50
Climate Change Web Only	51
Compliance With Environmental Laws and Regulations Web Only	57
Noise	59
Promoting the 3Rs Web Only Environmental Contributions and Communication	60 62
ANA Group Environmental Data Web Only	64
Air Pollution Countermeasures Web Only	69
Reducing Hazardous Chemicals Web Only	70
Cities Served by the ANA Group	71
Third-Party Assessments/Corporate Outline	71
a. ty / tooodornome, corporate oddine	12

ANA Group's Corporate Philosophy/ANA Group's Corporate Vision

#### ■ Profile

1

All Nippon Airways Co., Ltd. (ANA), founded in 1952, has been providing air transportation service for more than a half century with flight safety as its top priority. Thanks to your support, we have grown to be one of the largest airlines in the world, carrying over 50 million passengers per year, proof of the high level of customer trust in the ANA Group.

The ANA Group will continue working toward its goal of becoming the number one airline in Asia by raising customer satisfaction and by placing utmost priority on safety.

#### ■ Outline of this Report

#### **Editorial Policy**

The ANA Group aims to pursue business in a socially responsible manner; each year since 2005 we have produced a CSR Report to update stakeholders on our activities.

#### **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, 2007 to March 31, 2008 (Includes some activities before or after this period.)

#### Reference Guidelines

"Sustainability Reporting Guidelines Version 3.0" Global Reporting Initiative "Environmental Report Guidelines (2007)" Ministry of the Environment (Japan)

#### Date of Publication

September 2008

#### ■ Links With Corporate Website

From 2008, we have reorganized the CSR Report in order to make it easier to read. For this reason, we have transferred some content previously printed in CSR Reports to our corporate website.

In recognition of the importance of continuously reporting on our activities, we plan to continue to enhance disclosure on our corporate website. We invite you to visit our corporate website at the following URL:





#### **ANA Group's Corporate Philosophy**

ANA Group's Corporate Philosophy expresses our ideals for the Group and the fundamental approach we must take to prevail against the competition and remain the airline of choice.

ANA Group's Corporate Philosophy was established in January 2002 following discussion across all layers of ANA and its subsidiaries, from executives to frontline employees.

#### **Our Commitments**

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

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

#### Course of Action

- 1) Maintain top priority on safety
- 2) Be 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's Corporate Vision**

ANA Group's Corporate Vision sets out our immediate goals and is based on ANA Group's Corporate Philosophy.

#### **ANA Group's Corporate Vision**

With passenger and cargo transportation in Japan, elsewhere in Asia, and around the world as its core field of 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



# Working to Serve as an *Anshin* (Reliable) Airline Everyday

Adherence to flight safety is our absolute promise to the public—and vital for people to feel safe and secure flying with us. All ANA Group members work hard to faithfully carry out their daily duties. By cultivating a sharp eye for spotting the smallest irregularities in night-shift maintenance and fostering a corporate culture that prioritizes safety, we continue to offer reliability as a matter of course. At ANA, we recognize that the pursuit of safety has no end.



# Ensuring Safety With the Latest Technologies to Keep Our Promise of *Anshin* (Reliability)

The ANA Group has established a safety system utilizing cutting-edge technologies in order to share safety reporting, experience and expertise gained through operations throughout the Group. For example, the ANA Group uses flight simulators with the latest technologies to train and evaluate flight crews, and continuously conducts strict training programs so we can respond properly and promptly to any situation.



# Providing Personal Attaka (Warmth) to Everyone We Meet Through Our Businesses

Through its business activities, the ANA Group strives to offer personal warmth to all stakeholders, including customers, business partners, shareholders and investors, and local communities. We believe in providing services with personal warmth from the customer's perspective, and building warm, cordial relationships with all stakeholders. The ANA Group aims to contribute to society as a corporate citizen by adding a touch of personal warmth to customer service and business operations.



# ANA—the Most Akaruku-Genki (Enthusiastic) Airline Group in the World

We believe that all ANA Group staff members perform their duties with the world's highest level of enthusiasm. You can see it in the smiles of our hardworking staff, and how they continuously come up with new ideas and take action to achieve our mutual goals. They are the engine behind the ANA Group's efforts to meet new challenges. By bringing together the energy of individual employees to form a powerful team, we will continue to provide services that convey our enthusiasm to all customers.

#### Message From the President



#### **Determined to Maintain Safety**

The ANA Group Safety Principles, which state that "safety is our promise to the public and the foundation of our business," is part and parcel of the ANA Group's unchanging values. In order to maintain safety, we must entrench reliable systems into our organization and foster high safety awareness among every employee. In October 2007, we introduced a flight operation risk management system that sets forth appropriate measures based on safety reports. At the same time, we are steadily implementing plans to provide safety education to the ANA Group's 30,000 employees within the next three years via the ANA Group Safety Education Center (ASEC), which opened in January 2007. We also offer a range of safety awareness-raising programs every July, which is designated as Safety Promotion & Security Enhancement Month. Through such measures, we are working to ensure that a corporate culture that prioritizes safety takes even deeper root throughout the ANA Group.

In autumn 2007, we carried out the airline industry's first Safety Culture Evaluation to gauge and analyze the extent to which safety awareness has permeated our organization. The goal is to extend our strengths while compensating for our weaknesses in this area. Going forward, the ANA Group is

determined to maintain flight safety by having every member sincerely examine safety issues and act out of an awareness of each individual's roles and responsibilities.

#### **New Value Creation**

Innovation is a key element of the ANA Group Mid-Term Corporate Strategy (April 2008 to March 2012). One way we are working to realize innovation is through the New Value Project. This project will see us combine Group-wide structural reforms with a change in employee mindset in order to build new strengths that will allow us to adapt to any kind of change—be it soaring jet fuel prices, intensifying global competition or the ongoing deregulation of air transportation markets. By transforming these new strengths into a driving force behind growth, we aim to build an even more powerful ANA Group.

#### Commitment to the Global Environment

As an airline, our business operations involve the emission of carbon dioxide (CO<sub>2</sub>). Safeguarding the global environment is thus a crucial management issue. Under its recently announced ANA Group Ecology Plan 2008–2011, ANA became the first among the world's airlines to set CO<sub>2</sub> emission targets. Among other initiatives, this highlights our unwavering commitment to remaining one of the world's leading eco-friendly airlines.

#### **Modesty and Sincerity**

CSR is the backbone of the ANA Group's business. The ANA Group's approach to CSR is to grow as an enterprise by contributing to the advancement of society. We are determined to realize our ambitions in this area.

On behalf of all directors and employees of the ANA Group, I would like to reaffirm our commitment to continuously acting in a sincere, responsible and modest manner to ensure that customers feel safe and secure flying with ANA and that we earn the trust of all stakeholders.

September 2008

Mineo Yamamoto President and Chief Executive Officer, ANA Chief Representative of the ANA Group

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Head of CSR Promotion Committee

## Management



	CSR—Basic Perspective and Promotion
	Corporate Governance
	Risk Management15
	Compliance
Int	ernal Auditing

For further details about the ANA Group, please visit our corporate website.



http://www.ana.co.jp/eng/aboutana/corporate

#### **CSR—Basic Perspective and Promotion**

In April 2007, the ANA Group established a CSR Promotion Division with the objective of further enhancing corporate value by mobilizing the entire Group to implement sustained initiatives to ensure its co-existence with society and the environment.

#### **Basic Perspective**

The ANA Group has a diverse range of stakeholders—customers, shareholders and investors, employees, business partners, and local communities. The purpose of our CSR activities is to fulfill our responsibility to stakeholders by clearly communicating with them, allowing us to co-exist with society in a sustainable manner while enhancing corporate value.

CSR means that each ANA Group member understands and follows the ANA Group Philosophy, thereby giving all stakeholders a sense of security and trust. In addition to our underlying commitment to safety, we will fulfill our responsibilities to stakeholders in the following three steps:

- 1. We will fulfill our economic responsibility\* by ensuring safety and compliance (the base line).
- To improve quality and employee motivation, we will fulfill our responsibility to customers by enhancing CS (Customer Satisfaction) and to employees by increasing ES (Employee Satisfaction).
- 3. We will help to solve social and environmental issues.
- \* Economic responsibility entails implementing thorough risk management and operating the business effectively and efficiently. Together with compliance responsibility, this serves to reinforce the internal control system.

#### ANA's Perspective on CSR



#### **CSR Promotion System**

ANA has revised its former system for promoting CSR by creating the CSR Promotion Division in April 2007 as an organization tasked with promoting the CSR aspects of ANA Group management. Departments responsible for the internal control system, environmental protection and social contribution compose this division. Moreover, in August 2007, the ANA Group enhanced its CSR promotion system by reorganizing relevant committees under the CSR Promotion Committee. This committee is the Group's highest decision-making body for CSR promotion and is supervised by the president.

#### Participation in the UN Global Compact

In May 2008, the ANA Group signed the United Nations Global Compact, which calls for companies to observe 10 principles in the areas of human rights, labor, the environment and anti-corruption. Going forward, the ANA Group will make the most of its participation in the United Nations Global Compact by taking the initiative to conduct business activities as a good corporate citizen.

#### **Corporate Governance**

The ANA Group is instituting a system of corporate governance that promotes business transparency and accountability to stakeholders in order to enhance its corporate value.

#### Structure for Business Decision-Making

Issues fundamental to Group management are deliberated, and decisions made, at the Management Committee, composed of the president as chairman and the executive officers, auditors and other members. The Board of Directors decides important issues that, under the Companies Act of Japan, must be taken up at board of directors meetings.

#### Management System

ANA appoints 17 directors, 5 auditors and 36 corporate executive officers (including directors). In today's harsh business climate, a competitive management structure is indispensable. For this reason all directors have a comprehensive knowledge of operations and management. Our governance structure aims to strike a balance between prompt decision-making, effective and efficient management, and professional auditing and supervision.

#### Board of Directors

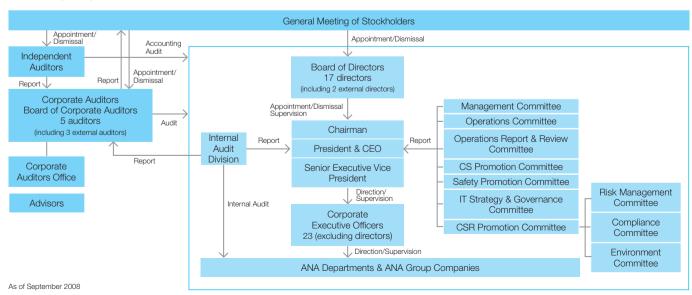
ANA appoints a relatively small number of directors in the interest of prompt decision-making. Ever since our founding, we have appointed external directors to hear views from an objective standpoint. With these measures we are working to ensure strict supervision and appropriate and fast decision-making. Directors' terms are limited to one year in order to reflect the views of shareholders in the structure of management.

The Board of Directors is led by the chairman. In addition to the directors (two of whom are external), five auditors (three of whom are external) attend the meetings. Including extraordinary meetings, the board of directors met 13 times in fiscal 2007.

#### ■ Corporate Executive Officer System

Personnel appointed to the post of corporate executive officer are well-versed in business operations and given the authority and responsibility to execute their task. We started this system in 2001 with the aim of ensuring that such personnel could concentrate on the sound management of the Company's business operations. Corporate executive officers are assigned responsibility for each field to enhance management efficiency.

#### **ANA Group Corporate Governance Structure**



#### Auditing System

To strengthen our auditing capability, we appoint five auditors, including three from outside the Company, to the Board of Corporate Auditors. Also, one full-time auditor is from outside the Company. Each corporate auditor conducts audits of operations at each ANA office and audits of Group companies and reports the results to the board of corporate auditors and to the representative directors. The auditors share information and opinions with the Internal Audit Division and the independent auditors on a quarterly basis and work to enhance auditing.

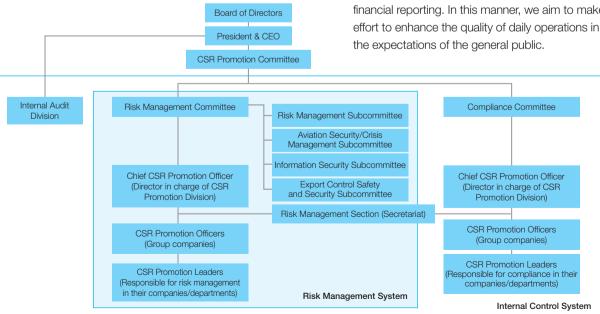
#### Accounting Audits

As for accounting audits, Ernst & Young ShinNihon LLC audits ANA's work sites and Group companies in accordance with the Companies Act and the Financial Instruments and Exchange Law. Auditing results are reported to ANA's management and to the Board of Corporate Auditors.

#### Business Advisory Board

In addition to those bodies stipulated by law, we have instituted an advisory board comprised of six experts in various fields. The board's diverse and valuable opinions on the overall business of the Group are fully reflected in our management. Four meetings were held in fiscal 2007.

#### Internal Control System and Risk Management System



#### Internal Control System

The ANA Group has been enhancing its internal control system with the four objectives of achieving "business effectiveness and efficiency," "reliability of financial reporting," "observance of laws and regulations for business activities" and "conservation of assets." In July 2002 we established a Risk Management Committee and in April 2003 a Compliance Committee. In April 2003, we also established the Internal Audit Division in charge of internal auditing to complete our system of internal control.

#### Measures to Establish a System for Internal Control of Financial Reporting

The ANA Group Mid-Term Corporate Strategy (fiscal 2008-2011) identifies CSR (corporate social responsibility) as an important management issue under the theme of strengthening the Group's operating base. Proper disclosure of management information is a key corporate social responsibility. We will thus continue to conduct appropriate financial reporting. Under the Financial Instruments and Exchange Law, "a system for internal control of financial reporting" was introduced, and all publicly listed corporate groups are required to establish such a system and provide the necessary reporting, as a means of ensuring the reliability of financial reporting. Recognizing that fulfilling our corporate social responsibilities is the foundation of business, the ANA Group seeks to develop an internal control system that functions effectively over a broad scope of operations, rather than passively implementing a system for internal control of financial reporting. In this manner, we aim to make a Group-wide effort to enhance the quality of daily operations in order to meet

#### **Risk Management**

The ANA Group strives to ensure stable operations by ascertaining and controlling risks that could impact business operations from a preventive perspective and by promptly and appropriately responding to risks that materialize.

#### **Promoting Total Risk Management**

The ANA Group has structured a total risk management system based on two approaches. One is the risk management approach, which adopts a preventive perspective with the goal of ascertaining and controlling risks that could impact business operations. The other is the crisis control approach, which is for promptly and appropriately handling risks that actually materialize.

The basic elements of overall risk management at ANA are specified in the ANA Group Total Risk Management Regulation. To promote risk management, we have established the Risk Management Committee under our CSR Promotion Committee. The committee deliberates on important risk-related matters and devises significant risk management policies. Each ANA office and Group company also assigns a CSR Promotion Leader who is responsible for risk management.

#### ■ Risk Management

We carry out risk management based on the Risk Management Committee Regulation, Risk Management Regulation, Risk Management Implementation Manual and other related rules. We are building a risk management cycle consisting of risk exposure, analysis, evaluation, control (study and implementation of countermeasures) and monitoring with the goal of minimizing potential impediments to business activities.

#### ■ Crisis Management

Crisis management involves preparing for potential emergencies. We have created procedures for handling crises based on the following two manuals. The Emergency Response Manual (ERM) provides information on how to handle ANA Group aircraft accidents and hijackings. The Crisis Management Manual (CMM) establishes rules for handling crises other than the above, including computer system failure, information leaks, misconduct, and risks caused by external factors, among others.

The purpose of both manuals is to rapidly put in place a crisis-response structure that enables us to respond to emergencies promptly and properly, minimize loss, while ascertaining the cause and ensuring safe and stable business operations into the future. To prepare for the possibility of an accident or hijacking, practical drills and training are held every year on a regular basis. We also have a system for confirming safety during crises that is in place throughout the Group.

#### Information Security

The Group maintains data on a vast number of customers, including information on over 17 million ANA Mileage Club members. In fiscal 2007, we reinforced our system for ensuring information is managed and used appropriately. We revised the ANA Privacy Policy and Rules on Protecting Individual Customer Information, reinforced internal procedures and created a handbook and video learning tools to raise the awareness of all employees.





ANA Privacy Policy

http://www.ana.co.jp/eng/aboutana/legal/index\_sm.html

#### **Business Continuity**

In order to deal with specific events like a major earthquake in the Tokyo metropolitan area or a serious outbreak of new strains of influenza, we have prepared individual response manuals that lessen the burden on decision-making amid the turmoil caused by such emergencies, ensure a prompt, appropriate response that puts top priority on the lives and well-being of customers and employees, and resume normal business operations as quickly as possible.

#### **Strengthening Security Export Controls**

In conjunction with the Japanese government's efforts to strengthen national security export regulations, in July 2006 we notified the Ministry of Economy, Trade and Industry of our compliance program for national security export controls. Furthermore, in fiscal 2007, we made revisions to management regulations and rules in line with amendments to Japan's Foreign Exchange and Foreign Trade Act, while at the same time adding various provisions concerning U.S. re-export control regulations. We also worked to reinforce systems by appointing an individual in charge of security export controls at the Group level and increasing the number of managers in each division.

#### Fiscal 2007 Incidents and Countermeasures

#### Needle found in toy distributed during a flight

In August 2007, a customer report led to the discovery of a needle in the embroidery of a toy given out on a flight. We immediately stopped carrying this toy on flights, disclosed the incident, established a customer service desk and addressed inquiries. Fortunately, no injuries occurred. However, ANA takes such incidents very seriously and has therefore committed to working to prevent any recurrence by bolstering product inspection procedures and checking for needles in advance.

