

# ANA HOLDINGS INC.

- Financial Results for the Six Months ended September 30, 2020

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President and CEO

October 27, 2020



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# 1 . Financial Results for FY2020 1H and FY2020 Earnings Forecast, Reform of Business Structure



## FY2020 1H Financial Summary

## Financial Results for FY2020 1H (Consolidated)

| (¥ Billion)  | 1H/FY20 | Diff.<br>vs.1H/FY19 | YoY    |
|--|---------|---------------------|--------|
| Op. Revenues                                       | 291.8   | -764.1              | -72.4% |
| Air Transportation                                 | 236.7   | -693.2              | -74.5% |
| Op. Income   | -280.9  | -359.8              | —      |
| Air Transportation                                 | -277.7  | -351.2              | —      |
| Ordinary Income                                    | -268.6  | -350.1              | —      |
| Net Income Attributable<br>to Owners of the parent | -188.4  | -245.2              | —      |
| EBITDA   | -190.8  | -355.5              | —      |

## Results by Business (YoY)

|                                |       |         |         |
|--------------------------------|-------|---------|---------|
| <u>1. Passenger Numbers</u>    |       | 1H      | (2Q)    |
| 1) ANA International Operation |       | - 96%   | (- 96%) |
| 2) ANA Domestic Operation      |       | - 80%   | (- 72%) |
| 3) Peach Aviation              |       | - 80%   | (- 69%) |
| <u>2. Cargo Business</u>       |       |         |         |
| 1) ANA International Cargo     | 1H    | (2Q)    |         |
| Cargo Volume                   | - 47% | (- 41%) |         |
| Unit Price                     | +89%  | (+73%)  |         |
| Revenue                        | -0.6% | (+1.5%) |         |

Demand for domestic operation bottomed out in May and is on a recovery track.  
Cargo business continues to perform steadily.

## FY2020 Earnings Forecast

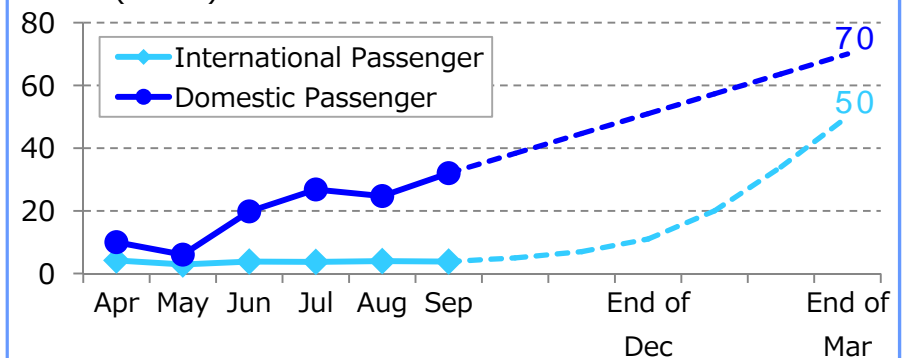
## FY2020 Earnings Forecast (Consolidated)

| (¥ Billion)  | Full Year | Difference<br>vs. FY19 |
|--|-----------|------------------------|
| Op. Revenues                                       | 740.0     | -1,234.2               |
| Air Transportation                                 | 622.0     | -1,115.7               |
| Op. Income   | -505.0    | -565.8                 |
| Air Transportation                                 | -478.0    | -527.5                 |
| Ordinary Income                                    | -500.0    | -559.3                 |
| Net Income Attributable<br>to Owners of the parent | -510.0    | -537.6                 |
| EBITDA   | -324.0    | -560.4                 |

## 1. Assumption of Passenger Numbers

(as of the end of March 2021)

→ International : 50%, Domestic : 70%  
(Index) Demand level before COVID-19 = 100

2. One-time costs associated with  
Business Structure Reform

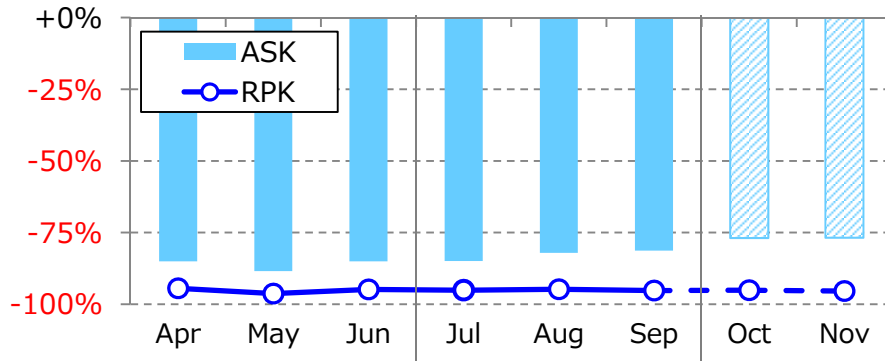
- 1) Special Losses ¥110.0Bn  
(Impairment loss on aircraft, etc.)

