

Type			Financial Impacts ※2	Risk	Opportunity	Mitigation and Adaptation
Physical Risk	Acute	Increasing severity of Extreme Weather events	Large	<ul style="list-style-type: none"> •Increased operational costs due to disruption by severe natural disasters. •Increased costs of restoring damage to aircraft and facilities due to disasters. 		<ul style="list-style-type: none"> •Establishment of a more advanced BCP that encompasses enhancing backup systems for core functions, using the safety confirmation system effectively, and conducting periodic disaster response drills •Renewal of facilities and equipment with high disaster resistance.
	Chronic	Rainfall and changes in Weather patterns	Medium	<ul style="list-style-type: none"> •Decrease in revenues due to flight disruptions to the affected areas. 	<ul style="list-style-type: none"> •Development of businesses that utilize aircraft-based observation data 	<ul style="list-style-type: none"> • <u>Joint research with JAXA</u> to develop a business that utilizes aircraft-based observation data •Optimization of network planning for reflection in business plans
Transitional Risk	Policy, Regulation, Technology	Actions to reduce CO2 (Aircraft) SAF New technology Credit	Large	<p>【SAF*3】</p> <ul style="list-style-type: none"> •Decrease in revenues until around 2040 due to higher costs from higher SAF prices and restricted operations due to lack of procurement. <p>【New technology】</p> <ul style="list-style-type: none"> •Increase in cost related to the introduction of next-generation aeronautics equipment such as (hydrogen, electricity, etc.) <p>【Credits*4】</p> <ul style="list-style-type: none"> •Increase cost due to usage of credits •Increase in the amount of offset •Higher prices due to the excess demand for emission credits 	<p>【SAF】</p> <ul style="list-style-type: none"> •Relish preferential procurement and security of supply through strategic purchases, contracts, and investments. <p>【New technology】</p> <ul style="list-style-type: none"> •Fuel costs reduction due to the improved fuel efficiency •Creation of technology innovation opportunities and preferential procurement by making investments in CO₂ removal technologies, such as DAC*5 <p>【Credits】</p> <p>None</p>	<p>【SAF】</p> <ul style="list-style-type: none"> ●Strategically conclude purchase agreements to ensure stable procurement of SAF at reduced costs ●Strategic investments to build a system to mass-produce domestic SAF; reinforcement of public-private partnerships and inter-industry collaborations to develop a supply chain ●Part of the costs to purchase SAF will be covered by users who have agreed to participate in a program to bear some carbon offsetting costs, such as the <u>SAF Flight Initiative</u>, an effort of ANA that is promoted jointly with its customers. <p>【New technology】</p> <ul style="list-style-type: none"> ●Approach governments and relevant organizations with a view to upgrading airport infrastructure ●Involvement in joint research projects with aircraft manufacturers to develop aircraft equipped with new technologies ●Strategic investments aimed to introduce high-quality and permanent CO₂ removal technologies

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Trans itional Risk	Policy, Regulat ion, Technol ogy	Actions to reduce CO2 (Aircraft)	Large			【Credits】 •Secure the stable and inexpensive procurement of eligible credits. •Minimize cost impact by optimum combination of using SAF and Credits.
		SAF New technology Credit				
		Measures to Reduce CO2 (Other than Aircraft) Vehicle * 7 fuel (Diesel Oil) ※7 Ground Support Equipment at an airport	Medium	•Increase ZEV※6 replacement costs •Delays in converting to ZEVs and developing necessary infrastructure Increased costs due to fuel and offsets	•Due to replacement of ZEV, the cost of fuel and offset decreased •Streamlining of airport operations due to the advancement of new technologies such as unmanned vehicles	•Promote ZEVs and other technologies, as well as airport infrastructure development, to the government and passenger service department. •Collaborations with governments and related business operators in promoting the replacement of conventional vehicles with ZEVs and upgrading airport infrastructure •Procurement of alternative fuels such as next-generation biofuels and establishment of supply chains
	Market • Reputati on	Litigation/ Fines/ Tax Policies	Medium	•Penalties and fines for noncompliance with laws and regulations in each country •Pressure for delays in climate action by Stakeholder •Increased costs associated with higher prices due to the introduction of carbon pricing(carbon tax, emissions trading)	•subsidies for the use of alternative fuels and possibility of fuel-related tax incentives	•Disclosure for appropriate responses to climate change and information •In order to ease regulations and tax systems, continued commitment to governments in cooperation with organizations is appealed

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Transitional Risk	Market • Reputation	Changes in customer market behavior and preferences	Medium	<ul style="list-style-type: none"> •Decline in market share due to delayed responses to climate change •Changes in customer preference for using other transport modes in Japan 	<ul style="list-style-type: none"> •Improving brand value through proactive climate change initiatives and increase sales through customer acquisition •Securing human resources of the younger generation sensitive to environmental conservation •Growing new businesses that do not require physical travel 	<ul style="list-style-type: none"> •Disclosure of appropriate responses to climate change and information •Understanding needs and reflecting them in strategies through continuous dialogue with civil society? •Development of measures to be promoted with the understanding and cooperation of customers •Diversification of business portfolio •Collaboration with various stakeholders and strategic investments to achieve growth in new businesses •New means of mobility “<u>Avatars</u>” •New flight operation business “<u>Flying cars</u>” •New transportation infrastructure “<u>Drone logistics services</u>”
		Fund procurement	Medium	<ul style="list-style-type: none"> •Difficulty in raising funds due to delays in responding to climate change 	<ul style="list-style-type: none"> •Achievement of aggressive climate change initiatives to incorporate ESG investments by procuring fund 	<ul style="list-style-type: none"> •Understanding needs and responding appropriately through continuous dialogue with investors •Information disclosure in accordance with an international framework

※2 Financial Impacts : when the specified risk occurs is qualitatively evaluated on a three-point scale of 'large', 'medium' and 'small', with 'large' and 'medium' being the most significant.

Large: more than 10 billion yen/year , Medium: more than 1 billion yen /year – less than 10 billion yen/year , Small: less than 1 billion yen/year
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※3 SAF: Sustainable Aviation Fuel …Jet fuel produced from sustainable supply sources with low- CO2 emissions in the process from the production and sourcing to the combustion of materials and substances

※4 Credit: A system that quantitatively shows the reduction of CO2 and enables trading as emission credits.

※5 DAC (Direct Air Capture): A technology to extract CO₂ directly from the atmosphere

※6 ZEV (Zero Emission Vehicle): Vehicles that do not emit CO2 or other emissions during operation (EVs, FCVs)