#### Flight crew consuming alcohol within 12 hours of a scheduled flight

A flight crew member consumed alcohol approximately nine and a half hours before a flight in violation of internal rules that prohibit flight crew members from drinking within 12 hours of a scheduled flight. In this particular incident, a pre-flight inspection using an alcohol detector did not detect any alcoholic consumption by the captain involved, and the captain took control of the plane. The incident was discovered when someone involved subsequently filed a report. Because safe flight operations could have been compromised, the flight crew member, including the relevant executive and supervisor, were subject to stern disciplinary measures and steps were taken to prevent a recurrence.

#### Individuals other than flight crew seated at flight controls in cockpit

On four separate occasions during the period from 2005 to 2008, a flight crew member seated individuals other than flight crew at the flight controls in the cockpit during scheduled and ferry flights. All incidents took place on flights by the same captain and the facts of the case were confirmed in an interview with the individual. The incident suggested a lack of flight safety awareness, so a number of steps have been taken: a meeting of supervisors was held for the ANA Group as a whole, training sessions were conducted to reaffirm the nature of safe flight operations, and relevant regulations were revised.

#### Computer system failure

On May 27, 2007, our domestic check-in system failed, leading to the cancellation or substantial delay of more than 130 flights and greatly inconveniencing customers. In order to prevent any recurrence of such failures, we are not only strengthening backup systems, but are also identifying priorities such as the implementation of training programs at related departments to improve customer assistance and responses by staff members in the event of a disruption. In these and other areas, we are progressively taking appropriate measures.

#### Compliance

The ANA Group promotes compliance by raising awareness through employee education. CSR Promotion Leaders lead the inspection of the workplace to identify and solve any problems.

#### Compliance Structure

Compliance is promoted by the Compliance Committee, consisting of corporate executive officers and division directors, under the oversight of the CSR Promotion Committee. The Chief CSR Promotion Officer (the ANA director in charge of the CSR Promotion Division) oversees compliance throughout the ANA Group. At individual Group companies, the respective CSR Promotion Officers exercise leadership as managers to rigorously oversee compliance. The CSR Promotion Leaders working in each ANA office and Group company are the driving force in promoting compliance.

#### **Practical Compliance**

Each year, the ANA Group establishes a specific policy to raise awareness about compliance, and carries out specific activities in line with the policy. In fiscal 2007 we worked to promote compliance throughout the entire Group under a policy of implementing practical compliance.

Moreover, in line with our CSR Promotion Month, in fiscal 2007 we implemented the following specific initiatives.

- We deepened the understanding of managers of Group companies about the latest compliance management practices by inviting lecturers from outside ANA who could take the lead in promoting compliance through lectures.
- We worked to raise the awareness of each individual employee about compliance after carefully examining the results of our annual survey of Group employee awareness of compliance, conducted through questionnaires.

As an initiative about an important issue, we inspected and improved workplaces as regards adjusting our contract and temporary work systems to ensure the Group was responding correctly to diversifying employment patterns. We also conducted surveys and made improvements to ensure we were operating in compliance with the Subcontract Law. Furthermore, we actively provided the information necessary for

employees to observe business-related laws and regulations, including holding lectures about the Antimonopoly Act as part of the compulsory education for all sales managers.

In addition, we worked to create an environment in which compliance management is practiced through such measures as holding level-based compliance training and disseminating the latest compliance news through email magazines.

#### **Internal Reporting Contact Points: Help Line**

We established the Help Line as a contact point for general consultations and internal reporting related to compliance inside the Group and outside the Group at a law firm. All ANA Group employees and contract staff members can engage in consultations or internal reporting at these locations. In response to the Whistleblower Protection Act, we also made our Help Line available for reporting from staff members of companies that the ANA Group has contracted. In this and other ways, the Help Line provides a self-cleansing function for the ANA Group.



Help Line poster

#### **Internal Auditing**

At the ANA Group, internal auditing for ANA and its subsidiaries is raising the effectiveness of corporate governance.

#### **Internal Auditing**

The objective of the internal audit is to help enhance the ANA Group's corporate value. To this end, the division assesses the administrative and operational systems of all business activities, as well as implementation status of operations from the standpoints of legality, rationality and corporate ethics. It also endeavors to maintain corporate assets and improve management efficiency by providing information based on the audit results, and by offering recommendations for improvement.

The Internal Audit Division, which reports directly to the president, implements operational and account auditing, and evaluations in accordance with the "Evaluation System for Internal Controls over Financial Reporting" under the Financial Instruments and Exchange Law of Japan, from an independent and impartial standpoint, for ANA and Group companies.

The division conducts regularly scheduled audits according to the plan for the fiscal year followed based on risk analysis, and unscheduled audits at the will of senior management. Auditing results are reported to the president each month, and important items are reported to the corporate auditors guarterly.

#### ■ Implementation Status

In fiscal 2007, the Internal Audit Division emphasized the business strategies of departments, sales management, revenue management and observance of laws and regulations. The division conducted internal audits of approximately 20 ANA offices and Group companies, focusing on cargo and flight operation-related businesses. Also, the division examined and performed tests of evaluation methods to comply with the "Evaluation System for Internal Controls over Financial Reporting" under the Financial Instruments and Exchange Law of Japan.

## Safety



	"Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" on the Frontlines - The ANA Group's Approach to Safety	
	Perspective on Safety	)
A	Approach to Safety	
Saf	etv-Related Occurrences	

For further details on safety measures and flight data, please visit our corporate website.

http://www.ana.co.jp/eng/aboutana/corporate/saf\_env

#### The ANA Group's Approach to Safety



Akemi Inukai Manager Corporate Safety & Audit Division ANA Group SAFER Auditor

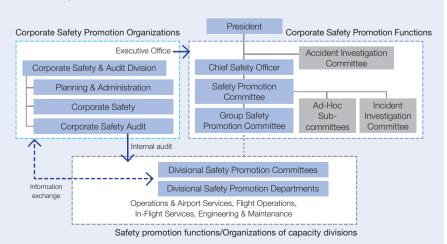
### Fostering a Corporate Culture Prioritizing Safety

The pursuit of safety is a commitment shared by airlines worldwide. At the ANA Group, the Corporate Safety & Audit Division plays a leading role in enhancing safety. In this section, a member of this division explains various initiatives undertaken at the frontlines of flight operations to ensure the safety and comfort of customers.

#### Safety Promoted Systematically at the Group Level

I am a member of the Corporate Safety & Audit Division, which is responsible for monitoring the overall safety level of the ANA Group's flight operations and promotion of safety throughout the Company. The division is made up of three departments: Planning & Administration, Corporate Safety Promotion and Corporate Safety Audit. The three departments are involved in each function of the Plan-Do-Check-Act cycle, from developing safety-related mechanisms to formulating and implementing specific measures, conducting education and awareness-raising activities, and carrying out internal safety audits. Employees

#### **ANA Safety Promotion Divisions and Functions**



of various backgrounds, including flight crew, cabin attendants, maintenance engineers and ground handling crew, are members of the Corporate Safety & Audit Division. This team, which has extensive practical experience and knowledge, analyzes information from the various perspectives of flight operations, identifies actions needed to raise safety levels, and promotes concrete initiatives in cooperation with various divisions and Group companies.

The pursuit of safety is a commitment shared by airlines around the world. For this reason, the Corporate Safety & Audit Division shares its safety-related knowledge and experience with airlines outside the ANA Group and strives to gather the latest information on safety-related issues.

#### Enhancing Safety Through Reliable Frontline Systems and Sincere Actions

We are committed to improving safety through integrated management systems and by raising safety quality through the individual performance and dedication of each and every staff member in accordance with the ANA Group Safety Principles. To this end, the ANA Group conducts internal safety audits through the SAFER\* program. These audits involve checking whether our safety management system is in full compliance with the Aviation Acts of Japan and international safety standards.

One of my roles is to serve as an auditor of the Corporate Safety Audit Department. I use audits as an opportunity to obtain direct feedback from staff members working in various divisions. When conducting internal safety audits, I focus on whether each division has put in place reliable systems for strictly maintaining safety and whether all employees are performing their duties responsibly based on those systems. I talk with employees about whether there is anything we could do to help and strive to communicate with them in a way that does not cause stress. At the same time, I believe that pointing out findings at the frontlines from an objective perspective leads to new improvements.



#### The Ongoing Process of Building a Corporate Culture That Prioritizes Safety

In accordance with recent amendments to Aviation Acts of Japan, all airlines are required to establish a safety management system (SMS). Accordingly, every member of the ANA Group, from top management to frontline employees, bears responsibility for promoting safety.

In addition, risk management systems have been developed to assess risks related to flight operations based on information reported by each division and implement measures in line with the materiality of risk.

There are two basic types of risk management measures. One is measures to prevent the recurrence of incidents. The other is activities to prevent incidents through the identification of potential safety hazards while they are still minor. At the ANA Group, we are currently focused on measures to prevent incidents. In day-to-day flight operations, examples of potentially dangerous or unsafe situations are actively reported and widely shared.

Everyone makes mistakes. Naturally, however, people are reluctant to report the mistakes they make. Given this reality, in order to encourage voluntary action on the part of each and every employee and make sure that an individual sense of regret is not the only outcome of a mistake, we have developed a system for horizontally communicating mistakes, identifying their causes and ensuring that appropriate measures are promptly implemented.

It is also extremely important to have an open workplace environment in which employees work as a

team to raise one another's awareness, discuss matters while they are on the job and consult with each other when there is a problem.

I believe that further promoting communication within the ANA Group as a whole, in a way that transcends specific job and divisional boundaries, will provide additional support for safe flight operations.

Building a corporate culture that prioritizes safety is an ongoing process. The ANA Group Safety Education Center (ASEC) is a testament to our strong determination to do our utmost to prevent accidents and never forget the lessons learned from past accidents. I want each and every employee to be conscious of the fact that faithfully carrying out their individual duties underpins safety. I would like to help further solidify the culture of safety at the ANA Group through steady, steadfast improvements.



ANA Group Safety Education Center

ANA Group Safety Education Center

http://www.ana.co.jp/ana-info/ana/lounge/education/asec.html (in Japanese only)

<sup>\*</sup> Safety Evaluation and Review

#### Safety

To ensure the highest level of safety, the greatest challenge facing airlines, the ANA Group has established the ANA Group Safety Principles for all members to raise awareness of safety and ensure safe flight operations.

## Perspective on Safety

#### **ANA Group Safety Principles**

To ensure the reputation for security and reliability outlined in the ANA Group's Corporate Philosophy, the entire ANA Group must have a common recognition of safety, the basis of air transportation.

To this end we formulated the ANA Group Safety Principles, stipulating that safety is our promise to the public and clearly asserting the ANA Group's obligations with regards to air transportation.

In line with the Group's safety culture, the philosophy defines the three basic entities responsible for maintaining and improving safety: companies, organizations and employees.

Employees of the ANA Group promise to stay humble in observing safety.

#### **ANA Group Safety Principles**

Safety is our promise to the public and the foundation of our business.

Safety is assured by an integrated management system and mutual respect.

Safety is enhanced through individual performance and dedication.

## Approach to Safety

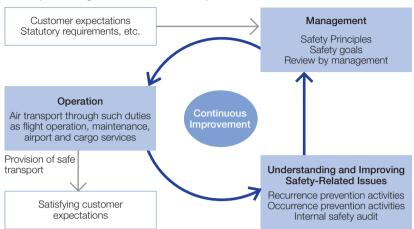
The ANA Group has set up various organizations and systems to ensure a high level of safety.

#### **Establishment of Safety Management System**

In order to ensure transportation safety, the most important requirement of the Aviation Acts of Japan, the ANA Group created the Safety Management Regulations as its top regulations on safety to clarify the Group's overall approach to safety, and a powerful new post, that of Chief Safety Officer. Through these measures, we have established a system for comprehensively managing and promoting the SMS\*. Chairmen of the Safety Promotion Committees of each airline in the Group at the top management level have been appointed to the position.

We also established the Group Safety Promotion Committee as our highest decision-making body related to safety. The committee's main tasks are to communicate important safety-related cases within the ANA Group, to stipulate safety-related policies and promote awareness, and, where needed, to advise Group companies on safety issues. In addition, given that the law now mandates a safety audit program, something we had implemented voluntarily until now, we are stepping up our auditing system and bolstering our overall approach to safety.

#### Conceptual Diagram of Continuous Improvement of SMS



\* Safety Management System

The Safety Management System (SMS) is a documented process for managing risks that integrates operations and technical systems with the management of financial and human resources to ensure aviation safety and the safety of the public. Its main characteristics are that: top management is proactive in safety initiatives, and safety is enforced organizationally; safety principles, policies and safety-related information are extensively shared; risk is systematically identified, analyzed and evaluated, with steps taken according to the degree of risk; and the system is continuously improved. These ideas are highly evident in international standards as well.

#### Evaluating Our Safety Culture— An Airline Industry First

The ANA Group Mid-Term Corporate Strategy (April 2008 to March 2012) makes safety the Group's ultimate priority and calls for promoting a corporate culture that prioritizes safety throughout the ANA Group.

The ANA Group has continuously carried out a variety of measures in order to improve safety. However, a corporate culture that prioritizes safety, which is to say, a safety culture, is difficult to assess concretely, so we felt the need to quantitatively determine the extent to which safety measures are contributing to a safety culture at the ANA Group as well as the actual level of safety-related awareness and activity among ANA Group employees.

We therefore conducted a questionnaire targeting 41 Group companies and some 27,600 employees in order to diagnose our safety culture. This type of survey has already begun in other industries.

Specifically, we launched an in-house project, considered diagnostic methods with the help of outside specialists, and measured the degree of safety culture penetration from two perspectives: systematic, organizational aspects, and the awareness, attitudes and behaviors of members of our organization. The findings of the analysis and assessment were

fed back to employees, and efforts are now being made to incorporate issues that were identified by the survey into action plans and improvements.

#### Operations Report (OR) Meetings by **Top Management**

OR meetings are held once a week at Haneda Airport in Tokyo to share information on flight operations and review operational reports on taking prompt measures and improvements, attended by the president, vice-presidents and directors of relevant divisions.

Immediately after discussions in the OR meetings, the heads of all relevant divisions in flight operations and those responsible for Group companies meet for detailed studies to implement the conclusions of the meeting.

#### Risk Management for Flight Operations

Risk management activities used in an SMS are somewhat different from the measures companies generally use to avoid operational risks, in that initiatives are proactively conducted to prevent accidents and incidents related to the safety of flight operations.

These risk management activities are based on safety reports and incident reports, and refer to a series of measures ranging from preventing the recurrence of incidents, the occurrence of similar incidents, or the occurrence of such incidents under more hazardous conditions, to confirming the effectiveness of these measures. With respect to incidents that have occurred, the ANA Group identifies hazards (unsafe factors that could lead to an accident or incident in some cases), evaluates their risk level (a combination of the likelihood of occurrence and the severity of the potential incident), and either eliminates hazards or reduces them to an acceptable level through organizational activities. These activities are conducted jointly by the seven Group companies involved in aircraft operations.

#### Voluntary Safety Report Program

Initiatives to prevent safety incidents are an important aspect of our SMS, alongside measures to deal with hazardous situations that have occurred. Our Voluntary Safety Report Program is an effective tool for incident prevention. Divisions within the ANA Group encourage active reporting of safety information,

including potentially hazardous situations directly experienced by the people involved (situations that did not materialize into an incident, but provide examples that could help to eliminate hazards). By facilitating reporting, evaluating risks precisely, thoroughly analyzing causes, and responding appropriately on a regular basis, we believe that we can raise safety levels. Key examples of the programs used by different divisions are introduced below.

#### ■ Experience Can Help Others (ECHO)

Experience Can Help Others, or ECHO, is a program for cockpit crew members that was developed in 1991 and is now used by all airlines in the Group. ECHO collects reports from cockpit crews on cases of misjudgment, misinterpretation, faulty procedure and other errors, as well as on specific experiences that could help in the effort to eliminate hazards.

To encourage input from everyone and ensure that the program functions effectively, ECHO assures the anonymity of its sources.

Information collected is reviewed monthly by the ECHO committee, and published in the internal ECHO journal (published six or seven times a year with more than 100 issues published to date), which is distributed to all cockpit crew. The journal also suggests measures aimed at preventing incidents and accidents.

#### ■ Safety Tips from Experience (STEP)

Under the STEP program, the in-flight divisions of ANA Group companies seek to identify and prevent safety-related mistakes by cabin attendants as well as hazards that could lead to incidents at a stage when the risk involved is still minor.

The number of reports is increasing each year, helped by efforts to focus on its importance and also through the implementation of a support system to ensure that such reporting is not taken personally. Based on STEP's original aim of preventing unsafe incidents by making use of past examples, we are further refining the system by revising criteria on the report form and improving the effectiveness of analysis by allowing digital submissions as well. These steps should encourage more voluntary reporting of risks or close-calls thought to be caused by human error, and promote even greater utilization of the program.

#### Internal Auditing Program SAFER

The ANA Group has conducted internal safety audits under the SAFER\* program since fiscal 2001. Since fiscal 2007, we have worked to achieve higher quality audits by establishing a common Group-wide training and certification system for auditors.

SAFER\* is responsible for the "C" ("Check" function) in the Plan-Do-Check-Act (PDCA) cycle of the Safety Management System. Auditors possessing specialized knowledge and training based on ISO 9000 standards verify that the ANA Group's safety quality meets not only domestic standards but also international standards, directly reporting to top management to rectify any lapses.

