

Last Update: April 26, 2019

ANA HOLDINGS INC.

President and CEO: Shinya Katanozaka

Contact: Vice President

General Administration: Hiroshi Sakatsume

TEL: +81-3-6735-1001

Securities Code: 9202

<https://www.ana.co.jp/group/en/>

The corporate governance of ANA HOLDINGS INC. (“the Company”) is described below.

## I. Basic Approach to Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

### 1. Basic Approach

The ANA Group (“the Group”) implements management that contributes to value creation for various stakeholders in accordance with the ANA Group Mission Statement. In addition, the Group has adopted a holding company structure whereby each group company carries out swift decision-making and the Company supervises and monitors the implementation of group company operations to realize sustainable growth of group companies and the enhancement of medium- to long-term corporate value.

The Company has created a corporate governance system in accordance with this Fundamental Policy and continues to improve upon it. Under this system, the Company plays a leadership role in the Group management and establishes management policies and goals for the Group overall. In addition, the Company supervises and monitors management of group companies, and conducting transparent, fair, and definitive decisions.

The Company has adopted a company with company auditors, whereby Audit and Supervisory Board Members, along with the Board of Directors, supervise, monitor and audit the execution of duties by directors. Furthermore, the Company is strengthening the supervisory function of the Board of Directors, in part by including the appointment of Outside Directors. The Company is also enhancing the auditing function of Audit and Supervisory Board Members, which includes the appointment of a full-time Outside Audit and Supervisory Board Member.

#### <Mission Statement>

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

“Security and Trust” is the Group's unwavering promise to our customers. It defines the core of our entire operation and is our solemn responsibility. “The wings within ourselves” are our desire to continually rise to new challenges, contribute to the strong rebirth of our organization and always be there for our customers. The Group, with the air transportation as business pledges to transcend

generations in support of developing our global community and fulfilling the hopes and dreams of current and future generations

The Company's corporate governance practices are explained in this report as well as in the Fundamental Policy on Corporate Governance, Notifications of the Ordinary General Meeting of Shareholders, Securities Reports (Japanese only), Annual Reports and the Company's website. Please refer to these sources for further information. The content of disclosure based on the principles of the Corporate Governance Code is as follows.

#### **[Reasons for Non-compliance with the Principles of the Corporate Governance Code]**

##### **Principle 1.4 (Cross-shareholdings)**

The Company believes that maintaining and strengthening cooperative relationships with business partners is necessary for the expansion and development of the Group's business. The Group, which mainly engages in the air transportation business, shall strategically hold shares in another company should it believe that this will contribute to smooth business continuity and enhanced profits via business alliance and stronger business relationships, and thereby improvement corporate value in the medium- to long-term.

Every year, each of the cross-shareholdings is examined comprehensively by the Board of Directors with respect to its purpose, and the benefits and risks associated with holding it. The Company aims to reduce its holdings of shares when it cannot be determined that they contribute to sustainable growth of the Group and the improvement of corporate value in the medium- to long-term. Summaries of the results of these examinations are disclosed as appropriate.

Note that the rationality of the Company's holding the cross-held stocks was confirmed after verification from a medium- to long-term perspective at the Board of Directors Meeting held on April 27, 2018. Furthermore, appropriate decisions on the exercise of voting rights of strategically shareholdings are made by comprehensively taking into account dialogue with the relevant company after examination of each resolution, including the enhancement of the relevant company's medium- to long-term corporate value and the impact on the Group's business operations.

#### **[Disclosure based on the Principles of the Corporate Governance Code]**

##### **Principle 1.7 (Related Party Transactions)**

The Board of Directors, in accordance with laws and regulations and the Board of Directors Regulation, an internal rules, must approve competitive business transactions and transactions that constitute conflicts of interests between the Company and directors. In the event that said transactions are implemented within the approved framework, material facts regarding these transactions shall be reported at the Board of Directors meeting.

In the event these transactions are carried out between the Company and a related party other than a director, the necessary approval of said transactions are carried out in accordance with the Company's internal rules depending on the scale and importance of the transaction. The Internal Audit Division shall conduct periodic audits of the content of these transactions and a system shall be put in place that enables Audit and Supervisory Board Members to view

the details of approvals at any time. Principle 2.6 (Corporate Pension Asset Owners)

In the ANA Pension Plan of All NIPPON AIRWAYS CO., LTD., the core subsidiary of the Group, investments are dispersed in order to secure the required investment returns reliably over the long term, as stipulated in the Pension Asset Management Policy and the Basic Asset Allocation in accordance with the provisions of the Defined-Benefit Corporate Pension Act, etc. The selection of fund managers and funds are decided by the Board of Representatives after deliberation by the Investment Management Committee in collaboration with external investment consultants. Furthermore, investment performance is monitored through regular exchanges of information with fund managers, and quantitative and qualitative evaluations performed by investment consultants. Personnel with suitable qualities regarding investments are assigned to the ANA Pension Plan from the finance and accounting departments.

Principle 3.1 (Full Disclosure)

- (1) The Company has established a Mission Statement, Management Vision and ANA's Way as its Corporate Philosophy for the Group, which are disclosed on its website.  
<https://www.ana.co.jp/group/en/company/vision/>  
The Medium-Term Corporate Strategy is also disclosed on its website.  
<https://www.ana.co.jp/group/en/pr/201601/20160129-2.html>
- (2) The Company has established a Fundamental Policy on Corporate Governance on the Company's fundamental approach to corporate governance, which is also disclosed on its website.  
<https://www.ana.co.jp/group/en/about-us/governance/pdf/governance170328.pdf>
- (3) The policies and procedures for determining remuneration for directors on the Board of Directors is outlined in “5. Director Remuneration” in the Fundamental Policy on Corporate Governance, and “II.1 [Directors] Policies for determining remuneration amounts and calculation method” in this report.
- (4) The policy for the selection of directors and Audit and Supervisory Board Members is explained in “3. Directors and the Board of Directors” and “4. Audit and Supervisory Board Members and the Audit and Supervisory Board” within the Fundamental Policy on Corporate Governance, and “II.2 Matters pertaining to Functions including Business Execution, Audits and Supervision, and Appointment and Remuneration Decisions. (Overview of the Current Corporate Governance System)” in this report. The selection of directors and Audit and Supervisory Board Members is decided based on deliberation by the Board of Directors including Outside Directors. The Company believes this process is functioning appropriately. However, to ensure more fairness and objectivity, the Company plans to establish a Personnel Advisory Committee in FY2016. The majority of members on this committee will be Outside Directors. The committee shall serve as an advisory board to the Board of Directors. The Company shall also establish a system that engages the participation of independent Outside Directors who will provide advice.
- (5) The reasons for selection of candidate for Directors and Audit and Supervisory Board Members are outlined in the Notice of the 73rd Ordinary General Meeting of Shareholders.
- (6) In the event that circumstances arise where a director has violated laws and regulations or the Articles of Incorporation, or when it is otherwise deemed difficult for a director to execute his

or her duties, deliberations will be conducted in the Personnel Advisory Committee, and after receiving a report on these deliberations, the Board of Directors will decide whether to submit a proposal to the Ordinary General Meeting of Shareholders concerning the dismissal of such director.

Supplementary Principle 4.1.1 (Overview of the scope and content of the matters delegated to management)

The Board of Directors shall make decisions on basic management policies, including corporate strategies, other important management agendas, and vital business operations determined by the Board of Directors in accordance with laws, regulations and the Articles of Incorporation. The standards for decision-making are stipulated in the Board of Directors Regulations.