#### Compliance With International IOSA Auditing Standard

IOSA\*1 is an internationally recognized safety audit program. In 2004, ANA became the first Japanese airline to register with the program, which incorporates international laws, regulations and safety requirements. Among ANA Group airlines, Air Nippon registered with the program in fiscal 2006, and our other Group airlines also conduct internal safety audits according to the same standards. Currently, meeting the IOSA standard is a requirement for joining the IATA\*2, and IOSA membership signifies that an airline meets international safety standards.

#### ANA FOQA Program for Raising Quality

The ANA FOQA\* program enables the review of all flights, 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 with respect to operational quality, in order to respond promptly. The program helps to maintain and promote flight safety while improving operational quality.

<sup>\*</sup> Safety Evaluation and Review

<sup>\*1</sup> IATA Operational Safety Audit

<sup>\*2</sup> International Air Transport Association

<sup>\*</sup> Flight Operational Quality Assurance

#### LOSA—Monitoring Flights for Safety

In 2006, ANA became the first airline in Japan to adopt LOSA\*1, a program that collects information about potential hazards in daily flight operations and records and analyzes flight crew errors during flights. ANA has signed a contract with TLC\*2, LOSA's administering authority. Under this contract, internal monitors trained by TLC, working with TLC's own monitors, collected data from approximately 300 flights. Based on the findings from the analysis of this data, ANA is working to develop measures that improve the safety of flight operations.

#### Initiatives to Address the Kochi Accident

The final report of the Aircraft and Railway Accidents Investigation Commission of the Ministry of Land, Infrastructure, Transport and Tourism regarding the emergency landing of ANA Flight 1603 (Osaka/Itami – Kochi) that occurred on March 13, 2007 was released in May 2008.

#### 1. Outline

On March 13, 2007, ANA Flight 1603 attempted to lower its landing gear in order to land at Kochi Airport, its destination, but was unable to lower the nose landing gear. The aircraft was therefore forced to land at the airport with its nose landing gear retracted. No passengers or crew members were injured in the accident.

#### 2. Investigation on the Cause of the Accident

An investigation found that a component of the assembly controlling the opening and closing of the nose landing gear compartment came loose and struck the mechanism inside the compartment, which prevented the lowering of the nose landing gear. The investigation also found records showing that a part of the opening and closing mechanism for the nose landing gear had been replaced during assembly by Bombardier of Canada, the manufacturer of the aircraft.

#### 3. Presumed Cause

The Aircraft and Railway Accidents Investigation Commission states that when Bombardier made the replacement, it failed to attach the necessary bolt and nut, so the part came loose during flight, and led to the accident.

#### 4. Safety Recommendations

The Aircraft and Railway Accidents Investigation Commission of Japan recommended that Transport Canada instruct Bombardier to strengthen its quality management systems.

The ANA Group conducted the following emergency safety measures following occurrence of the incident.

- An emergency safety team composed of top management and divisional managers at each of the Group's airlines visited Japan's major airports to promote the importance of safety.
- All Group employees were shown a safety video presented by the chairman of the Group Safety Promotion Committee.
- Emergency safety inspections were conducted at 178 departments nationwide, and group discussions and autonomous inspection questionnaires were conducted on the importance of basic tasks and procedures at each workplace and organization.

Issues identified through these initiatives were remedied systematically during fiscal 2007.

#### ANA Catering Service—Safety and Quality

ANA Catering Service (ANAC) has instituted the HACCP\* management system to ensure food safety and security.

As part of implementing the HACCP system, we carry out day-to-day facility improvements, while focusing on maintaining and strengthening the high morale and motivation of employees in order to enhance personal hygiene, a basic requirement for ensuring food safety.

ANAC provides thorough hygiene training to all its employees. The Company also strives to maintain strict temperature control and prevent cross-contamination at every stage of the catering process, from the procurement of ingredients to cooking, arrangement and aircraft loading. The safety of in-flight meals is thus assured through full quality control.

In order to ensure food safety and security, ANAC adopts the latest safety standards. The Company has consistently received the highest hygiene and quality ratings from one of the most prestigious auditors in the industry.

\* HACCP (Hazard Analysis and Critical Control Point) is a management method to ensure food safety by monitoring critical control points for factors that might adversely impact the food production process.

<sup>\*1</sup> Line Operations Safety Audit

<sup>\*2</sup> The LOSA Collaborative

#### Safety-Related Occurrences

#### Safety-Related Occurrences

The ANA Group experienced one aviation accident in fiscal 2007. We offer our apologies to passengers and all affected parties. All necessary steps are being taken to prevent recurrences.

In addition, in fiscal 2007, we experienced 236 events (safety-related occurrences), the reporting of which is now mandated under the Aviation Acts of Japan. Details on each event are available in the Safety Report (in Japanese only) under our website's Safety Measures & Flight Data section.



Safety Measures & Flight Data http://www.ana.co.jp/eng/aboutana/corporate/saf\_env

#### Aircraft Accident

Article 76 of Japan's Civil Aeronautics Act defines aircraft accidents as any crash or collision of or fire within an aircraft, as well as the following results of such accidents: property damage outside the aircraft or injury or death; death within the aircraft (excluding natural causes); aircraft damage sustained while airborne; or missing persons.

#### **ANA Flight 126 (Accident)**

- 1. Outline On July 12, 2007, ANA Flight 126 (Okinawa Tokyo/ Haneda) encountered turbulence while flying through thin clouds. One cabin attendant on duty fell and fractured a rib. The aircraft was in level flight at the time and normal in-flight services had been concluded. The seatbelt sign was off. No passengers were injured.
- 2. Presumed Cause The Aircraft and Railway Accidents Investigation Commission published a report of its investigation into the accident on March 28, 2008. The commission found that when the aircraft encountered turbulence caused by cumulonimbus clouds, the cabin attendant was working in a kneeling position, which caused the individual to fall and sustain the fracture.
- **3. Response** The following measures were implemented in response to the accident.
- Flight crew were made aware of the accident and were reminded that turbulence can be encountered without warning when flying through the cloud tops of well-developed cumulonimbus cells associated with frontal and other weather systems.
- 2) Cabin attendants have always been educated and trained to be aware of the danger posed by turbulence and to be on guard, but in order to further awareness of these issues a booklet on preventing in-flight accidents and injuries caused by turbulence was created and distributed to all cabin attendants.

#### Serious Incident

Serious incidents refer to those recognized as potentially causing aviation accidents as defined in Article 76-2 of Japan's Civil Aeronautics Act; 14 scenarios, including takeoffs or landings from runways that are closed or in use by other aircraft, or runway excursions, are stipulated in Article 166-4 of the Enforcement Regulations of Japan's Civil Aeronautics Act.

#### Serious Incident 1

#### **ANA Flight 79 (Serious Incident)**

1) Outline On June 27, 2007, ANA Flight 79 (Tokyo/Haneda – Sapporo/New Chitose) crossed a runway in accordance with air traffic control instructions after landing at New Chitose Airport.

However, as ANA Flight 79 was crossing the runway, an aircraft of another airline had started its takeoff roll on the same runway and was forced to abort takeoff.

This event was recognized as a serious incident because it involved "taking off or aborting takeoff from a runway that was closed or in use by another aircraft."

- 2) Presumed Cause The cause of the incident is currently under investigation by the Aircraft and Railway Accidents Investigation Commission of the Ministry of Land, Infrastructure, Transport and Tourism.
- **3) Response** Flight crew were instructed to carefully monitor air traffic control communications directed at other related aircraft to the extent possible and use this information to aid in forming accurate situational awareness.

Upon official announcement of the investigation results by the Aircraft and Railway Accidents Investigation Commission, we will take additional measures as required in an appropriate manner.

#### Serious Incident 2

#### ANA Flight 220 (Serious Incident)

1) Outline On November 11, 2007, ANA Flight 220 (Fukuoka – Nagoya/Chubu) was on final approach to land at Central Japan International Airport after receiving landing clearance. At that time, an aircraft of another airline entered the active runway without air traffic control authorization, prompting air traffic control to order ANA Flight 220 to go around for another landing attempt.

This event was recognized as a serious incident because it involved "taking off or aborting takeoff from a runway that was closed or in use by another aircraft."

- 2) Presumed Cause The cause of the incident is currently under investigation by the Aircraft and Railway Accidents Investigation Commission of the Ministry of Land, Infrastructure, Transport and Tourism.
- 3) Response Upon official announcement of the investigation results by the Aircraft and Railway Accidents Investigation Commission, we will take measures as required in an appropriate manner.

### **Finances**



"Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" on the Fron	ntlines - II
The ANA Group Mid-Term Corporate Strategy	28
Communication With Shareholders and Investors	30

For additional investor information and annual reports, please visit our corporate website.

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

#### The ANA Group Mid-Term Corporate Strategy



Michiharu Teshima Manager Corporate Planning Department

#### **Pursuing Growth by Emphasizing Communication** With Frontline Employees

In January 2008, the ANA Group formulated a new mid-term corporate strategy that reflects major changes in its business environment. Here, a key staff member directly involved in developing the strategy explains the various themes and initiatives designed to promote the strategy.

#### A Major Shift in Direction—From Strengthening Our Business

#### Foundations to Pursuing Growth

Over the past few years, the business environment surrounding the ANA Group has undergone profound changes. First of all, soaring jet fuel prices have become a major issue for the ANA Group. At the same time, the liberalization of air services is accelerating around the globe. Already, open sky agreements have been reached between Europe and the United States, meaning that routes can be freely operated between countries that have concluded agreements to that end. We believe that in the near future the same will take place in Asia on a full scale as well. Tokyo/Narita and Tokyo/Haneda are expected to increase their takeoff and arrival slots in 2010, which presents a major growth opportunity for the ANA Group.

Due in part to these changes in operating conditions, the management of the ANA Group has reached a major turning point. Our business strategy has focused so far on curbing any further expansion in the scale of business as we reformed our operating and cost structures. That is to say, our basic policy has been to strengthen our business foundation. Under the new mid-term corporate strategy, we will not only continue working to strengthen this foundation, but also strive to expand the scale of our business by developing new business domains, with the aim of becoming Asia's No.1 Airline Group. The main thrust of our strategy has thus shifted in a major way from strengthening our business foundation to the pursuit of growth.



#### Five Keywords for Accomplishing the Strategy

Under the current mid-term corporate strategy, we have established five keywords: "safety," "group," "globalization," "innovation" and "human resources."

"Safety" is the foundation of the Company and our responsibility to the public. In this context, safety means not only the safety of flight operations but also safety in all other respects, including food safety in regards to in-flight meals and the safety of employees. Safety initiatives have no end; the ANA Group's future prosperity hinges on customers feeling safe and secure, and comfortable placing their trust in us.

With regard to "group," we believe that it is important for all ANA Group employees to make the most of their individuality, help one another fulfill their respective roles and function as a truly unified *team ANA*.

"Globalization" is absolutely essential to the ANA Group's business development. As the liberalization of air services continues, we will expand our business domains, primarily around the rapidly growing Asian market and cargo operations.

With respect to "innovation," we intend to draw on truly original ideas to develop groundbreaking products and services. We have also launched the New Value Project in order to boost efficiency sharply through new systems and promote scale expansion with our current workforce. This project is the springboard for innovation throughout the ANA Group.

"Human resources" support the other four key areas and are the source of the value we generate. We believe it is important that everyone at the ANA Group works with enthusiasm and always remains open to taking on new challenges, while keeping safety the top priority.

#### **Emphasizing Communication With Frontline Employees**

Plans have no meaning unless they are appropriately executed. It is essential that the objectives of the mid-term corporate strategy be correctly understood by each and every frontline employee and be put into practice in day-to-day work. Along with other members of the Corporate Planning Department, I have been visiting many of our Group business offices, starting with our six city offices and nine airport offices nationwide, in order to meet with employees to discuss the strategy. In addition, for the New Value Project, we have created the New Value Project Guidebook as a tool to convey the strategy in a way that is easy to grasp. We've also launched a special internal Group website in an effort to foster interactive communication relevant to the issues employees face on the frontlines. These initiatives may not seem like much, but I firmly believe observations made in the midst of everyday work and small improvements made over time will serve to raise the consciousness of *team ANA*, inspire real innovation and drive the Company's growth.

Competition in the airline industry is expected to further intensify in the coming years. However, the ANA Group sees this as a positive development. By actively communicating with frontline employees, we are striving to constantly anticipate market needs as we seek to drive the Group's growth as a whole.





The cover of the New Value Project Guidebook encourages employees to learn from the past and make self improvements

#### Communication With Shareholders and Investors

As of March 31, 2008, ANA has issued approximately 2 billion shares, which are held by over 285,000 shareholders. Providing returns to these shareholders is an important task of management. We distribute earnings properly based on our operating environment and performance, and aim to raise shareholder value by building a business structure capable of steady profits in any business environment.

#### Communication With Individual Shareholders and Investors

We actively communicate with individual shareholders and investors, who account for over 40% of all our shareholders.

#### ■ General Shareholders Meeting

Our ordinary general meeting of shareholders is an important opportunity for direct communication with shareholders and other investors, and we use this opportunity to listen carefully to the views of even more shareholders. A record 3,204 shareholders attended the meeting in 2008, where we received many comments and questions.

#### Briefings for Individual Investors

We expanded our activities by participating in the Tokyo Stock Exchange's Disclosure Fair and held briefings for individual investors. Here, we outlined our businesses and explained in detail our corporate plans. We also answered many questions from individual shareholders and investors in attendance.

#### Shareholder Benefits

We provide various shareholder benefits from Group companies, including special discounts on domestic flights, to encourage shareholders to make use of services offered by the ANA Group.

#### Communication With Institutional Investors

#### ■ IR Activities in Japan and Overseas

In Japan, after announcing each quarter's financial results, we hold meetings and conference calls with research analysts and institutional investors.

In addition, ANA supplements earnings presentations in various ways. For example, the director in charge of investor relations and members of the IR Promotion Office visit various domestic institutional investors and actively take part in domestic IR conferences.

Overseas, we visit major investors in Europe, the United States and Asia to help increase their understanding of ANA's businesses. In addition, we actively participate in overseas conferences hosted by securities companies.

#### ■ ANA Receives Special Award for Outstanding IR Programs

In December 2007, ANA received the Special Award for Outstanding IR Programs from the Japan Investor Relations Association. This award recognizes the fact that ANA, including senior management, performs outstanding IR activities, in terms of the Company's effective communication with capital markets and disclosure of information.

#### Prompt and Accurate Disclosure of Management Information

#### Website

ANA posts important management information on its corporate website as soon as it is released. We are also working to further speed up disclosure of financial information. Our corporate website also provides materials used at earnings presentations, a Q&A section, and video footage of presentations given by senior management.

Web

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

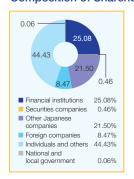
#### Publications

ANA publishes a booklet called ANA VISION for its individual shareholders on a quarterly basis. Our annual report is published every year in English and Japanese in order to clearly explain our financial results, businesses and management strategies to investors around the world.

#### ANA Recognized by the NIKKEI Annual Report Awards for the Second Straight Year

ANA won a prize in the NIKKEI Annual Report Awards for the second year running for its 2007 annual report. The report was commended highly by an independent panel of judges for its clear, well-structured explanations and overall design.

#### **Composition of Shareholders**





### Society



	"Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" on the F Initiatives to Raise Customer Satisfaction	
	Creating Services Based on Customer Feedback	34
Ви	"Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" on the Frontlines willding a Strong team ANA	
Toge	gether With Employees	38
Relatio	onships With Business Partners	41
Contribut	iting to Communities, Society and Future Generations	42

Please visit our corporate website for information about related topics.

Work-Life Balance Project

http://www.ana.co.jp/ana-info/ana/csr/wlb (in Japanese only)

ANA Sky Assist Desk



Web http://www.ana.co.jp/share/assist\_eng

ANA Rakunori (Easy Travel) Service



http://www.ana.co.jp/eng/int\_svc/rakunori

#### **Initiatives to Raise Customer Satisfaction**



Seiji Ejima Manager Planning & Administration CS Promotion Division

### Making Every Effort to Be Customer-Oriented

Guided by a commitment to being customer-oriented, the ANA Group is working to improve service by actively identifying issues based on customer feedback. The CS\* Promotion Division is playing a leading role in carrying out various measures to help even more customers enjoy flying with ANA. In this section, staff members from the CS Promotion Division introduce ongoing initiatives to raise customer satisfaction.

\* Customer satisfaction

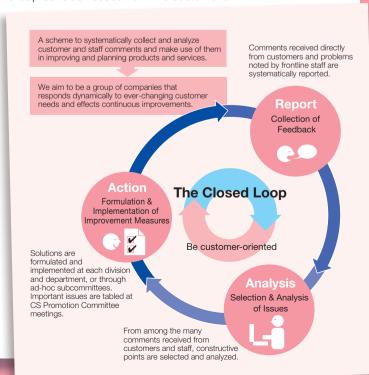
#### Instilling a Customer-Oriented Mindset to Improve Service

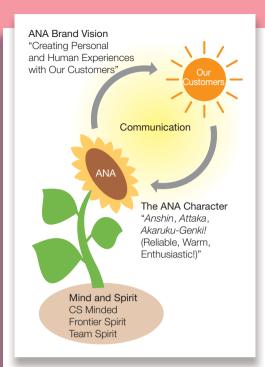
Customer satisfaction is one of the basic concepts of the ANA Group's Corporate Philosophy and ANA Group's Corporate Vision, which were established in 2002. The CS Promotion Division, of which I am a member, conducts awareness-raising activities to ensure that all employees of the ANA Group consider issues from the customer's

perspective and take the initiative to raise service quality. I believe that instilling a customer-oriented mindset in all employees will help to boost customer satisfaction and quality, as well as create new value, resulting in enhancing the ANA brand.

#### **Utilizing the Closed Loop**

The CS Promotion Division compiles feedback received from customers by our Customer Desk and suggestions from frontline staff members into reports in order to identify unresolved issues. In fiscal 2007, we prepared some 60,000 feedback reports on a Group-wide basis. Issues are identified and analyzed based on this feedback, improvement measures are formulated and implemented, and customer feedback is again collected. This "closed loop" cycle is designed to resolve issues in a way that fully recognizes the customer's point of view. Utilization of this cycle allows us to flexibly accommodate customer viewpoints, which are constantly changing. This closed loop process is an important mechanism for raising customer satisfaction.





#### The ANA Character—Anshin, Attaka, Akaruku-Genki!

We believe that the best way to prevail against the competition is to establish a distinctive character, one embodying the ANA strengths and attributes that cannot be imitated by other companies.

With this in mind, in December 2004 we unveiled the slogan "Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" to define the ANA character, and "CS Minded, Frontier Spirit, Team Spirit" to describe the mentality shared by all ANA Group employees.

Depicted graphically as a sunflower (the ANA Group) oriented toward the sun (our customers), our "Anshin, Attaka, Akaruku-Genki!" character is being communicated to customers through a concerted, Group-wide campaign, which we hope will help us become the airline of choice.

We hope that the "Anshin, Attaka, Akaruku-Genki!" slogan will allow employees and customers to see the ANA Group as an energetic group of companies where many employees are working as one team.

#### The ANA Sky Assist Desk

The ANA Sky Assist Desk helps customers who need special assistance when traveling by air. We discuss their needs ahead of time and provide individualized assistance for each customer. For example, for customers who have difficulty sitting down on their own, we directly help them to do so or suggest aids that can be used for that purpose. We have been receiving an increasing number of requests related to customers who need to take a flight lying down due to an illness. In such cases we confirm with relevant departments whether it would be possible to use a stretcher, prepare necessary paperwork, check whether medical equipment needs to be brought on board, and provide other forms of assistance while discussing the matter with the customer, relevant departments, and medical professionals when necessary.

More and more people are traveling within Japan and to countries overseas. To ensure that customers can fly with ANA safely and securely, we are promoting accessibility initiatives for airports and our aircraft. The ANA Group provides the ANA Rakunori (Easy Travel) Service for customers in need of assistance. "Senior Rakunori" provides assistance for elderly customers, "Family Rakunori" helps expectant mothers and customers traveling with infants or small children, "Kids Rakunori" helps children traveling alone, from departure to arrival, and "Pet Rakunori" lets passengers enjoy trips with their pets. ANA staff wearing a special badge are stationed at airport Rakunori Counters and are always ready to assist these passengers. Since the ANA Rakunori Service was started four years ago, it has become easier for customers to borrow wheelchairs at the airport. Airport staff and cabin attendants also actively work to improve communication by becoming certified in sign language and as carefitters.



Kazumi Koike Sky Assist Staff

#### **Customers with Physical Disabilities Using ANA**



#### Creating Services Based on Customer Feedback

The ANA Group has established a special management system to improve the quality of its products and services. The system is designed to evaluate quality, as well as promote the review and implementation of improvement measures. In addition, the ANA Group continuously pursues higher levels of customer satisfaction (CS) through regular CS surveys and initiatives to raise employees' CS awareness, among other measures.

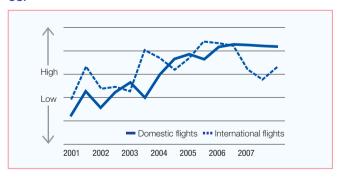
#### **Over 60,000 Customer Comment Reports**

Each day, the ANA Group operates some 900 domestic and international flights for approximately 110,000 passengers. We have extensive interaction with customers, from reservations to airport and in-flight services. We therefore have many opportunities to hear from our customers. Comments from customers regarding our products and services are received by our Customer Desk via telephone, e-mail and post and compiled into reports. In fiscal 2007, we produced 60,425 such reports. These are stored in a database on our intranet where they can be referenced by authorized personnel to solve problems and improve quality.

#### **Customer Satisfaction Index**

The ANA Group conducts customer satisfaction surveys four times a year and monitors its customer satisfaction index (CSI) regularly. The results are thoroughly analyzed by the CS Promotion Division as well as by each division and department to promote improvements in service. Since we began these surveys, our customer satisfaction index has steadily improved. The ANA Group will continue to win customers' hearts through our unstinting efforts to improve quality and pursue the highest possible satisfaction.

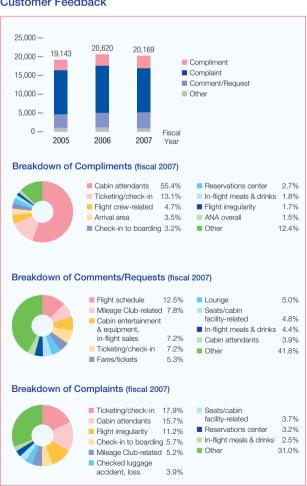
#### CSI



#### Overview of Service Quality Management



#### **Customer Feedback**



### **Promoting Barrier-Free Airports and Aircraft**

At airports and in the cabin, the ANA Group is promoting barrier-free access for physically challenged passengers.

Starting with special writing pads made available to customers with hearing disabilities at eight airports across Japan in 1998, we then began providing cabin wheelchairs on all domestic aircraft in 1999. Additional services were introduced after the Transportation Barrier-Free Law came into effect, such as aircraft seats with movable armrests and wheelchair-accessible restrooms in the cabin. We also offer "assist seats"

to help physically challenged customers take their seats, and subtitles on certain in-flight video programs. And in April 2007, new airport wheelchairs, designed based on customer feedback, were rolled out at 50 airports around Japan. A comprehensive listing of the ANA



New airport wheelchair

Group's barrier-free services for the physically challenged can be found on our website.



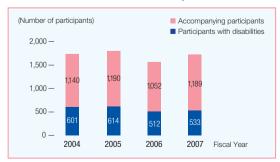


The ANA Sky Assist logo

#### **Universal Tourism**

ANA Sales has been pursuing an approach called "Universal Tourism" in which anyone, regardless of disability or age, can enjoy our domestic travel package, ANA Sky Holiday, or our overseas travel package, ANA Hallo Tours. To this end, we have specialized staff with expertise and experience to provide assistance. Working with the ANA Sky Assist desk, we make a point of offering appropriate advice and proposals in an effort to provide comfortable and enjoyable travel services to customers with disabilities.

#### Number of ANA Hallo Tour Participants With Disabilities



### **Enhancing CS Awareness**

### ■ Pay Slips: Delivering Customer Feedback to Employees

ANA has been printing customer compliments on the cover of monthly pay slips since October 2004.

This practice, proposed by an employee, was initiated to raise employee awareness of CS in an everyday way. It is just one more step towards our brand vision of "creating dreams and experiences."



ANA pay slip

#### ■ Praising Fellow Workers: Good Job Cards

For those on the frontline we have "good job" cards, which are exchanged among employees on the occasion of a job well

done. The cards contain messages of praise from customers as well; the scheme lets employees share in their joy. By promoting pride in one's work and interest in that of others, the system also helps to boost employee morale and motivation.



ANA "good job" cards

35

### Building a Strong team ANA



Junko Miyasaka Managei Personnel "Iki Iki" Promotion Department ANA JINZAI University

Keisuke Nakajima Director

### Creating a Warm, **Enthusiastic Workplace**

ANA has two organizations responsible for helping to create a warm, enthusiastic workplace: the Personnel "Iki Iki"\* Promotion Department and ANA JINZAI (human resources) University. These departments play an important role in fostering personnel who embody the "ANA character" and developing workplace conditions and practices that motivate employees and provide a sense of accomplishment. In this section, staff members involved with establishing the Personnel "Iki Iki" Promotion Department and ANA JINZAI University discuss human resources development at the ANA Group.

\* "Iki Iki" is a Japanese word that connotes energy, motivation and well-being

"Iki Iki" Promotion Department

### Helping All Employees Perform Their Best

Japanese society as a whole faces major issues stemming from the onward march of globalization and the shrinking of the workforce due to an aging population and declining birthrate. In the midst of these changes, the ANA Group must recruit and train even more people who demonstrate the "ANA character." This is especially important when looking ahead to the increase in takeoff and landing slots at Tokyo area airports in 2010. ANA thus recognizes the urgency and importance of becoming an admired corporate group that is widely embraced and recognized by the public and of creating working conditions that inspire all ANA Group employees, irrespective of gender, age or nationality, to work with even greater enthusiasm and pursue even longer careers with the Company. The Personnel "Iki Iki" Promotion Department was established in April 2007 in order to address these issues.

Upon its establishment, the department primarily focused on research and surveys, but we have gradually broadened the scope of our activities, setting up a website for Company employees, among other initiatives. One major focus is to support the ANA Group's female employees, who make up around half of the Group's workforce. It is currently planning and implementing measures to enable women to have longer, more vibrant careers. These measures encompass training and awareness-raising for female employees, establishing related systems and practices, and enhancing corporate and workplace culture.



Personnel "Iki Iki" Promotion Department website

We also administer an employee satisfaction survey of all ANA Group employees. This extensive survey covers approximately 25,000 people (last year's total) working at 55 ANA Group companies. This year marked the sixth year of the survey. We intend to further enhance and utilize the survey as an important indicator of whether personnel and organizational development are enabling the "ANA character" to flourish throughout the Group.

This year, ANA was chosen to participate in the Work-Life Balance Promotion Project run by Japan's Ministry of Health, Labour and Welfare as one of 10 model companies. It is our hope that ANA's initiatives will be broadly disseminated to the public to help build social momentum toward developing a better work-life balance. Looking ahead, we intend to establish specific priorities in order to actively promote a better work-life balance throughout the ANA Group.





**ANA JINZAI University** 

### Committed to the Personal Development of All Participants

Human resources at the ANA Group and its affiliates are the driving force behind the sustainable development of the Group. ANA JINZAI University, which opened its doors in November 2007, is a human resource development center that offers a robust curriculum in coordination with existing education and training departments. The university is driven by the belief that people are the source of value creation and that neither time nor expense should be spared in developing their talents and abilities.

ANA JINZAI University is made up of three departments: Career Assistance, Team Education and "Iki Iki" Human Resources. The Career Assistance Department conducts a variety of career training programs for senior employees. The Team Education Department fosters a team identity and sense of unity by conducting common training courses for the ANA Group. The "Iki Iki" Human Resources Department conducts unique training courses involving such activities as Zen meditation sessions and outdoor fieldwork. The curriculum was created by interviewing people in the Company's various departments and incorporating their ideas. Classes last from one day to several months depending on the program.

The ANA Group is committed to providing equal opportunities for growth to all employees from the time they enter the Company to the day they retire. The role of ANA JINZAI University is to make this commitment a reality. What is important is not that we train employees, but that the people who participate in the programs discover areas in which they wish to grow and change for themselves. To this end, we intend to further enhance the training curriculum and become an institute that truly supports the career aspirations of as many employees as possible.



Training session

### **Together With Employees**

The ANA Group supports the autonomous development of our employees while utilizing their drive and individual characteristics, so that each and every employee takes on the challenge of his or her own development. Together as one, the Group can rise to the task of providing customers with a great experience.

### **Human Assets Investment Strategy**

In order to take full advantage of opportunities for business expansion and Group growth, including opportunities associated with increased flight slots at airports in the Tokyo metropolitan area, we have formulated the "Group Human Assets Investment Strategy to Produce 30,000 Motivated Personnel Fiscal 2008–2011." Under this strategy we will actively invest in the human assets who are the driving force behind growth. We will focus on safety, the Group, innovation and globalization and create programs for motivating employees, our human resources, and enabling them to fully demonstrate their abilities.

### Investing in Human Assets: (Because our People are the Source of our Value)

- Develop and reward people who can deliver safety and operational performance
- Unleash the combined strength of the Group
- Create innovation by establishing a diverse workforce and diverse ways of working
- Nurture the people we need to support the globalization of our business and contribute to the international society

### Work-Life Balance Initiatives

ANA is striving to develop workplace conditions and practices that enable employees to independently manage their work and private lives and focus on highly creative tasks that lead to innovation. We will put priority on reducing overtime working hours and promoting diversity in working style as we actively engage in supporting a healthy work-life balance.

### Helping Employees Balance Work and Home Life

At ANA, it is now possible for employees to take childcare leave immediately after becoming pregnant, and in April 2008 we expanded our reduced working hours program and childcare leave (three days per month) to include employees with children up to the third grade in elementary school. As of the end of fiscal 2007, a total of 479 employees had taken advantage of the

pregnancy and childcare leave program, including one male employee. Additionally, we established an internal website to provide information on work-life balance and raise employee awareness. We also created a CD called "anamama," an original, prenatal educational tool for employees on childcare leave. These are examples



"anamama - Maternity Mozart," a special educational CD for employees on childcare leave

of how we are working to create a corporate culture that makes it easy for employees to utilize these programs.

A program to help cabin attendants called "Kagayaki (Shining) Support" was also introduced. The program allows cabin attendants to relocate if their spouse is transferred to a different region of the country. Also, in order to meet diversifying needs with regard to working styles, we introduced a program that allows cabin attendants the option of partial employment, and in fiscal 2007 we started a post-retirement reemployment program in which employees work around eight days per month. At present 36 employees are working under this program. We are also striving to enhance our nursing care programs.

In April 2007, we expanded the number of special leave days that can be accumulated and used for nursing care to 120 days. Eleven employees took advantage of the nursing care leave program in fiscal 2007.

### Support for Women to Flourish at ANA

The ANA Group has many female employees working as cabin attendants and airport passenger service staff as well as in

other positions. Female employees make up approximately 45% of the ANA Group and over 50% of ANA itself. We are actively hiring women for career-track administrative and maintenance positions

### Female Managers at ANA



and flight crews. Out of all the new graduates who accepted offers in fiscal 2008 for career-track administrative positions at ANA, over 40% are women. ANA is also working to further increase the percentage of women in management positions. In fact, ANA was the first company in Japan's airline industry to appoint a woman to an executive position.

We are also striving to further enhance career assistance and performance promotion initiatives for women. In fiscal 2008 we started a service that introduces female employees to role models on our internal website in order to further enhance their enthusiasm for work at ANA. A seminar was also held to help female employees discover the type of career that would suit them best.

### Support for Senior Employees

An employment extension system has been put into place in order to further raise the quality of the ANA Group by leveraging the high skill levels and extensive knowledge of older employees. It is also intended as a response to progressive increases in the age at which public pension payments will begin. We have established mechanisms that allow employees to work until they are 65. After turning 60, employees can either work full time or on a part-time basis (fewer days or shorter hours).

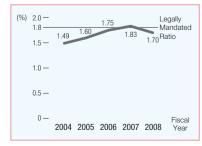
# Global Expansion Through Organizational and Personnel Development

ANA intends to train globally minded personnel while placing emphasis on multicultural social skills. We will do this by more actively hiring non-Japanese staff members, conducting professional training overseas that goes beyond language skills, holding joint seminars with other Star Alliance partners, and establishing opportunities for employees hired overseas to experience working in Japan.

### Greater Employment of People with Disabilities

ANA Wing Fellows was established in 1993, the first special subsidiary of its kind in the airline industry. The Company promotes work opportunities for people with disabilities and strives to create conditions that enable them to do

### Employment of People with Disabilities at ANA



Total of ANA and ANA Wing Fellows

their jobs comfortably. For example, it has established office space in Haneda Airport that features a barrier-free environment. People with disabilities made up 1.7% of our workforce in fiscal 2008 (155 people). We intend to take steps to ensure that even more people are able to perform to their full potential at the Company and again achieve the legal mandate of 1.8%.

### **Respect for Human Rights**

ANA has a basic policy of endeavoring to help solve the various human rights problems that exist in society in our role as a company that is committed to making progress arm in arm with the public. The Human Rights Awareness Room in ANA's Personnel Department has dedicated staff that develop plans for raising human rights awareness. At the same time, ANA provides support on an ongoing basis for CSR Promotion Leaders in each business office.

### **Education and Training for Employee Growth**

The Personnel Department and ANA JINZAI University have established enhanced level-specific training courses, a select training program and a self-study plan consisting of open seminars and correspondence courses in order to support the growth of each and every Group employee. These initiatives impart advanced knowledge about the airline business and enhance personal qualities.

### Fostering a Supportive Corporate Culture

In fiscal 2007 the ANA Group established the ANA Group President's Award in order to give concrete form to ANA



Representatives of the Suzuran Club volunteer organization after receiving the President's Award

character and foster a corporate culture brimming with originality and creativity. Furthermore, in fiscal 2008 we created the "Wow!" Award to recognize employees and worksites that lend vitality to their colleagues through original ideas that are not bound by existing systems and values.

### Internship Program

ANA's internship program provides opportunities for students to gain an idea of what it feels like to work through actual experience working in airport services. We intend to enhance such opportunities in the future.

### Communication With Employees

### **Raising Employee Satisfaction**

The employee satisfaction survey for fiscal 2007 enjoyed a response rate of 91% and the participation of some 25,000 employees from 55 Group companies. ANA will continue to create working environments in which employees can find satisfaction in their work, enabling their warm and enthusiastic spirit to increase corporate growth and customer satisfaction.