The Authority Rules, which are a set of internal rules, clarify the process for making decisions on business execution and on matters other than those resolved by the Board of Directors. The final decision in these matters is delegated to the Group Strategy Committee, which is comprised of full-time directors, full-time Audit and Supervisory Board Members, and the President & CEO. The outcome of important decision-making and business execution delegated to others by the Board of Directors shall be reported to the Board of Directors. The Board of Directors oversees the decisions and business execution carried out by the Group Strategy Committee and the President & CEO through these reports.

Principle 4.9 (Independence Standards and Qualification for Independent Directors)

The standards that define the independence of Outside Directors and Outside Audit and Supervisory Board Members from the Company are stated in the Fundamental Principles of Corporate Governance and “2.1 [Independent Directors and Audit and Supervisory Board Members] Other Matters on Independent Directors” within this document.

Supplementary Principle 4.11.1 (Policy on the balance of knowledge, experience and skills of the Board of Directors overall, and the diversity and size of the Board)

The policy for the appropriate balance of knowledge, experience and skills of the Board of Directors, and the diversity and size of the Board are explained in “3. Directors and the Board of Directors” within the Fundamental Policy on Corporate Governance, and “II.2 Matters pertaining to Functions including Business Execution, Audits and Supervision, Monitor and Appointment and Remuneration Decisions. (Overview of the Current Corporate Governance System)” in this report.

Supplementary Principle 4.11.2 (Concurrent positions held by directors and Audit and Supervisory Board Members at other listed companies)

Directors and Audit and Supervisory Board Members concurrently serving as officers at other listed companies are disclosed every year in the reference materials attached to the Notification of the Ordinary General Meeting of Shareholders, in business reports and Securities Reports.

Supplementary Principle 4.11.3 (Analysis and evaluation of effectiveness of the Board of Directors)

## 1. Method of Evaluation

The Company recognizes that it is important the Board of Directors constantly undergoes self-evaluation, looking for new solutions while always thinking of how to achieve an ideal Board of Directors and corporate governance. Moreover, at least once a year the Company analyzes, evaluates, and discusses the Board's overall efficacy to improve the efficacy of the Board of Directors.

From December 2018 to January 2019, the Company carried out an analysis and evaluation of the overall efficacy of the Board of Directors using a questionnaire survey for all Directors and Audit and Supervisory Board Members, additionally, from February 2019 to March 2019, the Company carried out an interview of questionnaire results for the chairman of the Board, President, Senior Executive Vice President, all Outside Directors and Outside Audit and Supervisory Board Members. The results confirmed at the Board of Directors held on March 26, 2019.

## 2. Results of the Analysis and Evaluation of the Efficacy of the Board of Directors

The survey confirmed that an adequate level of support has been provided to Outside Directors and Outside Audit and Supervisory Board Members, who possess diverse experience and expertise, in areas such as preliminary briefings highlighting key issues for the Board of Directors, briefings on management strategies and business issues from the presidents of major group companies, and efforts to promote an understanding of the Group through site inspections of facilities including airport handling, aircraft maintenance, flight operations and passenger cabins, and direct talks with front-line managers. In addition, reviews of rules and regulations were conducted aiming to revitalize discussions on key issues. Considering these, the Company confirmed that active discussions were taking place at the Board of Directors. The survey assessed that the Company's Board of Directors is functioning properly, and that it has sufficient efficacy to ensure decisions on key management issues are appropriately made and business operations are suitably supervised.

At the same time, the Company confirmed some areas requiring improvement to further increase the supervisory function of the Board of Directors such as making further efforts than in the past to share the global trends of industry and the long-term vision, etc. when formulating management strategy, following up matters such as the progress and review of major group companies' strategies, and devising practices in the management of meetings to allow for broader and more in-depth discussion of key issues. In the future, the Company will continue to improve the efficacy of the Board of Directors in light of the evaluation of the overall efficacy of the Board of Directors. Meanwhile, the Company confirmed improvements for the further expansion of the Board of Directors' oversight functions. This includes longer and more extensive discussions on the Group's policies, including medium- to long-term corporate strategies, and improvements in the sharing of the content of discussions held by management committees of major subsidiaries.

Based on the evaluation of the efficacy of the Board of Directors, the Company aims to continue to improve the efficacy of its Board of Directors moving forward.

## Supplementary Principle 4.14.2 (Training policy for directors and Audit and Supervisory Board Members)

Internal directors aim to continually acquire knowledge. They attend external seminars on finance, accounting and compliance at the time of appointment, and based on their level of knowledge and

experience, continue to attend external seminars after their appointment and receive private coaching when necessary. The Company provides necessary support for this self-improvement. Furthermore, group training for directors and Audit and Supervisory Board Members, along with lectures and exchanges of opinions with external instructors are periodically carried out to provide information and knowledge required by directors to fulfill their roles.

Internal Audit and Supervisory Board Members, upon appointment, take external seminars on accounting and finance should they have no experience in working at the accounting or finance divisions. Also, after appointment, depending on their level of knowledge and experience, they participate in seminars on various topics, including auditing methods, CSR, risk management and compliance. The Company provides the necessary support for internal Audit and Supervisory Board Members to carry out this self-improvement.

At the time of appointment, Outside Directors and Outside Audit and Supervisory Board Members are provided with explanations of the Group's operations to deepen their understanding of the Group and the airline industry. After their appointment, they are given the opportunity to tour sites and facilities, including airport handling, aircraft maintenance, flight operations and passenger cabins. In addition, ongoing training is being implemented, covering topics such as basic knowledge on the airline industry, and explanations of business operations at major subsidiaries.

#### Principle 5.1 (Policy for Constructive Dialogue with Shareholders)

The Company believes that constructive and consistent dialogue with investors, including shareholders, is important to sustain growth and improve corporate value in the medium- to long-term. A director is appointed to be in charge of handling this dialogue, and works with relevant departments, mainly the IR department, to communicate information and gather shareholder opinions. A major prerequisite for constructive dialogue with shareholders and investors naturally is disclosure in accordance with laws and regulations. Information deemed crucial for investors, including non-financial information, is actively disclosed. In addition, consideration is taken to ensure the fair disclosure of information in accordance with the Company's "Rules on the Prevention of Insider Trading."

The IR division is responsible for dialogue with institutional investors including shareholders. In addition to conducting regular meetings with institutional investors in Japan and overseas, The division also offers various opportunities for dialogue, including briefing sessions, that cover important agendas, such as corporate strategies, as well as earnings performance. Efforts are also made to improve the content of these sessions. Furthermore, to a reasonable extent, direct dialogue is carried out with the President & CEO and other directors, including the director in charge of the IR division, and ample feedback is given to the management committee on the dialogue carried out at briefings and other sessions. The opinions of shareholders and investors shall be utilized in the Company's management.

The General Administration division is responsible for dialogue with private shareholders. The division publishes "ANA VISION" (Japanese-only), a quarterly shareholder newsletter, that explains management topics and financial results information. In addition, information is provided on the "ANA Shareholders' Web Site" (Japanese-only). Furthermore, briefings are conducted for private

investors—potential shareholders—on corporate strategies and financial results.