### **Direct Dialogue With Top Management**

The ANA Group proactively creates opportunities for frontline employees to directly discuss issues with top management. The Group's executives talk directly with employees in their own words about business conditions and the ANA Group's objectives, while employees directly convey to top management the state of their worksites and unresolved issues. This initiative seeks to bridge the gap between management and frontline employees through dialogue.

### **ANA Virtual Hollywood**

ANA Virtual Hollywood was launched in fiscal 2004 in order to unearth bold, out-of-the-box customer service ideas from ANA Group employees. Under the program, members of the ANA



ANA Virtual Hollywood's Fiscal 2008 "Directors"

Group, which has over 30,000 employees, work together in ways that are not possible in their everyday jobs to make proposals to executives on how the ANA Group can achieve and maintain No.1 status in Asia. Some 400 Group employees from 29 companies have participated in the program to date. In fiscal 2008, the fourth year of the program, 21 "directors" (proposers) are currently working together with approximately 100 members.

### Safety and Health Initiatives

Recognizing that employee safety and health and pleasant working conditions constitute the foundation of corporate activities, our business offices independently carry out initiatives through their health and safety committees, which have been established at offices nationwide. The ANA Group believes it is important to raise the awareness of employees, and for employees to correspondingly modify their behavior, in order to help prevent lifestyle-related diseases and maintain good mental health. We diligently work to these ends by developing programs for improving employee health, including seminars, walk-a-thons and lectures on health held around the country.

### Work-Related Accidents at ANA



### ANA Group Occupational Safety and Health Policies

The ANA Group enhances employee value by improving and maintaining occupational safety and health. This is accomplished through:

- Accident prevention programs and those encouraging employees' mental and physical health;
- Various measures and management systems (PDCA cycle) aimed at improving safety and health;
- The observance of laws and regulations and implementation of activities raising employee awareness of occupational safety and health

# ANA Welfare Plan— A Program for Motivation and Fulfillment

The ANA Welfare Plan has been established to help provide motivation and a sense of fulfillment to every employee at each stage of their careers, from recruitment to post-retirement. The program offers employees the choice of the scheme best suited to their particular lifestyle covering six different categories: health, finances, insurance, lifestyle support, leisure support and post-retirement.

### **Labor Relations**

The ANA Group's business depends on collaboration by many people in diverse positions. Communication among employees and worksites, and between labor and management, is of critical importance to the proper functioning of our business. It is also essential that working conditions at ANA enable full utilization of employees, because a highly motivated, skilled workforce constitutes the foundation of business operations. Mindful of these factors, we strive to maintain mutual trust and cooperation through extensive discussion and dialogue between labor and management. At the same time, we strive to contribute widely to society by fulfilling the ANA Group's mission of ensuring safety while improving customer service and overall quality.

# Relationships With Business Partners

The ANA Group practices fair trade in full compliance with related legislation, based on the ANA Group Code of Conduct. We also pursue new value creation with the cooperation of our business partners.

### ANA Group Purchasing/Transaction Guidelines

Many of our products depend on services, materials and items—from aircraft and jet fuel to office equipment and cabin supplies—provided by business partners. Our relationship with these partners fulfills our corporate social responsibility based on guidelines set forth under the ANA Group Purchasing/ Transaction Guidelines.

#### ANA Group Purchasing/Transaction Guidelines

### Basic Policies for Purchasing/Transactions

- In terms of purchase transactions, we shall fairly select and purchase the best goods and services based on economic rationality.
- Our purchase transactions shall be open to suppliers worldwide, shall be fair and transparent, and shall be conducted according to procedures that are simple and easy to understand.
- 3. For all purchase transactions we shall observe the Group Code of Conduct, follow corporate ethics, fully comply with relevant laws and regulations, show consideration for resource conservation, environmental preservation and human rights, and ensure that our business partners understand these guidelines.

### Contributing to Communities, Society and Future Generations

The ANA Group's businesses are closely related to local communities and society at large. As a good corporate citizen, the ANA Group supports local communities and the general public in many areas. We are also engaged in various activities aimed at supporting young adults and children who will lead future generations.

### Social Contribution Activities

### 46 Years of Cooperation With the Red Feather Community Chest

Since 1962, the ANA Group has been supporting the Red Feather Community Chest campaign. On October 1, 2007, ANA Group cabin crew and ground staff were given a goodwill message at the opening ceremony for this year's drive. They then delivered this message and red feathers to fund-raising events at 39 branches in Japan and called for donations.



### ■ Lily of the Valley—Sending Flowers of Happiness

The tradition of giving gifts made from "lily of the valley" flowers, which signify happiness and good fortune, has cheered hospital patients for over 50 years since 1956. On June 15, 2007, ANA Group cabin crew and ground staff at airports visited 52 hospitals nationwide, including Japanese Red Cross Medical Centers, to present in-patients with 19,000 bookmarks decorated with pressed "lily of the valley" flowers.

Every bookmark was handmade with great care by ANA Group employees across Japan using "lily of the valley" flowers picked near New Chitose Airport in Hokkaido.



### ■ Letter of Service Recognition Received From Minister of Health, Labour and Welfare

On June 25, 2007, ANA received a Letter of Service Recognition from the Minister of Health, Labour and Welfare at the Japanese Red Cross Society's Tokyo headquarters. The letter commends ANA's wide range of social contribution activities, including its



rescue and support efforts following major earthquake disasters and activities involving the Suzuran Club volunteer organization.

### ■ Social Contribution Programs in Various Regions

The ANA Group is engaged in a broad range of activities closely tied to local communities in various regions.



Event marking the traditional Tanabata festival at Itami Airport

#### ■ The Okazaki Kaheita International Scholarship Foundation

To honor the wishes of Kaheita Okazaki, ANA's second president, this foundation was established in 1990 to support students from Asian countries. The foundation has so far helped to further the education of a total of 80 international students. Graduates play prominent roles in various fields and are contributing to the development of their home countries and strengthening ties with Japan.

### Aviation Classes

As part of its customer satisfaction activities, the ANA Group actively holds aviation classes in Japan and overseas to increase public understanding of air safety.

Web

http://www.ana.co.jp/anafan/kids/index.html#school (Website currently available in Japanese only)

# **Environment**



"Anshin, Attaka, Akaruku-Genki! (Reliable, Warm, Enthusiastic!)" on the Frontlines - V Towards a Leading Eco-Friendly Airline	44
Overview of ANA Group Ecology Plan 2008–2011	. 46
Environmental Policy/Environmental Management Web Only4	8
Report of Final Year of ANA Group Ecology Plan 2003-2007 50	
Climate Change Web Only	
Compliance With Environmental Laws and Regulations Web Only	
Noise59	
Promoting the 3Rs Web Only	
Environmental Contributions and Communication	
ANA Group Environmental Data Web Only	
Air Pollution Countermeasures Web Only	
ducing Hazardous Chemicals Web Only	

**CSR/Environment** 

http://www.ana.co.jp/eng/aboutana/corporate/csr

### Towards a Leading Eco-Friendly Airline



Tomonobu Matsumura Director Environmental and Social Affairs CSR Promotion Division

# Tackling New Challenges With Employee Determination and Teamwork

The ANA Group is promoting a variety of environmental measures in order to help bring about environmental sustainability. In 2008, we established a new, substantive Ecology Plan that sets targets for reducing total CO<sub>2</sub> emissions. This section introduces the goals of the plan as well as initiatives for moving forward with society toward sustainability.

### Making Operations Environmentally Friendly

2008 was a major turning point for the global community, as the Kyoto Protocol's commitment period (2008–2012) got under way and the G8 Hokkaido Toyako Summit was held in Japan, primarily to discuss environmental issues. Amid these developments, ANA signed the United Nations Global Compact (see page 12 for details), and in line with the objectives of the compact, we made a commitment to helping solve environmental problems and other issues of a global scale. The scope of activities of the air transport industry is limited, but we will hope to remain a company that offers dreams and experiences to people around the world. In addition, the International Air Transport Association, or IATA, of which ANA is a member, has set a long-term target of becoming carbon neutral by the year 2050. ANA intends to work toward the realization of this global target.

The ANA Group's Corporate Vision includes the goal of ranking first in Asia in terms of quality, customer satisfaction and value creation. We also want to remain one of the world's leading airlines in terms of the environment. The ANA Group Ecology Plan 2008–2011, announced on May 22, 2008, is a reflection of this commitment.

The new plan is not merely a continuation of our Ecology Plan 2003–2007; it contains even more ambitious goals. We have become the first company in the airline industry to set a CO<sub>2</sub> total emissions target for domestic flights. Over the duration of the plan we will strive to reduce

average annual carbon dioxide emissions by approximately 200,000 tons compared to fiscal 2006 levels. We have also set a target for reducing carbon dioxide per unit of transport weight, and are aiming for a 10% improvement by fiscal 2011 compared to fiscal 2006 levels.

We are also actively working to make operations environmentally friendly in ways other than reducing carbon dioxide emissions from jet fuel. These efforts include global warming and air pollution countermeasures. We will update our fleet to the latest in energy efficient aircraft, and otherwise strive to meet our goals through the strong determination and teamwork of all ANA Group executives and employees.

### **Moving Forward With Society**

We will promptly and accurately explain the benefits of these daily efforts to stakeholders, as we believe it is important for our initiatives to be understood. At the same time, we will work to make improvements by seriously considering the feedback we receive.

The ANA Group is not just an airline; we must also fulfill our responsibilities as a company and as a member of society. We will conduct environmental and social contribution activities to help bring about a sustainable society and contribute to the Japanese government's Strategy for an Environmental Nation in the 21st Century.

### Tackling Challenges to Help Realize a Sustainable Society

In recent years, companies have been expected to make increased progress with their environmental measures and activities. This will become an even more urgent priority in the future as tougher regulations are put in place. Economic measures like the carbon footprint program and emissions trading are also planned for introduction, and further progress is expected in developing environmentally friendly alternative fuels.

Airplanes provide significantly higher value than other modes of transport in terms of reducing travel time and are one of society's most important forms of public transportation. Airplanes bring people together in ways that were impossible in the past. The ANA Group will continue to tackle challenges in order to proactively accommodate change and fulfill its social responsibilities. We will strive to be a company that continues to work for environmental sustainability through proactive efforts for the sake of people and the earth.

> On the next page, Mr. Matsumura provides a summary of the ANA Group Ecology Plan 2008-2011. [3]

### Overview of ANA Group Ecology Plan 2008–2011

## **Global Warming Countermeasures**

### Aircraft fuel (CO<sub>2</sub>):

#### Per-unit target:

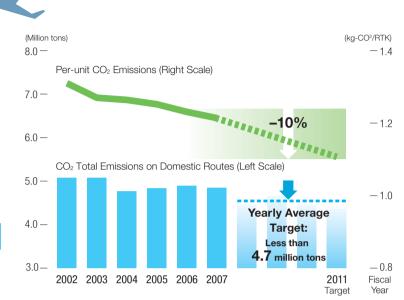
### 10% reduction\*

For fiscal 2011, 10% reduction in CO<sub>2</sub> emissions per revenue ton-kilometer (RTK) on domestic and international routes compared with fiscal 2006 (25% reduction compared with fiscal 1990)

### Total emissions target:

### Less than 4.7 million tons per year\*2

For the period from fiscal 2008 through fiscal 2011, keep average annual CO2 emissions on domestic routes below 4.7 million tons.



# Ground energy target: Reduce energy use 1% each year at all work sites (per basic unit) **Air Pollution Countermeasures**

All aircraft including leased aircraft to conform with Aircraft

ICAO\*4 emission standards.

**Ground vehicles** Actively introduce hybrid and electric vehicles.

## The First Airline in the World to Set CO<sub>2</sub> **Total Emission Targets**

There are normally two types of targets that can be set to counteract global warming: a "total target" that specifies the total emissions of CO2 or a "unit target" that specifies the reduction in emissions per production unit. The ANA Group has set three targets for CO<sub>2</sub> emissions in order to counteract global warming: 1) a per-unit target for CO<sub>2</sub> emissions caused by aircraft fuel, 2) a target for total emissions, and 3) a per-unit



reduction target for ground energy. Notably, ANA is the first airline in the world to set targets for reducing total CO2 emissions. To achieve these targets, the ANA Group will continue with measures associated with aircraft flights that we have been implementing from the past, and launch an in-house interdivisional project from this fiscal year to facilitate the further functional improvement of these measures.

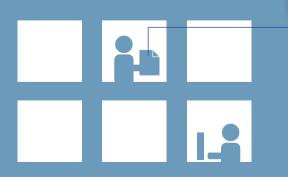
To improve awareness of the environment among ANA Group employees, in the workplace we will encourage the sharing of environment-related information and employee participation in environmental improvement activities, and also encourage their voluntary participation at home.

### **Environmental Contributions**

- Nationwide forestation activities near 50 airports
- Coral Restoration Project
- International Environmental Picture Book Competition
- Support for environmental training of next-generation personnel

### Noise Countermeasures

 All aircraft including leased aircraft to conform with ICAO\*4 Chapter 4 noise standards.



### Saving Resources

- Reduce waste and paper used in sales by 5%
- Closed Recycle\*3: Conduct recycling at all work sites
- \*1 Assessments include environmental impact of cargo shipping, in addition to compliance with IATA standards.
- \*2 Because actual CO<sub>2</sub> emissions on domestic routes in fiscal 2006 was 4.9 million tons, the target is a yearly average reduction of 200,000 tons during the fiscal year (equivalent to the CO2 emissions over one year of approximately 50,000 households)
- \*3 A recycling system in which waste generated in aircraft, airports and Group work sites is reused in aircraft, airports and Group companies.
- \*4 International Civil Aviation Organization

### **Environmental Policy/Environmental Management**

In 1998, the ANA Group published the ANA Environmental Policy stipulating our basic policy and course of action regarding the global environment, which has been implemented steadily.

Furthermore, in May 1999, we signed the Star Alliance Environmental Commitment Statement prior to our formal entry into the Star Alliance in October of that year.

### ANA Environmental Policy (ANA's Attitude Toward the Environment)

### **Basic Policy**

We will pursue:
Protection of the environment
Effective utilization of limited natural resources
Awareness of the public good

#### Course of Action

- 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 do our utmost to minimize the environmental impact of our operations.
- 4. We will make every effort to save energy and resources, to recycle, and to reduce waste.
- 5. We will contribute to the communities in which we live and work, through participation in social activities for environmental protection.
- 6. We will educate employees so that each may pay much more attention to environmental protection.

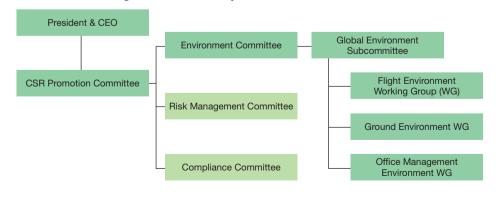
### Excerpts from the ANA Group Code of Conduct

#### **Environmental Protection**

Protecting the environment is essential for the ANA Group. We play an active role in environmental protection activities and work to preserve natural resources in the course of our business activities.

We must recognize how our business impacts the environment. While minimizing the impact on the environment, we will maintain the sustainability of our business by following the ANA Environmental Policy.

### **Environmental Management Promotion System**





Star Alliance Environmental Commitment Statement

### Web Only

### **Timeline of Environmental Activities**

Date	Committee Organization	Promoting Organization	Activities
Nov. 1973		Airport Division	Published the "Environmental Measures Handbook" in 1978
Feb. 1974	Committee for Environmental Measures		Special committees established for "total assessment," "flight noise measures," "ground noise and air pollution measures," and "factory environment measures"
July 1990		Environmental Conservation Promotion Office	Became the first Japanese airline to publish an Environmental Report in 1993; announced ANA Environmental Policy in 1998
June 1999	Environment Committee		Signed the Star Alliance Environmental Declaration
		Global Environmental Conservation Promotion Department	Formulated the ANA Group Ecology Plan (2003–2007) in 2003 Launched the International Environmental Picture Book Competition and forestation project in 2003
Apr. 2004		Environment and Social Affairs Department	Formed Team Tyura Sango in 2004 as part of environmental conserva- tion activities and developed a coral planting project
Apr. 2007		CSR Promotion Division, Environment and Social Affairs Department	Carried out organizational reforms to promote CSR activities
May 2008		CSR Promotion Division, Environment and Social Affairs Department	Released the ANA Group Ecology Plan 2008–2011

### Report of Final Year of ANA Group Ecology Plan 2003-2007

The ANA Group formulated and launched the mid-term ANA Group Ecology Plan 2003–2007 concerning major environmental issues in 2003. Each year since then we have published progress reports; the current report is concerned with the final year of the plan. We will continue our progress reports in connection with the next plan, the ANA Group Ecology Plan 2008–2011.