## 2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
----------------------------	---------------

### [Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	19,197,100	5.73%
Japan Trustee Services Bank, Ltd. (Trust Account)	11,813,400	3.53%
Nagoya Railroad Co., Ltd	7,863,947	2.35%
Japan Trustee Services Bank, Ltd. (Trust Account5)	6,803,400	2.03%
Japan Trustee Services Bank, Ltd. (Trust Account1)	4,518,700	1.35%
Japan Trustee Services Bank, Ltd. (Trust Account2)	4,215,100	1.26%
Japan Trustee Services Bank, Ltd. (Trust Account7)	4,180,700	1.25%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	4,039,715	1.21%
STATE STREET BANK WEST CLIENT - TREATY 505234	3,817,231	1.14%
ANA Employee Stock Ownership Association	3,599,311	1.07%

Controlling Shareholder (except for Parent Company)	None
Parent Company	None

Supplementary Explanation

None

## 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Air Transportation
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the	From 50 to less than 100

Previous Fiscal Year	
----------------------	--

**4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder**

None
------

**5. Other Special Circumstances which may have Material Impact on Corporate Governance**

None
------

**II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management**

**1. Organizational Composition and Operation**

Organization Form	Company with Company Auditors
-------------------	-------------------------------

**[Directors]**

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman of the Board of Directors
Number of Directors	10
Appointment of Outside Directors	Appointed
Number of Outside Directors	3
Number of Independent Directors	3

**Outside Directors' Relationship with the Company (1)**

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Shosuke Mori	From another company											
Ado Yamamoto	From another company											
Izumi Kobayashi	From another company											

\* Categories for "Relationship with the Company"

\* "○" when this category currently or recently was applicable;

"△" when this category was applicable in the past

\* "●" when this category currently or recently was applicable to a close relative of the Director;



“▲” when this category was applicable in the past to a close relative of the Director

- a. Executive of the Company or its subsidiaries
- b. Non-executive Director or Executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the Company or an executive thereof
- f. Consultant, accountant or legal professional who receives considerable monetary consideration or other property from the Company aside from the compensation as an Audit and Supervisory Board Member of the Group.
- g. Major shareholder of the company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (only applies to the director)
- i. Executive of a company where the person is also mutually appointed as an Outside Director of the Group (only applies to the director)
- j. Executive of a company or organization that receives a donation from the Company (only applies to the director)
- k. Other

---

Outside Directors' Relationship with the Company (2)

---

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Shosuke Mori	○	<p>The Outside Director has been designated as an independent director.</p> <p>Chairman and Representative Director of The Kansai Electric Power Co., Inc., with which ANA HOLDINGS INC. has no significant transactions.</p>	<p>&lt; Reasons for selection as an Outside Director &gt;</p> <p>He actively offers opinions and proposals concerning reinforcement of internal control and other corporate governance system, promotion of safety measures, and reinforcement of group management system at the meetings of the Board of Directors as he has abundant experience and deep insight developed as a corporate executive manager in a high profile public industry.</p> <p>The Company has decided to appoint him as Independent Outside Director for</p>

			<p>the purpose of reinforcement of the supervisory function of the Board of Directors in order to attain sustainable increase in the Group's corporate value.</p> <p>&lt; Reasons for designation as an independent director &gt;</p> <p>The director is serving concurrently as an Advisor of The Kansai Electric Power Co., Inc., but there are no transactions of significance between The Kansai Electric Power Co., Inc., and the Company. We are therefore certain that no conflicts of interest with general shareholders will arise.</p>
Ado Yamamoto	○	<p>The Outside Director has been designated as an independent director.</p> <p>Chairman and Representative Director of Nagoya Railroad Co., Ltd., with which ANA HOLDINGS INC. does not have any relationship to note. However there are transactions concerning entrustment and acceptance of air ticket sales between our groups.</p>	<p>&lt; Reason for selection as an Outside Director &gt;</p> <p>He actively offers opinions and proposals concerning group business operation and group management strategies that span various categories, reinforcement of governance system including prudent information disclosure, and promotion of safety measures at the meetings of the Board of Directors as he has abundant experience and deep insight developed as a corporate manager in the transportation industry.</p> <p>The Company has decided to appoint him as Independent Outside Director for the purpose of reinforcement of the supervisory function of the Board of Directors in order to attain sustainable increase in the Group's corporate value.</p> <p>&lt; Reason for designation as an independent Director &gt;</p> <p>The director is concurrently serving as a Chairman and Representative Director of Nagoya Railroad Co., Ltd., which has no significant transactions. Although the company is our top shareholder, it is not</p>

			<p>a majority shareholder, with an interest of less than 5%. There are also transactions between the Company and the Group for the consignment of airline ticket sales.</p>
Izumi Kobayashi	○	<p>The Outside Director has been designated as an independent director.</p>	<p>&lt; Reason for selection as an Outside Director &gt;</p> <p>She actively offers opinions and proposals concerning group management strategies, enhancement of basic quality, promotion of safety measures, or communication with various stakeholders with a global perspective at the meetings of the Board of Directors as she has abundant experience and deep insight as a representative in a private sectors financial institution and multilateral development bank.</p> <p>The Company has decided to appoint her as Independent Outside Director for the purpose of reinforcement of the supervisory function of the Board of Directors in order to attain sustainable increase in the Group's corporate value.</p> <p>&lt; Reason for designation as an independent director &gt;</p> <p>While she is an Outside Director for Mizuho Financial Group, Inc., Mizuho Financial Group, Inc. is a company with nominating committee that separates supervision and management functions. Thus, she will not concurrently serve as its corporate executive officer, nor will she be directly involved in Mizuho Bank, Ltd.'s individual financing decisions regarding the Company and other parties. We are therefore certain that no conflicts of interest with general shareholders will arise.</p>

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established (Committee Corresponding to both Nomination Committee and Remuneration Committee)
---	--

#### Committee's Name, Composition, and Attributes of Chairman

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Personnel Advisory Committee	Remuneration Advisory Committee
All Committee Members	4	5
Full-time Members	0	0
Internal Directors	1	1
Outside Directors	3	3
Outside Experts	0	1
Other	0	0
Chairperson	Outside Director	Outside Director

#### Supplementary Explanation

##### < Nomination for Directors Determination Process >

Directors are selected from candidates inside and outside the company that have the potential to strengthen appropriate policy-making, decision-making and oversight befitting “an airline group operating diverse global businesses mainly in air transportation.” Potential candidates are honest in character, possess vast experience, deep insight and an advanced-level of expertise. The selection is made within the scope of relevant laws such as the Civil Aeronautics Act, and regardless of factors such as gender or nationality

Pursuant to this policy, candidates are decided by the Board of Directors, taking into the reports by the Personnel Advisory Committee, which is an advisory committee to the Board of Directors. The majority of members on this committee are Outside Directors. In order to ensure transparency and fairness in the selection, the Personnel Advisory Committee discusses the candidates for directors before the Board of Directors makes its resolution.

##### < Remuneration Determination Process >

The Company has established a Remuneration Advisory Committee to ensure that director remunerations are appropriate and that the decision process is transparent. The majority of committee members are Outside Directors and outside experts. The Committee conducts deliberations before the remuneration policy is resolved by the Board of Directors.

**[Audit and Supervisory Board Members]**

Establishment of Audit and Supervisory Board	Established
Maximum Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit and Supervisory Board Members	5

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The accounting auditor and Audit and Supervisory Board Members provide reports and exchange information on the auditing of each business and group company once every quarter and as needed. In addition, the accounting auditor attends Audit and Supervisory Board meetings to report on their audit for the fiscal year. Audit and Supervisory Board Members use this opportunity to properly receive reports from the accounting auditor.

The accounting auditor interviews the Internal Audit Division. This entails periodic internal audits, and explanations of annual policies, and reporting (interim reports and annual evaluation reports) in line with the “Internal Control Report System for Financial Reporting” under the Financial Instruments and Exchange Act.

The Internal Audit Division appropriately reports Audit and Supervisory Board Members on audit activities for each business site and Group company, and exchanges opinions on these matters.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	3
Number of Independent Audit and Supervisory Board Members	3

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Sumihito Okawa	From another company										△			
Shingo Matsuo	From another company													
Eiji Ogawa	Academic													

\* Categories for “Relationship with the Company”

- \* “○” when this category currently or recently was applicable;
- “△” when this category was applicable in the past
- \* “●” when this category currently or recently was applicable to a close relative of the Director;
- “▲” when this category was applicable in the past to a close relative of the Director

- a. Executive of the Company or its subsidiary
- b. Non-executive director or accounting advisor of the Company or its subsidiaries
- c. Non-executive director or executive of a parent company of the Company
- d. Audit and Supervisory Board Member of a parent company of the Company
- e. Executive of a sister company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a significant monetary consideration or other property from the Company aside from the compensation as an Audit & Supervisory Board Member
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier of the Company (which does not correspond to any of f, g, or h) (only applies to the Audit and Supervisory Board Member)
- k. Executive of a company where the person is also mutually appointed as an Outside Director/Audit and Supervisory Board Member (only applies to the Audit and Supervisory Board Member)
- l. Executive of a company or organization that receives a donation from the Company (only applies to the Audit and Supervisory Board Member)
- m. Others

---

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

---

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Sumihito Okawa	○	The Outside Audit and Supervisory Board Member has been designated as an independent officer. Former officer of a board member of a	< Reasons for selection as an Outside Audit and Supervisory Board Member > He actively offers opinions and proposals concerning investment matters and group management strategies as he has abounded

		financial institution	<p>experience as a representative of a public financial institution.</p> <p>The Company has decided to select him as an Outside Audit and Supervisory Board Member for the purpose of reinforcement of audit structure.</p> <p>&lt; Reasons for designation as an independent officer &gt;</p> <p>A substantial amount of time has passed after resigning the position of vice president to the Development Bank of Japan, Inc. in October 2006, so he will not be in the position of representing a bank from which the Company receives loans. We are therefore certain that no conflicts of interest with general shareholders will arise. Note that as of March 2019, the outstanding balance of loans from the Development Bank of Japan Inc., with which the director was previously affiliated until 2007, is JPY30,461 million. The ratio to the total consolidated assets is 1.1%.</p>
Shingo Matsuo	○	<p>The Outside Audit and Supervisory Board Member has been designated as an independent officer. Concurrently serves as the Counselor of Kyushu Electric Power Co., Inc., with which ANA HOLDINGS INC. has no transactions of significance.</p>	<p>&lt;Reasons for selection as an Outside Audit and Supervisory Board Member &gt;</p> <p>He actively offers opinions concerning business operation with safety as a top priority, investment matters and group management strategies as he has abundant experience and deep insight developed as a corporate manager of high profile public industry.</p> <p>The Company has decided to select him as an Outside Audit and Supervisory Board Member for the purpose of reinforcement of audit structure.</p> <p>&lt; Reasons for designation as an independent officer &gt;</p> <p>Matsuo is concurrently serving as a counselor for Kyushu Electric Power</p>

			Co., Inc., but there are no significant transactions between Kyushu Electric Power Co., Inc., and ANA HOLDINGS INC. We are therefore certain that no conflicts of interest with general shareholders will arise.
Eiji Ogawa	○	The Outside Audit and Supervisory Board Member has been designated as an independent officer. He concurrently serves as a Professor of the Graduate School at Hitotsubashi University with which ANA HOLDINGS INC. have no transactions of significance.	<p>&lt; Reasons for selection as an Outside Audit and Supervisory Board Member &gt;</p> <p>He actively offers advice for matters that require attention on group management strategies from risk management perspective, as well as the Company's financial policies by using his experience and abundant expertise as an international financial expert. The Company has decided to select him as an Outside Audit and Supervisory Board Member for the purpose of reinforcement of audit structure.</p> <p>&lt; Reasons for designation as an independent officer &gt;</p> <p>Concurrently serves as a Professor of the Graduate School at Hitotsubashi University with which ANA HOLDINGS INC. have no transactions of significance.</p>

**[Independent Directors/Audit and Supervisory Board Members]**

Number of Independent Directors/Audit and Supervisory Board Members	6
---	---

Matters relating to Independent Directors/Audit and Supervisory Board Members



The Company's Outside Directors and Outside Audit and Supervisory Board Members (“Outside Officer”) meet “the Independence Guidelines” stipulated by the Company, and the independence standards stipulated by Tokyo Stock Exchange, Inc., and all Outside Directors and Outside Audit and Supervisory Board Members are independent directors and Audit and Supervisory Board Members

In order to clarify its stance on the independence of Outside Officer, the Company has established the following “Independence Guidelines”.

### **Independence Guidelines**

The following requirements shall not apply to an Outside Director or Outside Audit and Supervisory Board Member (“Outside Officer”) in order for the Outside Officer to be deemed as independent.

1. A person for whom the Group is a key business partner (\*1), or an executive officer thereof
2. A person who is a key business partner of the Group (\*1), or an executive officer thereof
3. A person who is a key lender of the Group (\*2), or an executive officer thereof
4. A major shareholder of the Company (\*3), or an executive officer thereof
5. An attorney, certified public accountant, consultant or other expert who receives, apart from remuneration as director or Audit and Supervisory Board Members, a significant monetary compensation or other economic benefit (\*4) from the Group
6. A certified public accountant who is a member of the auditing firm that is the Company's accounting auditor
7. A person who has received a large donation (\*5) from the Group
8. A person who is a close relative (\*6) of a director, Audit and Supervisory Board Member, corporate executive officer or key employee of the Company or a consolidated subsidiary
9. A person whose close relative comes under any of 1 through 7 above
10. A person who came under any of 1 through 8 above in the past three years
11. In addition to the preceding items, a person who has a special reason not being able to fulfill his/her duties as an independent Outside Officer, including a conflict of interest with the Company

Note that even in the event that any one of the items 1 through 11 above apply, the Outside Officer is effectively independent as long as the reason is explained and disclosed at the time of selection as an Outside Officer.

\*1. A person for whom the Group is a key business partner is defined as a business partner that accounts for more than 2% of consolidated net sales.

A person who is a key business partner of the Group is defined as a business partner who accounts for more than 2% of consolidated sales of the Group.

\*2. A person who is a key lender is a financial institution from whom outstanding loans of the Group exceed 2% of the total consolidated assets of the Company at the end of the most recent fiscal year.

\*3. A major shareholder is a shareholder who holds 10% or more of voting rights directly or in another name at the end of the most recent fiscal year, or an executive officer thereof if the shareholder is a corporation.

- \*4. A large sum of money or other economic benefit is a benefit exceeding an average of 10 million yen per year over the past three fiscal years.
- \*5. A large donation is a donation that exceeds an average of the higher of 10 million yen or 2% of the consolidated sales of the recipient from the Group over the past three fiscal years.
- \*6. A close relative is a spouse or a relative within two degrees of kinship.

#### [Incentives]

Incentive Policies for Directors	Performance-linked Remuneration
----------------------------------	---------------------------------

#### Supplementary Explanation

In February 2011 the Company formed the Remuneration Advisory Committee. The majority of the members of this committee consist of Outside Directors and outside experts. This committee establishes the remuneration system and standards for director remuneration by taking into account remuneration levels at other companies based on the findings of a third-party research institute employed by the Company.