	Item	Fiscal 2007 review (during plan)	Reference page
Promoting	Environmental compliance Group-wide enhancement of legal management and compliance	On average seven laws/regulations related to the environment are applicable to each facility, and we adhered to a total of 391 such laws or regulations. During the years 2003–2007, we incurred no penalties and caused no environmental mishaps.	
environmental management	ISO 14001 Deployment of environmental management methods based on ISO 14001 throughout the Group	In accordance with ISO 14001 requirements, we regularly collected environmental data, enforced compliance with environmental laws and regulations, and more.	P58
	Environmental accounting Group-wide environmental accounting	Accounting covered six airlines: ANA, ANK, AJX, A-net, CRF and NXA.	P68
Climate change	Reduction of CO <sub>2</sub> emissions from aircraft fuel Reduction of the level of CO <sub>2</sub> emissions per available seat kilometer (ASK) in fiscal 2007 by 12% relative to fiscal 1990	In fiscal 2007, CO <sub>2</sub> emissions from ANA Group aircraft were 8.35 million tons, a 2.95 increase year on year due to business expansion, but approximately a 1.4% reduction relative to fiscal 1990, the base year, at 90.4 g-CO <sub>2</sub> per seat-kilometer.	P51
	Reducing energy use in facilities Reduction of electrical and thermal energy consumption in facilities by 5% relative to fiscal 2002	Achieved reduction of total ground energy consumption (crude-oil equivalent) in 47 facilities by approximately 7% relative to fiscal 2002.	P65
	Conformance with aircraft emissions standards Retirement of engines not meeting ICAO* engine emission standards	All ANA Group aircraft engines met all emission standards in ICAO Appendix 16.	P69
Air pollution	Environment-friendly vehicles Doubling of proportion of all low-pollution and low-emission vehicles	The proportion of low-pollution and low-emission vehicles reached 19% in fiscal 2007, 2.6 times the 7.4% of fiscal 2002, the base year.	P67
	Protecting the ozone layer Maintenance of zero emissions for regulated substances	The ANA Group possesses no controlled CFCs (chlorofluorocarbons), and maintained a zero-emission system for controlled substances.	_
Noise Conformance with ICAO Chapter 4 noise levels All aircraft to meet Chapter 4 standards by fiscal 2007		We achieved our goal of having our entire fleet conform to the Chapter 4 standard, and also implemented measures to improve flight methods and reduce ground noise.	P59
	Waste reduction Disclosure of actual recycling data on a yearly basis toward the goal of zero emissions. Reduction of industrial waste sent out for final disposal to 15% by fiscal 2007	We promoted 3R activities throughout the entire Group, and proactively recycled cabin attendant uniforms. In fiscal 2007, the proportion of industrial waste sent out for final disposal was 6%.	P60, 66
Recycling	Green purchasing Increase the green purchasing rate to 100% for copier paper, and to 80% for other office supplies, by the end of fiscal 2007	By making greater use of the on-line purchasing system, we achieved an approximate 10% increase year on year to 85% for green purchasing for office supplies. All copier paper is green purchased.	P67
	Reducing harmful substances Development of alternatives to substances covered by the PRTR (Pollutant Release and Transfer Register) Law and disclosure of actual data pertaining to yearly reductions	We made efforts to develop alternatives not subject to the PRTR Law for paints, paint removers and cleaning agents. As reported yearly, we used 35 kinds of hazardous substance in fiscal 2007, with a total weight of 32,188 kg, about a 50% increase from fiscal 2006.	P70
Promotion of	Environmental picture books Annual environmental picture book competition	Our fifth International Environmental Picture Book Competition attracted entries from nine countries in fiscal 2007.	P63
environmental social contribu- tion activities	Forestation project Promoting forestation activities in Japan and abroad	During fiscal 2004–2007, the ANA Group forestation activities were held at 26 locations in Japan and abroad. Coral planting has also been continuously taking place since 2004.	P62, 63

<sup>\*</sup> International Civil Aviation Organization

### **Climate Change**

The ANA Group produced 8.35 million tons of CO<sub>2</sub> emissions in fiscal 2007, which resulted from the combustion of aircraft fuel. Under our new Ecology Plan, the ANA Group is the first airline company in the world to set a target for total CO<sub>2</sub> emissions (for domestic routes). By upgrading our fleet to the latest aircraft, and by such measures as reducing fuel consumption in flight operations, we continue to work hard to achieve our goal.

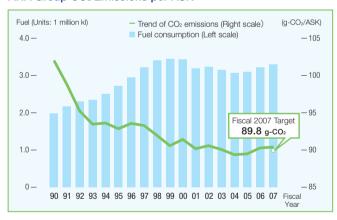
### Improving Efficiency of Aircraft Fuel Consumption

#### ■ CO₂ Emissions

In fiscal 2006,  $CO_2$  comprised 95% of the greenhouse gas emissions throughout Japan. The transport sector accounted for some 19.9% of all industrial  $CO_2$  emissions. The share of  $CO_2$  emissions from domestic aviation in Japan was about 4.4% of all transport sector emissions.

The following graph charts the  $CO_2$  emissions and fuel consumption in per available seat kilometers of the ANA Group. Although the number of seats in service has increased significantly since fiscal 1990 due to higher demand, the  $CO_2$  emissions per available seat kilometers (ASK) in fiscal 2007 were 90.4 g- $CO_2$ , approximately an 11.4% decrease compared to fiscal 1990.

### ANA Group CO<sub>2</sub> Emissions per ASK



### **■** Fuel-Efficient Aircraft

Reducing CO<sub>2</sub> emissions boils down to reducing fuel consumption. The most effective methods are: 1) introducing fuel-efficient engines with the latest technologies, 2) reducing air resistance through improved wing designs, and 3) reducing fuselage weight through the use of composite materials. The ANA Group is implementing these methods to reap the benefits.



### CO<sub>2</sub> Emissions per Seat for Flights Between Tokyo and Sapporo (Fiscal 2007 Data)

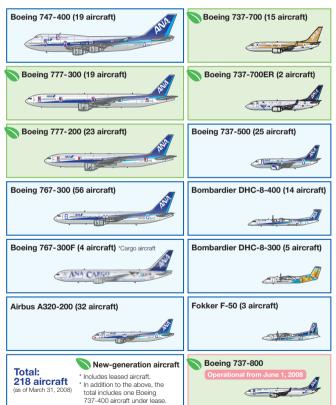


### **Introduction of Boeing 787**

ANA's order for 50 Boeing 787 aircraft ahead of all competitors made it the launch customer for the aircraft and led to its involvement at the design and development stages. The Boeing 787 is scheduled to become operational from fiscal 2009 as the successor to the Boeing 767 with an eye on the next expansion of Haneda Airport.



#### ■ Fleet



### ■ 20% More Fuel-Efficient

Compared with the Boeing 767-300, which is roughly the same size, the 787 is approximately 20% more fuel-efficient. This is because the fuselage has been made lighter by employing a variety of advanced materials, including carbon fiber composite material.

### ■ Significantly Reduced Environmental Burden

The engines of the Boeing 787 are Rolls-Royce Trent 1000 engines. Compared with the Boeing 767-300, the 787 is 40% quieter on takeoff and the engines produce approximately 20% less  $CO_2$  and 15% less NOx. As regards aerodynamic characteristics, the fuselage air resistance is being minimized.

### ■ Efficient and Highly Economical Maintenance System

Highly durable paints that can be used on composite materials, developed at ANA's request, mean that the aircraft will not need to be repainted as frequently. Furthermore, the thrust control method, optimized for short-haul, frequent operations such as ours, was developed to lengthen the service life of engine parts. Lower engine maintenance costs are expected from these developments.

### Next-Generation Mitsubishi Regional Jet\*1 (MRJ\*2)

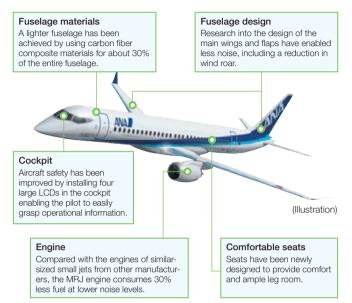
ANA has decided to introduce the next-generation Mitsubishi Regional Jet (MRJ), to be developed by Mitsubishi Heavy Industries. Ltd.\*<sup>3</sup>

ANA has placed a firm order for 15 and 10 options as a launch customer. Going forward, ANA will actively participate in the MRJ development plan, to reflect customer needs in the new aircraft.

The MRJ will be the first regional jet to use composite material for the wings and vertical stabilizer. The new engine driven by the latest technology will significantly reduce the environmental burden. State-of-the-art aerodynamics should bring about a 40% savings in fuel when compared with aircraft currently operated by ANA. Introducing the MRJ will improve operational efficiency, and is expected to increase revenue by an annual 5 billion yen.

- \*1 A regional jet is a small jet aircraft mainly used for short flights such as domestic routes
- \*2 MRJ is an abbreviation for Mitsubishi Regional Jet, which will be the first passenger aircraft independently developed in Japan in 40 years since the YS-11 aircraft.
- \*3 On April 4, 2008, the new company Mitsubishi Aircraft Co., Ltd. was established as the operating company for the MRJ.

#### Main Characteristics of the MRJ



### ANA to Become First Japanese Airline to Add Winglets to Its Boeing 767-300ER Fleet

Manufactured by Aviation Partners Boeing, each winglet is 3.4 meters long, 4.5 meters wide, and when added to the tip of the main wings will extend the length of each wing by 1.65 meters. Normally, an atmospheric eddy is generated under the wingtip as the pressure tries to move upwards. The added winglets reduce the wingtip drag caused by the eddy. As a result, with the long-distance flight Boeing 767-300ER aircraft, ANA expects to make a fuel efficiency gain of 5%, or a saving of 2,100 tons of  $CO_2$  per year for each aircraft

ANA plans to introduce the winglets to a total of 16 of its 767-300ERs, including the two that are scheduled to be delivered in fiscal 2008, and to successively upgrade them from fiscal 2009.



Boeing 767-300ER aircraft (illustration)

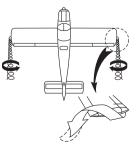


Diagram of atmospheric eddies generated at wingtips

### Reducing Environmental Burden

Reducing the fuel consumption of aircraft is important because it directly leads to a reduction in environmental burden. The ANA Group has been prompt in actively implementing fuelsaving measures. In fiscal 2007 we saved 5,460 kiloliters over fiscal 2006 as a result of Company-wide fuel-saving, including a variety of efforts made with flight operations and on the ground. This savings represents the amount of fuel required by a Boeing 777-200 to make approximately 360 round trips between Tokyo and Osaka.

\* Does not include fuel savings achieved by using simulators.

### ■ Efficient Flight Program Promotion Project

The ANA Group started the Efficient Flight Program (EFP) promotion project in fiscal 2003. EFP increases fuel efficiency by optimizing the altitude and speed of flight plans, while considering weather conditions and air traffic control information, and by informing flight crew of the most fuel-efficient point to initiate descent at each airport. We monitor the amount of fuel saved each month as we work to reduce consumption even further through various measures.



Pre-flight briefing

### ■ Prioritized Use of Ground Power Units

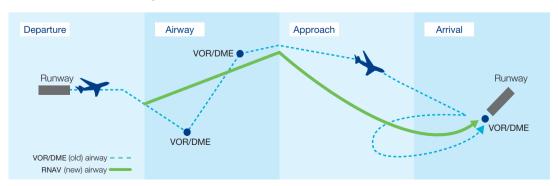
Since 1990, the ANA Group has been working to actively use ground power units (GPUs), which equates with reducing its reliance on APUs\*. As a result of prioritizing the use of GPUs, in fiscal 2007 we saved 40,600 kiloliters of fuel compared to not using GPUs. This saving is enough for a Boeing 777-200 to make approximately 2,700 round trips between Tokyo and Osaka.

\* APU: Auxiliary Power Unit, a small on-board gas turbine that provides electricity as well as pneumatic pressure for engine ignition and cabin air conditioning. APUs are less energy efficient than GPUs as they burn jet fuel.

### ■ Operation With RNAV (Area Navigation)

The ANA Group has been officially using RNAV (Area Navigation) since June 2002. RNAV is a procedure that navigates aircraft and assures the scheduled flight path by radio-guidance facilities as well as by satellite and onboard equipment. Not only does RNAV achieve faster and shorter flights while reducing fuel consumption and engine exhaust, it also reduces noise around airports during the night. The ANA Group aims to expand the use of RNAV both in Japan and overseas.

### **RNAV** and Conventional Flight Path



### ■ Taxiing After Landing With Engine(s) Partially Shut Down

To conserve fuel, since 1994 the ANA Group has been stopping some engines when taxiing.

The decision of whether or not to shut down engines is made after taking into account the airport, weather, condition of runway and aircraft, and instructions from the control tower.

### Restoring Engine Performance By Washing the Compressor

The more an engine is used, the more minute dust particles stick to its compressor and degrade performance. To improve fuel efficiency, since fiscal 2003 the ANA Group has been regularly washing compressors to remove the dust and optimize engine performance. As a result of washing, some 24,000 kiloliters of fuel was saved in fiscal 2007—equivalent to approximately 1,600 round trips between Tokyo and Osaka on a Boeing 777-200.



Washing an engine at night

#### Saving Fuel Through Simulators

The ANA Group mainly uses flight simulators to train and evaluate flight crew, thereby reducing fuel consumption (reducing CO<sub>2</sub> emissions) and noise, and helping us make the most of limited air space.

In fiscal 2007, total simulator use—for training and evaluation of both flight and maintenance crews—amounted to 53,000 hours. If these hours had been actual flight time, they would have required 290,000 kiloliters of fuel. This equals 8.7% of all aircraft fuel used at the ANA Group in fiscal 2007, or approximately 19,000 round trips between Tokyo and Osaka by a Boeing 777-200.



Aircraft simulator at training center

### ■ Introduction of Lightweight Cargo Containers

The ANA Group introduced lightweight containers for international routes in October 2006 and currently has 1,030 of these containers in operation as of May 2008. These containers, composed mainly of Kevlar®\* (excluding the base and frame) and canvas (opening), are some 28 kilograms lighter than conventional types.

On European and American routes where the Boeing 777-300 is used, up to 1,232 kilograms is saved per Boeing



777-300. This represents a reduction of approximately 495 liters of fuel, or 1,220 kilograms of CO<sub>2</sub>, each way on the Tokyo/Narita – San Francisco route.

\* Kevlar® is a registered trademark of DuPont U.S.A.

### ■ Initiatives to Reduce Weight of In-Flight Tableware

Since 2003, the ANA Group has been continuously reviewing and developing new in-flight tableware and other items as regards compactness, lightweightness, number required and design.

In particular, we have been introducing special lightweight tableware since 2005 for first class and business class passengers on international routes. The tableware is both lightweight and also excellent at preserving food at given temperatures due to a combination of special ingredients and the use of clay plates designed with minute pores on the surface. Each plate is up to 30% lighter (170 grams) than those used hitherto, resulting in a saving of approximately 40 kilograms for a Boeing 747-400 typically used on international routes.

Furthermore, we introduced new specially designed light-weight tableware for business class on the Mumbai route inaugurated in September 2007. Suitable for serving any type of in-flight food, each plate is up to 15% lighter (70 grams) than a plate made from standard materials.





Lightweight tableware in business class on the Mumbai route

### Reduction of Ground Energy Consumption (Excluding Aircraft)

The ANA Group's energy consumption can be broken down into aircraft (98%) and ground requirements (2%). In crude-oil equivalence, our consumption of ground energy in fiscal 2007 was approximately 54,000 kiloliters, about the same level as in fiscal 2004.

In line with the ANA Group Ecology Plan 2008–2011, we aim to reduce energy consumption by 1% per year (per basic unit) as a total of all work sites. To this end, we formulated a 10-year construction plan for energy-saving facilities in fiscal 2007 and are steadily implementing it this fiscal year.

### Compliance With Environmental Laws and Regulations

To continue to properly meet its growing corporate social responsibilities, since fiscal 2002 the ANA Group has worked to further strengthen its system for ensuring compliance with environmental laws and regulations.

# Business Facilities Subject to Environmental Laws and Regulations

Each ANA business facility is subject to an average of seven environmental laws and regulations, and the entire ANA Group

is subject to 384 points of law. During fiscal 2007 we incurred no penalties and caused no environmental mishaps.

### Web Only

### **Applicable Laws/Regulations**

	Applicable Laws/Regulations	Applicable Facilities
1	Law of the re-manufacture of specific home appliances (Home Appliance Recycling Law)	56
2	Waste Management and Public Cleaning Law	56
3	Act on Recycling, etc. of End-of-Life Vehicles	21
4	Law concerning the protection of the ozone layer through the control of specified substances and other measures (Ozone Layer Protection Law)	45
5	Law for ensuring the implementation of recovery and destruction of fluorocarbons related to specified products (Fluorocarbons Recovery and Destruction Law)	47
6	Law concerning special measures for promoting appropriate treatment of polychlorobiphenyl waste	2
7	Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances into the Environment and Promotion of Improvements to the Management Thereof (PRTR Law)	18
8	Act on the Rational Use of Energy (Energy Saving Law)	13
9	Air Pollution Control Law	14
10	Law concerning special measures for total emission reduction of nitrogen oxides and small particles from automobiles in specified areas (Automobile NOx-PM Law)	21
11	Water Pollution Control Law	17
12	Sewage Control Law	7
13	Septic Tank Control Law	6
14	Noise Regulation Law	8
15	Vibration Regulation Law	7
16	Offensive Odor Control Law	6
17	Factory Allocation Law	1
18	Law for developing pollution prevention organizations at specified factories (Pollution Prevention System Development Law)	1
19	Toxic and Hazardous Substances Regulation Law	20
20	Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging	8
21	Building Material Recycling Law	2
22	Law to ensure sanitary environments in buildings	7
23	Food Recycling Law	1
	Total	384

### **Disposal of Used Vehicles**

The ANA Group owns roughly 3,000 vehicles in Japan. Many of these are specialized vehicles whose disposal entails various problems such as logistics.

To properly dispose of these used vehicles, we established a Japan-wide network that meets applicable laws and regulations, both the Waste Management Law and the April 2005 Vehicle Recycling Law.