In addition to a fixed “basic remuneration”, the remuneration for directors (excluding Outside Directors) consists of a performance-linked “bonus” and long-term incentive “share remuneration plan” as a means of providing healthy incentives to ensure the Company’s sustainable growth. Furthermore, from FY2018 the Company will utilize a mechanism in which “safety” and “customer satisfaction” function as incentives along with performance for bonuses, and “employee satisfaction” has been added as an indicator for share remuneration.

The remuneration for Outside Directors and Audit and Supervisory Board Members consists of a fixed remuneration only given their role to supervise, monitor and audit the company from an independent stance.

The retirement allowance system was terminated in 2004.

Recipients of Stock Options	None
-----------------------------	------

#### Supplementary Explanation

None
------

**[Director Remuneration]**

Disclosure of Individual Director Remuneration	No Individual Disclosure
--	--------------------------

**Supplementary Explanation**

The aggregate amount of remuneration for the nine Directors in office for FY2017 (ended March 2018) was 493 million yen, and the aggregate amount of remuneration for three Outside Directors were 40 million yen.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
--	-------------

**Disclosure of Policy on Deciding Remuneration Amounts and Calculation Methods**

**1. Basic policy for the Director Remuneration**

The basic policy for determining director remuneration is as follows:

- (i) Remuneration standards shall be commensurate with a director's roles and responsibilities to ensure transparency, fairness and objectivity;
- (ii) A performance-based remuneration system that reflects corporate strategies shall be introduced to reinforce incentives for achieving management goals; and
- (iii) The remuneration scheme shall enable the Company to share profits with its shareholders to improve corporate value in the medium- to long-term.

In accordance with the aforementioned policies, the Remuneration Advisory Committee is an advisory committee to the Board of Directors. The majority of members on this committee are Outside Directors and outside experts. This committee establishes the remuneration system and standards for director remuneration taking into account remuneration levels at other companies based on the findings of a third-party research institute employed by the Company.

The remuneration for Outside Directors and Audit and Supervisory Board Members consists of a fixed remuneration only given their role to supervise, monitor and audit the company from an independent stance. Furthermore, from FY2018 the Company will utilize a mechanism in which "safety" and "customer satisfaction" function as incentives along with performance for bonuses, and "employee satisfaction" has been added as an indicator for share remuneration.

The retirement allowance system was terminated in 2004.

**2. Basic policy for the Audit and Supervisory Board Members Remuneration**

To ensure that talented personnel can be hired and secured, the remuneration for Audit and Supervisory Board Members consists of a fixed remuneration (monthly remuneration) that takes into the role they

play.

Remuneration standards are set based on levels at other companies as researched by a third-party research institute employed by the Company.

The retirement allowance system was terminated in 2004.

**[Support System for Outside Directors and/or Audit and Supervisory Board Members]**

The Executive Secretary Office, the Corporate Communication Office of the General Administration, serve as contact points for supporting Outside Directors, while the Audit and Supervisory Board Members Office serves as the contact point for supporting Outside Audit and Supervisory Board Members. These departments coordinate with relevant departments within the Company.

The Corporate Communication Office of the General Administration serves as the secretariat of the Board of Directors. The office provides explanations beforehand to Outside Directors and Outside Audit and Supervisory Board Members on the agenda of the Board of Directors to confirm whether there are any requests relating to “Additional information requiring discussion by the Board of Directors” or other matters requiring explanation. Additional information and supplementary explanations in advance are provided as required.

The Audit and Supervisory Board Members Office, which is the secretariat for the Audit and Supervisory Board, coordinates with departments related to the Audit and Supervisory Board Members Office when Outside Audit and Supervisory Board Members request additional information and sets up opportunities to provide explanations.

**[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]**

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

Name	Position	Assignment	Employment terms (Full/part time, with/without compensation, etc.)	Retirement Date	Term of Assignment
Akio Kondo	Honorary Senior Advisor	Advisor of the Japan Aeronautic Association	part time, with compensation	29 June 1995	one year
Yoshizaburo Nomura	Honorary Senior Advisor	Chairman of the Japan Aeronautic Association	part time, with compensation	31 March 2005	one year
Yoji Ohashi	Senior Advisor to the Board of the Company	External affairs such as Business Community Relations	Full time, with compensation	31 March 2015	one year

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)	3
---	---

Others
--------

<ul style="list-style-type: none"> <li>• They are dedicated to external activities beneficial for the advancement of the Company and the airline industry, are not involved in any managerial decisions. Therefore, the Company believes there are no governance issues.</li> <li>• The “President’s retirement date” indicates the date of the retirement of the Company’s President or Vice Chairman.</li> </ul>
--

## 2. Matters on Functions, including Business Execution, Auditing, Oversight, Nomination and Remuneration Decision-making (Overview of Current Corporate Governance System)

<p><u>Overview of Current System</u></p> <p>1. Holding Company Structure</p> <p>Given that it is essential to maintain a management structure that can effectively leverage its competitive strength, the Company has adopted a holding company structure whereby group companies can swiftly carry out decision-making and where the Company is able to supervise and monitor business execution by group companies.</p> <p>Under the holding company structure, directors and other executive officers with vast experience and a high level of expertise are positioned at each group companies. Authority to manage group companies is delegated to ensure flexible and effective business execution.</p> <p>2. Company with Company Auditors</p> <p>The Company has adopted a company with company auditors a, whereby the Board of Directors and Audit and Supervisory Board Members supervise, monitor and audit the execution of duties carried out by Directors. Furthermore, the Company has made efforts to strengthen the supervisory function of the Board of Directors through the appointment of several Outside Directors, and the auditing function of the Audit and Supervisory Board through the appointment a of full-time Outside Audit and Supervisory Board Member.</p> <p>3. Corporate Executive Officer System</p> <p>The Company has adopted an Executive Officer System to clarify the responsibilities and authority for swift decision-making and business operations. Under this scheme, directors are in charge of making management decisions and supervising and monitoring business execution. Meanwhile, executive officers are responsible for business execution.</p> <p>4. Other</p> <p>Apart from legal organizations, the Company has established the Management Advisory Council consisting of seven experts (six males, one female) in every sphere, to obtain unbiased, frank opinions and advice, regarding management of the Group. Four Management Advisory Council meetings were</p>
---

held in FY2017 (from April 1, 2017 to March 31, 2018).

#### Board of Directors

The Board of Directors of the Company determines the Group's management policy and goals, while also taking on the role of overseeing management and business execution for each group company.

The Board members possess diverse attributes, including experience, knowledge, expertise and gender. There are nine men and one woman sitting on the Board of Directors as of the date of submission of this report. Furthermore, three of the 10 Directors are Outside Directors. This facilitates practical and active discussion, and the further strengthening of swift decision-making and supervisory functions.

The Remuneration Advisory Committee is an advisory committee to the Board of Directors. The majority of members on this committee are Outside Directors and outside experts. This committee establishes the remuneration system and standards for director remuneration taking into account remuneration levels at other companies based on the findings of a third-party research institute employed by the Company. The goal is to ensure the transparency, fairness and objectivity of the remuneration system.

#### Business Execution Functions

Fundamental issues to the management of the Group are discussed and decided upon at the Group Strategy Committee, which is chaired by the President & CEO, and includes full-time directors, full-time Audit and Supervisory Board Members and other members. The Group Strategy Committee is made up of 12 men.

#### Audit Functions

##### 1. Audits by Audit and Supervisory Board Members

Five men serve as Audit and Supervisory Board Members.

Audits are mainly conducted by a full-time Outside Audit and Supervisory Board Member with previous experience working at financial institutions full-time auditors as well as a full-time auditor well-versed in internal operations and outside Audit and Supervisory Board Members that are fully independent of the Company. The Audit and Supervisory Board Member Office was established and placed under the direct control of the Audit and Supervisory Board Members to provide support in audits, and cooperates with the Internal Audit Division, which is directly under the supervision of the President & CEO and the accounting auditor.

##### 2. Internal Auditing

The Internal Audit Division (11members), which reports directly to the President & CEO, audits operations and accounting of the Company and its group companies, and conducts evaluations from an independent and objective perspective in accordance with stipulations in the Financial Instruments and Exchange Act on the reporting system for the internal control of financial reporting. Audits are comprised of regular audits, which are conducted in accordance with annual business plans, and intermittent audits conducted at the discretion of the management. Regular audits are fairly and

objectively conducted based on risk analyses of each division and Group companies.

Audit results are reported to the President & CEO every month and to the Audit and Supervisory Board Members as appropriate.

### 3. Accounting Audits

At the time of our 71st Ordinary General Meeting of Shareholders, held on June 28, 2016, the term of office of the Company's Independent Auditor, Ernst & Young ShinNihon LLC expired. In conjunction with this, we have appointed Deloitte Touche Tohmatsu LLC, and our audit operations are carried out by certified public accountants from Deloitte Touche Tohmatsu LLC.

## Nomination

### 1. Directors

Directors are selected from candidates inside and outside the company that have the potential to strengthen appropriate policy-making, decision-making and oversight befitting "an airline group operating diverse global businesses mainly in air transportation." Potential candidates are honest in character, possess vast experience, deep insight and an advanced-level of expertise. The selection is made within the scope of relevant laws such as the Civil Aeronautics Act, and regardless of factors such as gender or nationality.

In addition to the Chairman who chairs the Board of Directors, the President & CEO, and the CFO, internal directors are selected from candidates that include the President & CEO of ALL NIPPON AIRWAYS CO., LTD, the core company of the Group, corporate executive officers responsible for managing overall Group operations, and group companies' directors that are familiar with Group businesses. Several Outside Directors are selected from among candidates that possess a practical viewpoint based on their vast experience in corporate management or from among candidates that have a global or community-oriented viewpoint owing to a high level of knowledge about social and economic trends, and who are independent from the Company (based on separately established "Independence Guidelines").

### 2. Audit and Supervisory Board Members

Audit and Supervisory Board Members are selected from several candidates inside and outside the ANA Group that possess the vast experience and high level of expertise required to conduct audits to ensure the achievement of healthy development and to bolster the trust society has in the ANA Group. Selection of candidates is made regardless of gender, nationality, or other factors. Note that a minimum of one person with adequate knowledge of finance and accounting is also selected.

In accordance with the Companies Act, the term of office for an Audit and Supervisory Board Member runs up to the close of the Ordinary General Meeting of Shareholders for the most recent fiscal year, within four years of selection, and does not preclude reappointment.

Internal Audit and Supervisory Board Members are selected from among candidates with knowledge and experience in areas including corporate management, finance, accounting, legal affairs, risk management, and the operation of the airline business, and who are capable of gathering information from inside the Group.

Outside Audit and Supervisory Board Members are selected from candidates that are independent from

the Company (based on separately established “Independence Guidelines”) and who possess a high level of knowledge in various areas.

#### Determination of Remuneration

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

The Remuneration Advisory Committee is an advisory committee to the Board of Directors. The majority of members on this committee are Outside Directors and outside experts. This committee establishes the remuneration system and standards for director remuneration taking into account remuneration levels at other companies based on the findings of a third-party research institute employed by the Company.

### **3. Reasons for Adopting the Current Corporate Governance System**

The Group has introduced a company with company auditors to sustain fair, equitable, and transparent corporate governance, and to enhance corporate value by conducting efficient business operations within the Group.

The term of office for directors is one fiscal year. The Company appoints several directors, including three Outside Directors. There are 15 members on the Board of Directors that handle business execution and five auditors on the Audit and Supervisory Board to properly leverage auditing functions. In this manner, the Company has developed a reliable governance system for supervising and monitoring management and which also includes an accounting auditor.

## **III. Implementation of Measures for Shareholders and Other Stakeholders**

### **1. Measures to Activate the Ordinary General Meeting of Shareholders and to Ensure the Smooth Exercise of Voting Rights**

	Supplementary Explanations
Early Notification of the Ordinary General Meeting of Shareholders	The Notice of the Ordinary General Meeting of Shareholders is sent Three Weeks Prior to the Meeting, in principle.
Scheduling AGMs Avoiding the Peak Day	Stay away from Peak Day as much as possible, but it may cause due to site reason.
Allowing Electronic Exercise of Voting Rights	Offered
Participation in Electronic Voting Platform	The Company participates in the electronic voting platform operated by ICJ.



Providing Convocation Notice in English	Prepares English translations.
Other	The Company posts the Notice and Resolutions of the Ordinary General Meeting of Shareholders and a video of the meeting on its website. <a href="https://www.ana.co.jp/group/en/investors/irdata/shareholders/">https://www.ana.co.jp/group/en/investors/irdata/shareholders/</a> <a href="https://www.ana.co.jp/group/investors/irdata/shareholders/">https://www.ana.co.jp/group/investors/irdata/shareholders/</a>

## 2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	Uploaded on the website <a href="https://www.ana.co.jp/group/en/investors/management/disclosure.html">https://www.ana.co.jp/group/en/investors/management/disclosure.html</a> <a href="https://www.ana.co.jp/group/investors/management/disclosure.html">https://www.ana.co.jp/group/investors/management/disclosure.html</a>
Regular Investor Briefings for Individual Investors	Held around 10 times a year at various cities in Japan.
Regular Investor Briefings for Analysts and Institutional Investors	Explain Financial Results, corporate strategy and briefing about group company business.
Regular Investor Briefings for Overseas Investors	Briefings are held several times a year.
Posting of IR Materials on Website	The Company posts summaries of quarterly financial statements, Securities Reports, and Quarterly Reports, Annual Report, Fact Book, as well as stock information, financial data, monthly numbers of passengers, and other matters on its website. Videos of financial results meetings and the General Meeting of Shareholders are transmitted over the website. <a href="https://www.anahd.co.jp/en/investors/">https://www.anahd.co.jp/en/investors/</a> <a href="https://www.anahd.co.jp/investors/">https://www.anahd.co.jp/investors/</a>
Establishment of Department and/or Manager in Charge of IR	The Company has established Investor Relations team within the Finance, Accounting, Investor Relations & Business Management department. By explaining the corporate strategies and financial results, the Company has been working to raise transparency and recognition of management.
Other	A bulletin containing the latest business information and topics is published to all shareholders on a quarterly basis. A new website for shareholders was established, and various information is communicated to shareholders.