The system locates reliable operators in Hokkaido, Tohoku, Kanto, Hokuriku, Kansai, Chubu, Chugoku, Shikoku, Kyushu and Okinawa to properly and efficiently dispose of such vehicles used at airports in those regions.

In fiscal 2007, through this network we properly disposed of 47 used vehicles and other items at airports nationwide in accordance with the Waste Management Law and the Vehicle Recycling Law. In addition, we properly disposed of 190 non-automotive vehicles in accordance with the Waste Management Law. These vehicles provided a total of 482 tons of metal.

\* All vehicles, including used special vehicles and non-automotive vehicles.

### 

# ANAC Obtains ISO 14001 Certification in August 2007

ANA obtained ISO 14001 environmental certification for the Narita maintenance area in February 2002. Subsequently, ANA Catering Service Co., Ltd. (ANAC), the company that provides in-flight meals for the ANA Group, obtained ISO 14001 certification in August 2007. ANAC has an environmental policy of aiming to become the leading company in the in-flight catering industry as regards to environmental preservation. To this end, ANAC worked to raise employee awareness of the certification acquisition through the in-house magazine "ISO Digest" and other means, and reduced the quantities of waste produced and paper, electricity and water used in area and departmental units by establishing the Environment Committee to promote "eco-office" activities. Going forward, ANAC will actively incorporate the methods of ISO standards to rigorously save energy and resources, and to develop attractive products and services that satisfy customers.





ANAC Catering Facility

The ANA Group's measures to reduce aircraft noise have resulted in our entire fleet conforming to Chapter 4, the latest strict ICAO\* noise standards. We have also taken measures to reduce ground noise.

### ■ Noise Countermeasures

The ANA Group's entire fleet conforms to Chapter 4, the strictest of the ICAO noise standards.

### ■ Improved Flight Procedures

ANA has been examining various flight procedures to decrease the noise reaching the ground.

#### **ANA's Main Noise Abatement Procedures**

	Procedure	Description	
Takeoff	Steepest climb procedure (fig. 1) Continue a steeper takeoff climb to a higher altitude than usual (to 3,000 feet), so as to keep noise contained within the airport as much as possible, while controlling noise by attaining high altitude in residential areas.		
procedure the required engine thrust, thereby reducing noise.		Delay flap-down and landing-gear-down operations to reduce air resistance to the airframe, so as to decrease the required engine thrust, thereby reducing noise.	
Landing  Low flap angle landing procedure  Set smaller flap angle for use during final approach to reduce air resistance the required engine thrust, thereby reducing noise.		Set smaller flap angle for use during final approach to reduce air resistance to the airframe, so as to decrease the required engine thrust, thereby reducing noise.	
	Preferential runway procedure (fig. 2)	If one side of the runway does not have a residential area, aircraft will takeoff and land in the preferred direction, wind direction and velocity permitting.	
Landing	Preferential flight path procedure (fig. 3)	In the airport vicinity (at lower altitude), select flight paths that pass over rivers or that circumvent residential areas as much as possible.	
and takeoff	V-NAV approach continuous descent procedure (fig. 4)	During descent, maintain higher altitude until the vicinity of airport, then continuously descend so as to reduce the change in the engine thrust, thereby abating noise. This procedure can save fuel as well.	
	FMS flight procedure	Use FMS/LLZ-RNAV in the airport vicinity and fly while avoiding residential areas and shortening flight path. In the case of late-night flights arriving at Haneda, avoid passing through Kisarazu (land area) and approach for landing via shortcut over the ocean.	









### ■ Reducing Ground Noise

In order to reduce noise when aircraft are being tested on the ground, we utilize engine testing facilities that are equipped to reduce noise. In addition, procedures that must be carried out at test runs during engine maintenance have been made more efficient.



Engine testing facilities at Osaka International Airport have noise-reduction walls.



Narita International Airport has a noise-reduction hangar.

<sup>\*</sup> International Civil Aviation Organization (ICAO)

### Promoting the 3Rs

To ease the environmental impact of our activities, we are promoting the "3Rs\*," reducing the use and emission of hazardous chemicals, and implementing green purchasing.

### Conserving Resources

### ■ Reducing Paper Consumption Through the SKiP Service

In October 2006, ANA launched its SKiP service, a system that allows customers who have completed the SKiP reservation process (reservations, purchasing, and pre-boarding seat reservations) to proceed directly to airport security checkpoints and board planes without a paper ticket. This significantly reduces the disposal volume of airline tickets and ticket stubs. In fiscal

2007, we reduced the annual volume of paper used for airline tickets from approximately 180 tons before the new services to 109 tons.



#### ■ In-Flight Service Supplies

ANA has switched economy class menu cards to reusable photo panels of meals that can be passed around the cabin in an effort to reduce paper consumption.



### **Promoting Recycling**

# ■ Promoting a "Closed Recycling" System for In-Flight, Airport and Group Operations

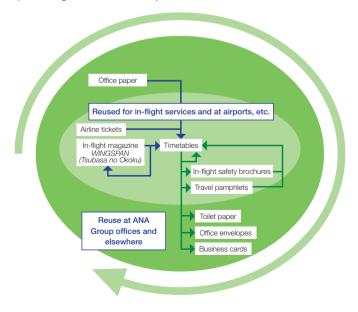
The ANA Group is working to implement a "Closed Recycling" system where it reuses waste generated by in-flight, airport and group office operations as resources in these and other operations throughout the ANA Group. This system ensures

the reliable and effective reuse of old copies of in-flight magazines, timetables, unused supplies that have reached their expiry dates and other resources.



Company envelopes made partly from recycled ingredients from old copies of the in-flight magazine WINGSPAN (*Tsubasa no Okoku*)

### Schematic of "Closed Recycling" of Paper (Including Planned Actions)



<sup>\*</sup> Reduce, Reuse, Recycle

### ■ Recycling Uniforms

Used uniforms of cabin attendants and ground staff are processed and returned to their original form of fiber, and reused as automotive soundproofing materials.



### Web Only

Other Initiatives					
Aircraft maintenance	Revision of method for measuring the aircraft's center of gravity (measurement without discarding fuel on board)				
	Purification of paint thinner and other solvents used in aircraft painting work by contracted company for reuse				
	Reduction of detergents for cleaning engine parts by using ultra-high-pressure water spray				
	Reuse of activated carbon used in cabin air conditioning systems and treatment of wastewater from aircraft hangars				
	Recycling of aircraft engine parts and aluminum scraps from repairs into metal materials				
Aircraft cabins	Presorted collection of cabin refuse (empty bottles and cans) from international flights				
Air cargo divisions	Recycle vinyl sheets for protection of cargo from rain and dust into solid fuel and garbage bags				
Ground facilities and equipment	Use of rainwater and treated kitchen wastewater (intermediate water)				
	Recycling of ground vehicles and other equipment used at airports into metal materials				

### **Environmental Contributions and Communication**

Based on the slogan of "For People and the Planet," the ANA Group is engaged in a program called the *Aozora* ("Blue Sky") Project to expand public awareness of the need to safeguard the environment. Here, we explain the project's three main activities. We regularly report on the status of these activities in our in-flight magazine *WINGSPAN* (*Tsubasa no Okoku*) as well as via the Internet program Channel J and our corporate website. We invite members of the public to submit their opinions and inquiries via the dedicated environment-related e-mail address: kankyou@ana.co.jp

### **Forestation**

The *Aozora* Forestation Project, begun in 2004, is a 10-year plan that aims to promote forestation and forest management activities in areas surrounding the 50 domestic airports serviced by the ANA Group.

We hope to help improve the global environment by reviving forests previously deforested by reckless logging and natural disasters and by foresting as-yet bare lands. With the participation of employee volunteers, the ANA Group will continue working with and heeding the advice of local governments and forestry cooperatives to help gradually expand Japan's forests.

According to the Forestry Agency, realizing the government's pledge to reduce Japan's greenhouse gas emissions by 6% will require that over half the reductions—3.8%—come from well-maintained woodlands and forests. Statistics from the Forestry Agency show that the trees in Rankoshi Forest (Chitose) and Yugashima Forest (Haneda) currently absorb the

equivalent of 40 persons' and 35 persons' worth of CO<sub>2</sub> emitted in one year, respectively.

In terms of forestation, in addition to tree planting events, the ANA Group holds a program called *Aozora juku* (open-air classes) with visiting instructors from the Field Science Education and Research Center of Kyoto University. Program participants learn about forestation, the environment, and ecosystem preservation.

The ANA Group will continue to pursue forestation activities

while giving consideration to the forestry cycle of tree-planting, growing and harvesting. We are committed to carrying out sustainable environmental activities that can be passed on to future generations.



The Rankoshi Forest

### History of Forestation Activities

Jap	an			
	Name	Nearest Airport	Launch Date	Location
1	Amagi Yugashima Forest	Haneda (No. 1)	4/17/2004	Izu, Shizuoka
2	Onocho Kijihiki Forest	Hakodate	5/16/2004	Hakodate, Hokkaido
3	Rankoshi Forest	New Chitose	7/3/2004	Chitose, Hokkaido
4	Kitagocho Hanatate Forest	Miyazaki (No. 1)	10/31/2004	Kitagocho, Miyazaki
5	OISCA Forest	Matsuyama (No. 1)	3/27/2005	Matsuyama, Ehime
6	Koyasan Genji Forest	Kansai	4/10/2005	Koya, Wakayama
7	Ajisu Forest	Yamaguchi Ube	5/28/2005	Ajisu, Yamaguchi
8	Shibechacho Shitsugen Forest	Kushiro	5/29/2005	Shibechacho, Hokkaido
9	Shinshu Forest	Haneda (No. 2)	7/16/2005	Shinano, Nagano
10	Asahi Forest	Hiroshima	8/20/2005	Miyoshi, Hiroshima
11	Niyodogawa Forest	Kochi (No. 1)	10/22/2005	Niyodogawa, Kochi
12	Kitagocho Hachi no Su Forest	Miyazaki (No. 2)	10/30/2005	Kitagocho, Miyazaki
13	Itobaru Kaigan Forest	Oita	5/13/2006	Kunisaki, Oita
14	Yaotsu Forest	Chubu	10/21/2006	Yaotsu, Gifu
15	Kirishima Forest	Kagoshima (No. 1)	10/28/2006	Kirishima, Kagoshima
16	Yusuhara Forest	Kochi (No. 2)	11/11/2006	Yusuhara, Kochi
17	Sakurajima OISCA Forest	Kagoshima (No. 2)	3/3/2007	Kagoshima, Kagoshima
18	Shirakami Forest	Odate-Noshiro	10/21/2007	Happo, Akita
19	Kitagocho Lakeside Forest	Miyazaki (No. 3)	10/28/2007	Kitagocho, Miyazaki
20	Uwajima Pearl Forest	Matsuyama (No. 2)	3/8/2008	Uwajima, Ehime
21	Hakuto Forest	Tottori	3/23/2008	Tottori, Tottori
22	Forest of Aso Kumamoto Airport	Kumamoto	5/18/2008	Nishihara, Kumamoto
23	Forest of Kaheita Okazaki	Okayama	5/31/2008	Takahashi, Okayama

#### Overseas

	Name	Country	Launch Date
1	Community Forest for Shwehlaing, Pyun and Kasauk Villages (Nyaung Oo)	Myanmar	8/1/2005
2	Phuket OISCA Forest	Thailand	11/21/2005
3	Aozora OISCA Chiang Mai Forest	Thailand	8/24/2006
4	Chai Nat OISCA Forest	Thailand	8/25/2007
5	Forest of Life Development, Shanghai (Hongquiao)	China	11/2/2007

### **Forestation Project Sites**

Domestic: 17 airports; 23 sites Overseas: 5 sites

### Number of Forestation Projects by Fiscal Year

Fiscal 2004 5 sites

Fiscal 2005 9 sites (including 2 overseas sites) Fiscal 2006 6 sites (including 1 overseas site)

Fiscal 2007 6 sites (including 2 overseas sites) Fiscal 2008 6 sites planned

### **Team Tyura Sango**

Coral reefs are home to a diverse array of marine ecosystems. Like trees, coral reefs play a role in mitigating global warming by absorbing and fixing atmospheric CO<sub>2</sub>.



However, coral reefs in Okinawa are currently suffering a crisis of epic proportions as a result of coral bleaching caused by rising water temperatures, an outbreak of crown-of-thorns starfish, and the outflow of red clay due to urban development.

"Team Tyura Sango" was formed in 2004 as a partnership among government, academia and business to restore and protect the coral community near Onnason, Kunigami-gun, Okinawa, in a bid to support the restoration of coral reef ecosystems. In accordance with guidelines set by the Japanese Coral Reef Society, volunteer divers hand plant coral in waters just off the Onnason coast, after the coral has been grown at onshore facilities. The coral is originally collected from the seabed near Onnason. In 2007, coral planting was carried out four times in spring and fall with 379 participants.

We also hold an annual "Coral Forum" to broadly spread the word about the ongoing coral reef crisis and the importance of preserving nature.

Team Tyura Sango website: http://www.tyurasango.com

# 5th *Aozora* ("Blue Sky") Environmental Picture Book Competition

The Aozora ("Blue Sky") Environmental Picture Book Competition, begun in 2003, aims to teach and inspire future generations about the value of nature and provide an opportunity to discuss the environment with family and friends. The competition is open to anyone.



Award Ceremony for the 5th *Aozora*Environmental Picture Book Competition



First Prize Winner: Tale of a Sweater

As with previous contests, numerous submissions were received from a broad range of ages (4 to 67) and locations (8 overseas countries, plus 32 prefectures and regions in Japan). After careful consideration, the reviewing committee, led by writer C.W. Nicol, selected Ehime Prefecture resident Emiko Ishikawa's work, entitled *Tale of a Sweater*, as the first-prize winner. Italy resident Sara Kei Ambrosino's *Let's Take Our Nature Back!* was chosen for a special prize; 34 other works also received awards and prizes.

The winning story was published as a bilingual book with editions in Japanese and English, German and French, Chinese and Vietnamese, and Korean and Thai. A total of 150,000 copies of the book were printed and distributed free of charge onboard ANA Group flights and at domestic and overseas ANA branches. Copies were also distributed to nursery schools and educational institutions in various regions.

# e-flight: Providing a Forum for Environmental Issues on ANA Flights

The e-flight program provides an opportunity for ANA customers to "think over our precious earth, up in the air." The program was introduced on certain flights on main domestic routes and flights from Japan to Shanghai last fall. In the third installment of this program in 2008, ANA implemented e-flights on all domestic flights from June 1 to July 10, which were timed to coincide with the G8 Hokkaido Toyako Summit in July 2008. The program featured "e-flight" logos on 20 Boeing 777 aircraft on domestic routes. Aboard the flights, customers were treated to a Sky Vision video presentation hosted by C.W. Nicol. ANA also provided customers (super seat premium class only) with chopsticks made from domestic lumber from thinned trees and paper cups with a special e-flight message printed on them.





### **ANA Group Environmental Data**

The ANA Group's impact on the environment and society is reported here quantitatively based on data we have compiled for fiscal 2007.

Detailed data are available on the ANA Group's corporate website. Please visit our website for more information about our environmental activities.

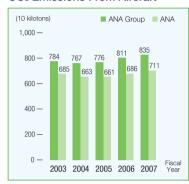
### ANA Group Environmental Data (Fiscal 2007)

		Data (Fiscal 2007)		Units	ANA Internal	ANA Grou
Ozone depletion		Halon and fluorocarbon (aircraft)	Amount of discharge	kg	0	0
Water resources		Total water usage (buildings)		10,000 tons	32.5	54.8
Ecosystem related	Water	Total waste treatment (buildings)		10,000 tons	2.4	3.4
environmental issues	pollution	Aircraft anti-ice agent usage		kl	Included in figure on right	1,762
	Toxic substances	Amount of PCB (polychlorinated biphenyl) storage		ton	4.2	11.3
Global warming	Deforestation	Total paper consumption		ton	5,276	9,969
	Energy	Total energy consumption (crude oil equivalent)		crude oil 10,000 kl	277	326
			Aircraft energy consumption (crude oil equivalent)	crude oil 10,000 kl	273	321
			Ground energy consumption (crude oil equivalent) (Power supplied to parked aircraft from ground included)	crude oil 10,000 kl	3.9	5.4
			Total aircraft fuel consumption	10,000 kl	288.6	338.8
			Consumption per seat-kilometer	L/100ASK	3.62	3.66
	Air pollution	Total number of vehicles/aircraft	Aircraft	aircraft	Included in figure on right	218
			Motor vehicles	cars	Included in figure on right	3,076
			Ratio of low-emission vehicles	%	18	19
		Total carbon dioxide (CO <sub>2</sub> ) emissions		10,000 ton-CO <sub>2</sub>	717	844
			Aircraft (total carbon emissions)	10,000 ton-CO <sub>2</sub>	711.1	834.8
			Aircraft (emissions per seat-kilometer)	g-CO <sub>2</sub> /ASK	89.4	90.4
			Ground equipment and vehicles (total emissions)	10,000 ton-CO <sub>2</sub>	6.3	9.2
		Nitrogen oxide (NOx)	(Aircraft – amount of emissions in LTO cycle*)	10,000 ton-NOx	0.57	0.66
		Hydrocarbon (HC)	(Aircraft – amount of emissions in LTO cycle*)	10,000 ton-HC	0.1	0.11
		Carbon monoxide (CO)	(Aircraft – amount of emissions in LTO cycle*)	10,000 ton-CO	0.52	0.61
		Fuel dumped for emergency landing (aircraft)	Amount of fuel dumped	kl	73	73
			times	times	1	1
Waste		Total waste		10,000 tons	2.02	2.28
			In-flight operations-Total cabin waste and sewage	10,000 tons	Included in figure on right	1.76
			Ground operations-Total ground waste	10,000 tons	0.27	0.52

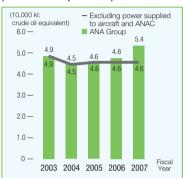
The above data was complied from the environmental activities of ANA and a limited number of ANA Group companies (Air transportation, Maintenance, Ground handling, Catering, Vehicle maintenance, Building maintenance, etc.) in fiscal 2007. Figures do not include data for all ANA Group companies.