## 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company established the Social Responsibility Guidelines, which is the code of conduct for executives and regular employees, and exhibits the action which should be taken towards the stakeholders. The guideline is well known to all employees and e-learning has been an education activity.
Implementation of Environmental Activities, CSR Activities etc.	<p>The Group has a basic approach toward environment and in 2008, ALL NIPPON AIRWAYS CO., LTD. was first in the airline and transport industry to be certified by Japan's Ministry of the Environment as an ECO-First company. In the medium-to long-term environment plan "ANA FLY ECO 2020" the Company will continue to reduce CO2 and conduct environmental preservation such as the coral regeneration project called "Team Tyura Sango" with the Group.</p> <p>In addition, the Company implement Social Contribution Activities such as Restoration Support Activities, "Growing the Next Generation" and "Vitalizing Local Communities" etc. has been implemented.</p>
Development of Policies on Information Provision to Stakeholders	The Group has been formulated the Social Responsibility Guidelines, enrich appropriate and timely disclosure of information and enhance information quality through Annual Report and website.
Other	<p>1. Corporate Communication Office which in charge of promoting CSR in the Company, unifies internal control system and promote Human Rights, Environmental and Social Activities. In addition, the Group companies' executives are responsible for promoting CSR activities in each company, based on group-wide policies which is approved by the CSR/Risk Management/Compliance Committee("the CRC Committee"), steering committee for CSR Promotion.</p> <p><a href="https://www.ana.co.jp/group/en/csr/">https://www.ana.co.jp/group/en/csr/</a></p> <p><a href="https://www.ana.co.jp/group/csr/">https://www.ana.co.jp/group/csr/</a></p> <p>2. The most recent composition of directors consists of nine males and one female.</p> <p>3. In "ANA's Way" the Group pledges to promote diversity as an important management theme to utilize human resources that transcend race, age, gender and personal values. In particular, women are taking on important roles in aircraft operations, sales, customer services, and others to raise qualities with their skills and experiences. The Company believes it is important to maintain diverse perspectives, sensibilities and values to meet broader customer needs, to respond with service strategies, and to hone the ANA brand. According, it is essential that women play a bigger role in the Company.</p> <p>The Group is moving forward with the establishment of systems and schemes to create an environment that will support women who aim for a long and autonomous career and help maintain a balance between work and</p>

	<p>the home.</p> <p>ANA HOLDINGS INC. appointed one female director and the Group has appointed 19 female Directors (including two President &amp; CEO)</p>
--	---

## IV. Matters Related to the Internal Control System

### 1. Basic Opinions on Internal Control System and the Progress of System Development

#### **(1) System to Ensure that Duties Executed by Directors and Employees are in Compliance with the Law and Articles of Incorporation**

- The Company enacted the ANA Group Compliance Rules and established the CRC Committee, which is under the direct supervision of the President & CEO for the discussion, proposal, and promotion of important policies and matters related to compliance. The Company also formulated the Social Responsibility Guidelines, which are a code of conduct for directors of the ANA Group, to establish an environment that will allow all directors and employees to view these guidelines.
- The Company has been developing systematic compliance systems by establishing the Compliance Hotline for consultations and whistleblowing related to compliance, and the Internal Audit Division.
- ANA HOLDINGS INC. and its subsidiaries appoint CSR Promotion Officers and CSR Promotion Leaders to implement activities that raise compliance awareness among executives and employees. The Company also launched a CSR website on the Group intranet to further promote compliance awareness.

#### **(2) System for Storing and Managing Information Related to the Execution of Duties by Directors**

- Information related to the execution of duties by directors, including important decision making by the Board of Directors and reporting to the Directors, are managed in accordance with the law and the document management regulations governing the preparation, organization, storage and disposal of documents, and irrespective of recording media. Such information is stored in a manner that directors and employees can retrieve and view it at any time.
- Important documents are circulated among the Audit and Supervisory Board Members, for access at any time.
- The Internal Audit Division conducts internal audits concerning storage and management of documents to ensure efficiency.

#### **(3) Rules and Other Systems Regarding Management of Loss Risk**

- In accordance with the ANA Group Total Risk Management Regulations, which stipulate basic rules for total risk management in the Group, the Company has established the CRC Committee (composed of full-time directors and Audit and Supervisory Board Members) and its subordinate organization, the Risk Management Committee (comprised mainly of executive officers and other persons in charge of executing duties) to discuss, propose and promote important policies and issues concerning total risk management under the supervision of the President & CEO. Subcommittees shall be established that specialize in certain types of risks, such as the Risk Management Subcommittee, the Security Trade Control Subcommittee and the Information Security Subcommittee.

- CSR Promotion Officer and CSR Promotion Leader are appointed in the Company and its subsidiaries to promote risk management activities within the Group.

**(4) System for Ensuring Efficient Business Execution by Directors**

- The Company established a Mission Statement to clarify the raison d'être of the ANA Group and the roles its plays. In addition, the Management Vision guides the Group to its goals.
- The Company shall introduce systems that set earnings goals of each director based on group corporate strategies and other plans, to achieve its Management Vision. This allows the Company to clarify necessary goals and link together individual targets. In addition, the Company shall step up efforts for more appropriate and efficient performance through regular reviews of each plan and targets.
- The Company shall establish regulations, including the Regulation for Segregation of Duties and Regulation for Authority of Management, that govern the division of labor, authority and responsibility for the execution of duties, and chain of command, to clarify the scope of each directors authority and discretion.
- The Company plans to adopt the Corporate Officer System to speed up its decision-making. Important agendas concerning the implementation of duties are discussed at the Group Corporate Strategy Committee and are decided upon based on a council system.

**(5) System for Ensuring Appropriate Business Operations by the Company and its Subsidiaries**

**(a) System for Reporting to the Company on Matters Concerning the Execution of Duties by Subsidiary Directors**

- The Group Strategy Committee reports on matters related to the status of business execution at subsidiaries.  
Furthermore, the status of auditing by subsidiaries Audit and Supervisory Board Members is a matter that is reported to the Group Strategy Committee.

**(b) Rules and Other Systems Concerning the Management of Loss Risk at Subsidiaries**

- The Company aims to enhance the stability and efficiency of group management by building a comprehensive risk and crisis management system that encompasses the entire Group in accordance with the Total Risk Management Regulations.
- To manage progress, the status of the risk management and crisis management system is reported to the CRC Committee.
- CSR Promotion Leader Meetings are regularly held for CSR Promotion Leaders at subsidiaries who are in charge of promoting CSR activities, to share information and provide training on risk and crisis management.

**(c) System for Ensuring the Efficient Execution of Duties by Directors at Subsidiaries**

- In accordance with the Mission statement, the Group Corporate Governance Rules shall be enacted as basic principles on the management of subsidiaries.
- Group Management Rules shall be established at each subsidiary in accordance with the Group Corporate Governance Rules, to ensure that group companies conduct corporate management necessary for achieving the performance targets of each subsidiary.

**(d) System for Ensuring Compliance with Laws, Regulations and Articles of Incorporation by Directors, etc.**

and Employees of Subsidiaries.

- The Company promotes education and raises awareness on compliance issues in accordance with the Group Compliance Rules.
- The Company shall establish the Internal Audit Division to conduct audits of operations and accounting at ANA HOLDINGS INC. and its subsidiaries.

**(6) Matters Regarding Employees who Assist Audit and Supervisory Board Members in their Duties in Cases where Audit and Supervisory Board Members Request Appointment of such Employees**

- The Board of Directors shall establish the Audit and Supervisory Board Members Office as an organization that specializes in assisting the duties of auditors at their request. The office dispatches the employees necessary to assist the Audit and Supervisory Board Members.

**(7) Matters regarding Independence from Directors of the Employees Described in the Preceding Item (6) and Matters Regarding the Effectiveness of Audit and Supervisory Board Members' Instructions to Such Employees**

- Employees in the Audit and Supervisory Board Members Office shall comply with the instructions and orders of the Audit and Supervisory Board Members, and directors shall decide on the treatment of such employees through consultation with Audit and Supervisory Board Members.

**(8) System of Reporting to the Company's Audit and Supervisory Board Members**

**(a) System of Reporting from Directors and Employees to the Audit and Supervisory Board Members**

- Directors and employees report to Audit and Supervisory Board Members on important agendas concerning the management and business operations of the Company, including issues related to compliance, risk management and internal control, as well as on performance of duties, etc., through the Board of Directors meetings, the Group Strategy Committee, and other important internal meetings.
- Employees report on the implementation of duties to Audit and Supervisory Board Members by circulating internal documents sent with management's approval, in accordance with rules governing the request for decisions.