\* Landing/Take off Cycle: Standard model for landing/take offs stipulated by the ICAO

### CO<sub>2</sub> Emissions From Aircraft



### Ground Energy Consumption (Crude Oil Equivalent)

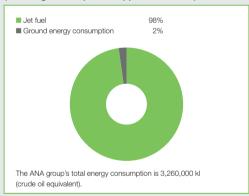


### Breakdown of CO<sub>2</sub> Emissions by Office

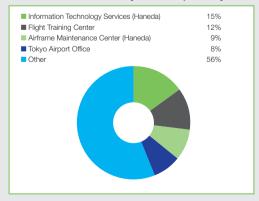


### Web Only

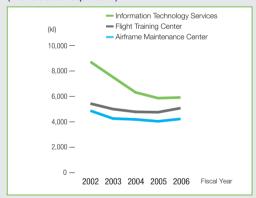
### Annual Energy Consumption (crude oil equivalent) (Including electric power supplied to aircraft)



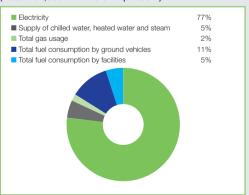




### Energy Consumption by Major Offices (kl of crude oil equivalent)



### Breakdown of Ground Energy Consumption (Total = 54,000 kl crude oil equivalent)



### **Derivation of Waste**

### Summary

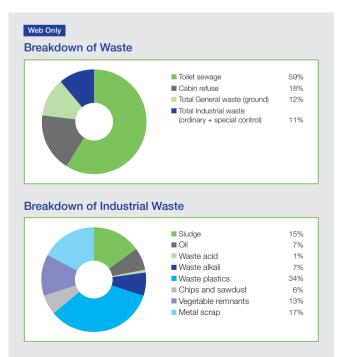
The ANA Group produced 22,800 tons of waste. Of this, general waste from aircraft (toilet sewage and cabin refuse) accounted for roughly 80%. The rest came from ground operations. Approximately 34% of industrial waste was plastic. Reduction of cabin refuse and waste plastic is an important subject in promoting reduction of derivatives.

#### Change

In fiscal 2007, waste increased by 2% (410 tons) over the previous fiscal year.

#### Waste Produced





### **Paper Consumption**

#### Summary

In fiscal 2007, the ANA Group consumed 9,969 tons of paper. Of this, almost all (96%) was used for marketing activities such as publishing timetables, pamphlets, posters and the in-flight magazine. The percentage of paper used for photocopying in our offices represented 4% of the total, or approximately 380 tons.

### Change

Paper consumption as a whole decreased 12% year on year mainly due to a reduction in the number of timetables published and fewer pamphlets.

### **ANA Group Paper Consumption**



### **Ground Vehicles**

#### Summary

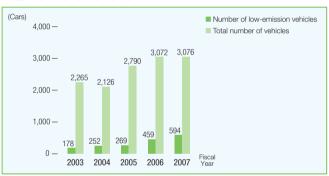
The 3,076 motor vehicles, including those leased, in service at ANA Group companies also have a significant impact on the environment. Of these vehicles, more than 80% are non-registered and used in limited areas at airports, mainly for ground handling.

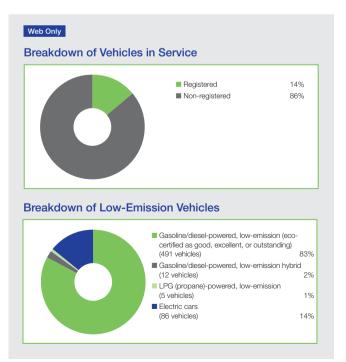
### ■ Change

The number of low-emission vehicles increased by 135 to account for approximately 19% of all vehicles.

During the fiscal year, vehicles owned by ANAC were newly added to the total. Of these, 75 vehicles were low-emission vehicles. This was a major contributing factor behind the large increase in the percentage of low-emission vehicles.

#### **Total Number of Vehicles**



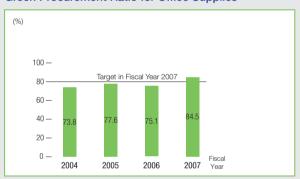


#### Web Only

#### **Green Procurement**

ANA has been promoting the electronic purchase of goods including office supplies, and using on-line purchasing to monitor the results of and promote green procurement. In fiscal 2007, our green procurement ratio for office supplies was 85%, an improvement of approximately 10% year on year. The green procurement ratio for office paper was almost 100%.

### **Green Procurement Ratio for Office Supplies**



### Web Only

### **Environmental Accounting**

To determine the quantitative cost of its environmental conservation activities, in fiscal 2001 ANA introduced an environmental accounting system. In fiscal 2002 the system was extended to all business offices and branches in Japan, and Air Nippon and Air Japan were included in the categories of energy-saving aircraft and ground power units (GPU). Air Nippon Network was included in fiscal 2004, Air Next in fiscal 2005, and Air Central in fiscal 2006.

### **Environmental Accounting Data (fiscal 2007)**

(millions of yen)

Environmental items		Costs	Major activities
	Pollution prevention costs	765	Processing disposed water from washing aircraft and kitchen facilities
Cost at each site	Global environmental conservation costs	11,763	Introduction of energy-saving aircraft; Use of ground power for parked aircraft
	Resource recycling costs	498	Waste treatment; Reduction, sorting and recycling of waste
Upstream and downstream costs		129	Green purchasing; Additional costs to offer environmentally friendly goods; Measures to comply with Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging
Management activity costs		6,802	Environmental management system-related; Environmental information disclosure and ads; Environmental impact monitoring; Environmental education; Greening and beautification of offices and environs; Other environmental management activities
Research and development costs		246	Research and development of products contributing to environmental conservation; Research and development to control environmental impact during manufacturing; Control of environmental impact during logistics and sales
Social activity costs		30	Greening and beautification of offices and environs; Financial support of environmental conservation organizations; Support of environmental activities in local communities and provision of information
Environmental damage recovery costs		-	Natural restoration costs; Compensation for environmental conservation- related mishaps; Provision of reserve for environmental mishaps and insurance premiums
Total		20,237	

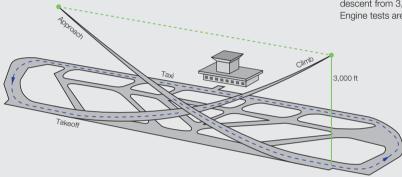
- The ANA Group appropriates 10% of its depreciation costs and leasing costs of aircraft to environmental accounting.
- Targeted sections: All ANA sections (excluding overseas branches), Air Nippon (ANK), Air Japan (AJX), Air Nippon Network (AKX), Air Next (NXA) and Air Central (CRF)
- Period covered: Fiscal Year 2007 (April 1, 2007-March 31, 2008)
- $\bullet$  In accordance with the environmental accounting guidelines set by the Ministry of the Environment.

# The Relationship Between Air Pollution and the Air Transportation Business

The main cause of air pollution generated in the course of ANA Group operations is exhaust emissions from aircraft and ground vehicles.

In its Annex 16, the International Civil Aviation Organization (ICAO) has established emission standards for NOx (nitrogen

### ICAO Landing/Takeoff Cycle



oxides), HC (hydrocarbons), CO (carbon monoxide) and SN (smoke number, or density) in terms of mass of emissions per unit of engine thrust for the ICAO Landing/Takeoff (LTO) cycle.

Appendix III of the Enforcement Regulation of Japan's Civil Aeronautics Act also contains the same standards, entitled "Emission Standards for Aircraft Operations."

Emission levels are measured during the LTO cycle, which is defined as a descent from 3,000 ft to the ground and an ascent to 3,000 ft after takeoff. Engine tests are subject to the thrust settings and times in the chart below.

	Thrust setting (%)	Time in mode (min)
Takeoff	100	0.7
Climb	85	2.2
Approach	30	4.0
Taxi/Idle	7	26.0

#### Low-Emission Aircraft

The ANA Group's most effective measure to reduce hazardous exhaust emissions from aircraft has been to deploy the latest, most advanced aircraft equipped with state-of-the-art engines. Emissions of aircraft currently in use at the ANA Group are all within ICAO emission standards stipulated in Annex 16.

### Engine Exhaust Emissions (Fiscal Year 2007)

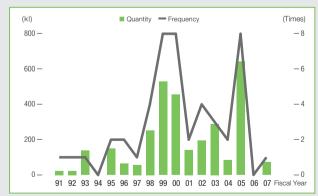
	ANA Group	ANA
NOx (nitrogen oxides)	6.6	5.7
HC (hydrocarbons)	1.1	1.0
CO (carbon monoxide)	6.1	5.2

(1.000 tons)

### Fuel Dumping for Unscheduled Landings

In fiscal 2007, fuel dumping operations were performed once by an ANA Group aircraft (prompted by engine malfunction after takeoff).

### Frequency and Quantity of Fuel Dumping



Mechanical malfunctions or passengers requiring immediate medical care often necessitate unscheduled landings. In such circumstances, if the aircraft's weight exceeds its maximum landing weight, the aircraft must dump fuel to reduce its weight and ensure a safe landing. For this reason, fuel dumping is performed only when necessary. Different airports designate specific dumping locations and altitudes. For example, fuel dumping operations are performed over oceans, to avoid urban areas. When dumped at high altitude, fuel turns into a diffuse mist that has minimal impact on the ground.

### Reducing Hazardous Chemicals Web Only

# Compliance With the Pollutant Release and Transfer Register (PRTR) Law

To manage and conduct the required registration of PRTR substances, ANA has created a unified inter-company database that groups these substances according to type, quantity, composition, and usage status. ANA has also worked to strengthen links across the organization in order to centralize all related information at Group companies. In fiscal 2007, the ANA Group used 35 PRTR substances; total consumption\* was 32,188 kg, roughly 50% higher than in the previous fiscal year. The higher total consumption mainly reflected increased use of paint remover when painting ANA Group company aircraft and cleaning solutions during plating work.

Going forward, the ANA Group will continue to make improvements by conducting operations that give due consideration to any potentially negative environmental impact, and continue to study alternative materials and methods that do not use any designated hazardous substances.

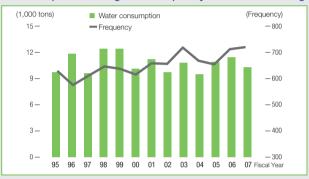
# Major Type 1 Designated Chemical Substances Used by the ANA Group (Fiscal 2007)

_				
Volume rank	Item	Purpose of usage	CAS No.	Improvements, etc.
1	Trichloroethylene	Steam washing before plating	79-01-6	Reduced by preventing steam diffusion and collecting liquid solution
2	Dichloromethane	Paint removal	75-09-2	Replaced most parts with non- chlorine-based agent alternatives (E-1092T)
3	Chromium anhydride (chromium trioxide)	Plating material (chromium)	1333-82-0	Considering the introduction of a plating method using a chromium-free thermal spraying process
4	Toluene	Solvent used for paint	108-88-3	Chose paints with few volatile ingredients
5	Tributyl phosphate	Hydraulic aircraft fluid	126-73-8	
6	Phenol	Paint removal	108-95-2	
7	Poly nonyl phenyl ether	Cleaning agent	9016-45-9	Less than 1 ton
8	Xylene	Solvent used for paint	1330-20-7	As above
9	Poly-octylphenyl ether	Cleaning agent	9036-19-5	As above
10	Cellosorbacetate	Paint thinner	111-15-9	As above

### Aircraft Washing and Discharged Water Processing

At Narita and Haneda airports, aircraft are washed at night. The growth of ANA Group fleets in fiscal 2007 resulted in more washing, and therefore more water was required. After each washing, water is treated at the airport's treatment facility and then discharged into the public sewage system.

### ANA Group Water Usage and Frequency of Aircraft Washing

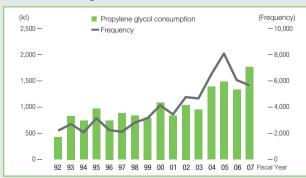


### **Anti-Freezing and De-Icing Agents**

For safety reasons, aircraft are not permitted to take off with snow or ice on the wings or fuselage. Snow is removed using hot water or compressed air, followed by the application of an anti-freezing agent. The ANA Group fully switched from previous anti-freezing agents to propylene glycol (not subject to PRTR Law) in 1996, and has made efforts to develop better equipment and work procedures to reduce the amount of anti-freezing agent required.

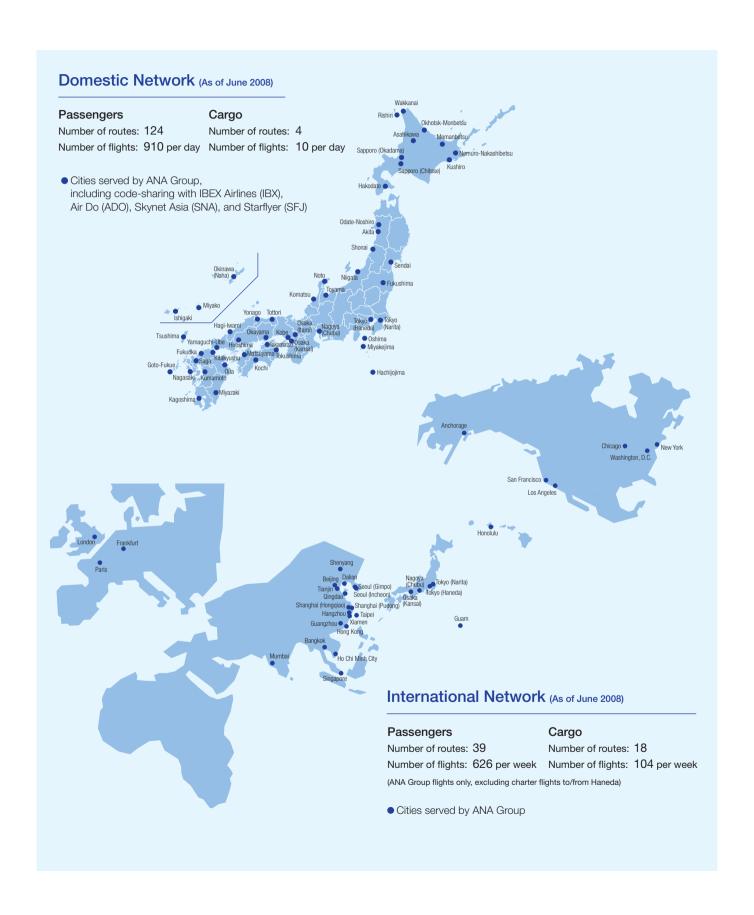
In fiscal 2007, the consumption of de-icing and antifreezing agents rose due to a large increase in the volume of de-icing and anti-freezing work for large aircraft at Haneda, Narita, Kansai and other major airports.

### Propylene Glycol Consumption and Frequency of De-Icing and Anti-Freezing



<sup>\*</sup> Total of discharge and disposal

### Cities Served by the ANA Group



### Third-Party Assessments/Corporate Outline

### Inclusion in Socially Responsible Investment (SRI) Indexes

ANA continues to be selected for inclusion in the FTSE4Good Index\*, an internationally recognized SRI index.

For inclusion, companies must meet evaluation criteria in the following areas: environmental conservation activities, support of human rights, positive relationships with stakeholders, and prevention of corrupt practices such as bribery. In addition, ANA is included in other major indexes such as Storebrand's "Best in Class" index and Morningstar's SRI index "MS-SRI."

\* The FTSE4Good Index is one of two major international SRI indexes. FTSE is an independent company owned by the Financial Times and the London Stock Exchange. It creates and manages indexes measuring the performance of companies by criteria other than simply business and financial factors.





### Corporate Outline

All Nippon Airways Co., Ltd. Company name Mineo Yamamoto President & CEO December 27, 1952 Date of

establishment Address

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

Website URL http://www.anaskyweb.com

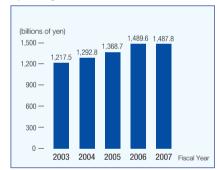
Paid-in capital Number of employees

¥160.001 billion 31,345 (ANA Group)

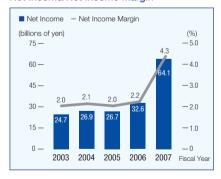
### Fleet

(as of July 31, 2008)	Total
Boeing 747-400	16
Boeing 777-300	20
Boeing 777-200	23
Boeing 767-300	60
Boeing 737-800	2
Boeing 737-700	18
Boeing 737-500	24
Airbus A320-200	31
Bombardier DHC-8-400	14
Bombardier DHC-8-300	5
Fokker F-50	3
Total	216

#### **Operating Revenues**



### Net Income/Net Income Margin



#### Segment Revenues/ Percentage of Total Operating Revenue



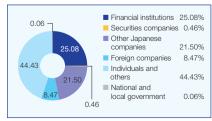
#### Operating Income/Operating Income Margin



### Total Shareholders' Equity/Equity Ratio



#### Composition of Shareholders





### ALL NIPPON AIRWAYS CO., LTD.

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

### Contact for CSR issues

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#### Contact for environmental issues

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