**(b) System of Reporting to Audit and Supervisory Board Members by Directors, Employees Executing Business Operations at Subsidiaries, and Employees Receiving Reports**

- In accordance with the Total Risk Management Rules, the Company requires important events in its subsidiaries to be reported to the Company, and that the Company reports the content to the Audit and Supervisory Board Members.
- Full-time Audit and Supervisory Board Members at ANA HOLDINGS INC. and Audit and Supervisory Board Members at subsidiaries periodically hold Group Audit Meetings to report and exchange information on the status of audits.
- The Internal Audit Division and the accounting auditors report and exchange information with the Audit and Supervisory Board Members on the status of audits at subsidiaries.
- Content of inquiries and reports from subsidiaries' employees, etc. to Compliance Hotline are summarized and key items are reported to the CRC Committee and the Audit and Supervisory Board Members.

**(9) System for Ensuring Persons Make Reports in the Previous Item (8) are Not Treated Disadvantageously due to Making the Report**

- In the Group Rules on Handling of Whistleblowing, the Company prohibits disadvantageous treatment of employees that report on illicit activities.

**(10) Matters Concerning the Treatment on Disposal of Expenses and Debt Arising from the Implementation of Duties by the Company's Audit and Supervisory Board Members**

- The Board of Directors cooperates with the Audit and Supervisory Board Members' audits. As for the various expenses related to the audit, budgetary actions shall be implemented to ensure the efficiency of the audit.

**(11) Other Systems for Ensuring Effectiveness of Auditing by the Company's Audit and Supervisory Board Members**

- Directors and Audit and Supervisory Board Members shall hold regular meetings to ensure sufficient communication. Audit and Supervisory Board Members shall attend Board of Directors meetings, participate in the Group Strategy Committee and other important meetings, and directly comment on the execution of duties by directors.
- Directors shall cooperate in building a system for more effective auditing through the joint efforts of the Audit and Supervisory Board Members and "the Internal Audit Division".

## **2. Basic Views on Eliminating Anti-Social Forces**

**(1) Basic View**

The Company counters Anti-Social Forces resolutely and holds shutting down relations with them as a basic principle. The Company ensures group-wide awareness of this, which is clearly stated in the Social Responsibility Guidelines, the code of conduct for our officers and employees.

**(2) System Development**

- To ensure a clean break with Anti-Social Forces, the Company's Social Responsibility Guidelines, which are released on the Group intranet for group-wide awareness, provide explanations and specific examples of actions to take.
- Based on the ANA Group Rules for Responding to Anti-Social Forces, the Company has established a Cooperate Response Section at the headquarters in order to share information on Anti-Social Forces and how to respond to them with each department of the Group and Group companies in order to prevent transactions with Anti-Social Forces.
- The Company is working to build an organized system of response by posting in each department and Group company those responsible for undue claims prevention based on law to allow the Company to respond as outlined in the Manual on Prevention of Undue Claims.
- Through groups such as local police stations, centers for the elimination of criminal organizations, and the Special Anti-Crime Association affiliated with the Metropolitan Police Department, the Company will

conduct effective information exchange, gather that data, exchange information in an organized fashion, and build a cooperative system with external professional organizations such as lawyers.

## V. Other

### 1. Adoption of Anti-Takeover Measures

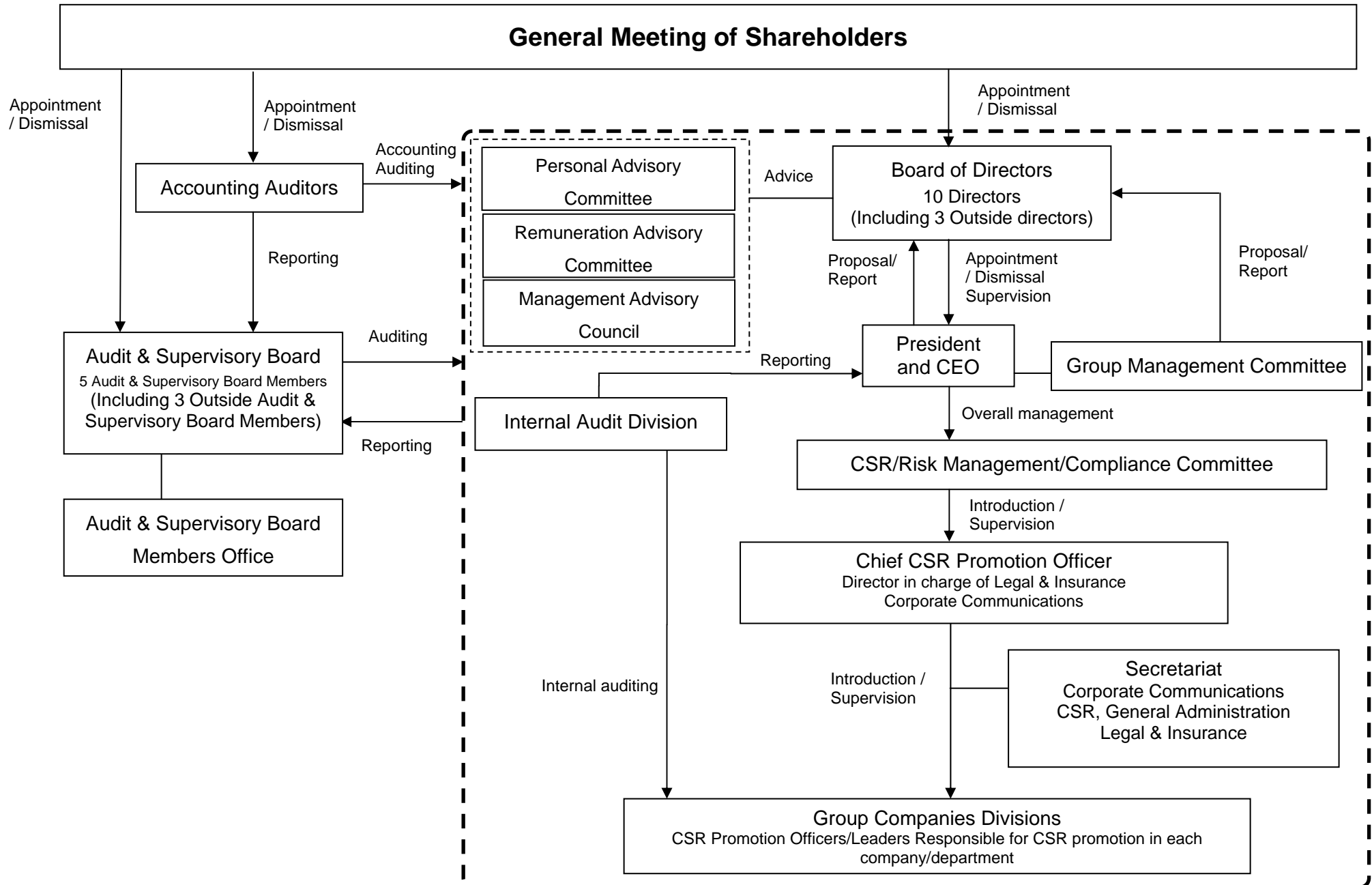
Adoption of Anti-Takeover Measures	Not Adopted
------------------------------------	-------------

Supplementary Explanation

None

### 2. Other Matters Concerning to Corporate Governance System

None





System Pertaining to Timely Disclosure