Optimize capacity in response to demand trends.  
Improve operating income gradually through comprehensive cost reductions.

## Trends by Business (Capacity/Demand)

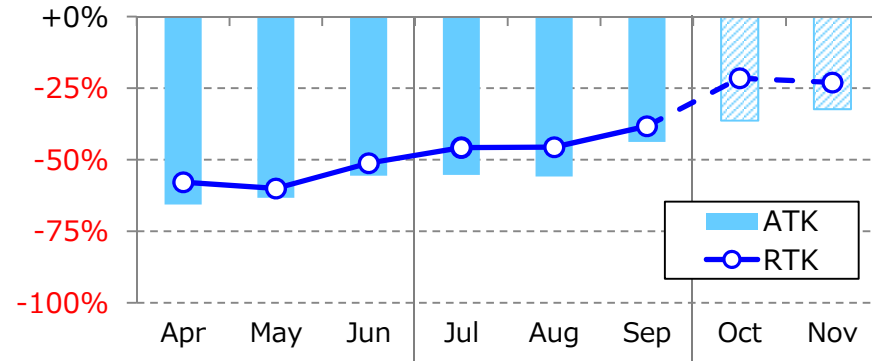
### 1. ANA International Passenger

Demand remains stagnant due to immigration restrictions around the world  
 ⇒ Optimize supply to demand in consideration of cargo demand



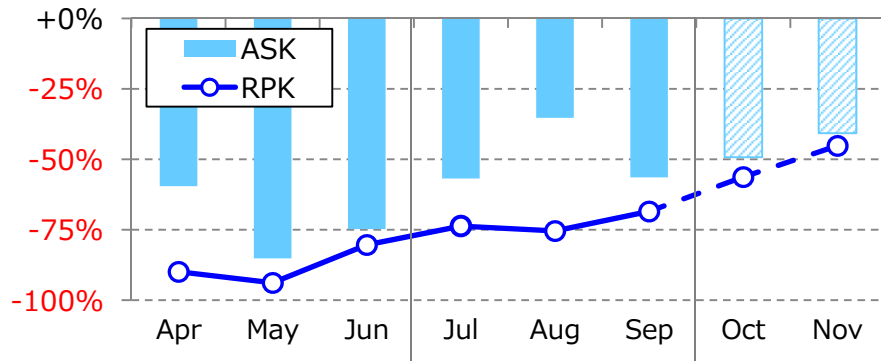
### 3. ANA International Cargo

Balance between supply and demand remains tight and unit price will continue to exceed prior year  
 ⇒ Maximize capacity leading into peak demand season



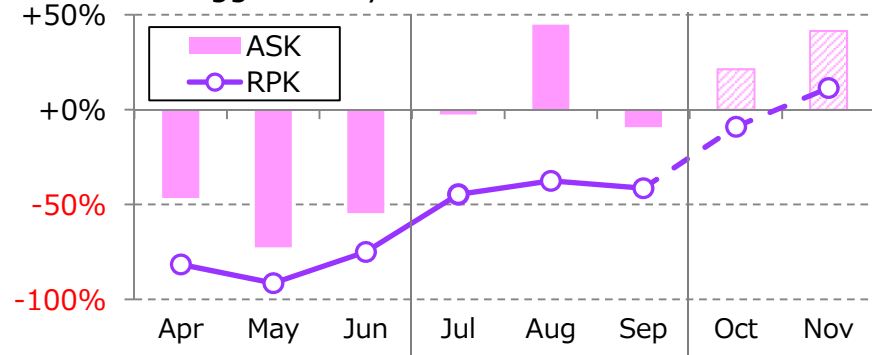
### 2. ANA Domestic Passenger

A recovery in stages has continued since demand hit the bottom in May  
 ⇒ Determine the impact of the Go To Travel campaign and optimize capacity



### 4. Peach Domestic Passenger

Steady recovery centered on leisure demand after September  
 ⇒ Improve Load factor by capturing demand aggressively



\* Year-on-year comparison, shaded figures represent forecasts as of October 27 (capacity may change in the future)

## Progress in Business Measures

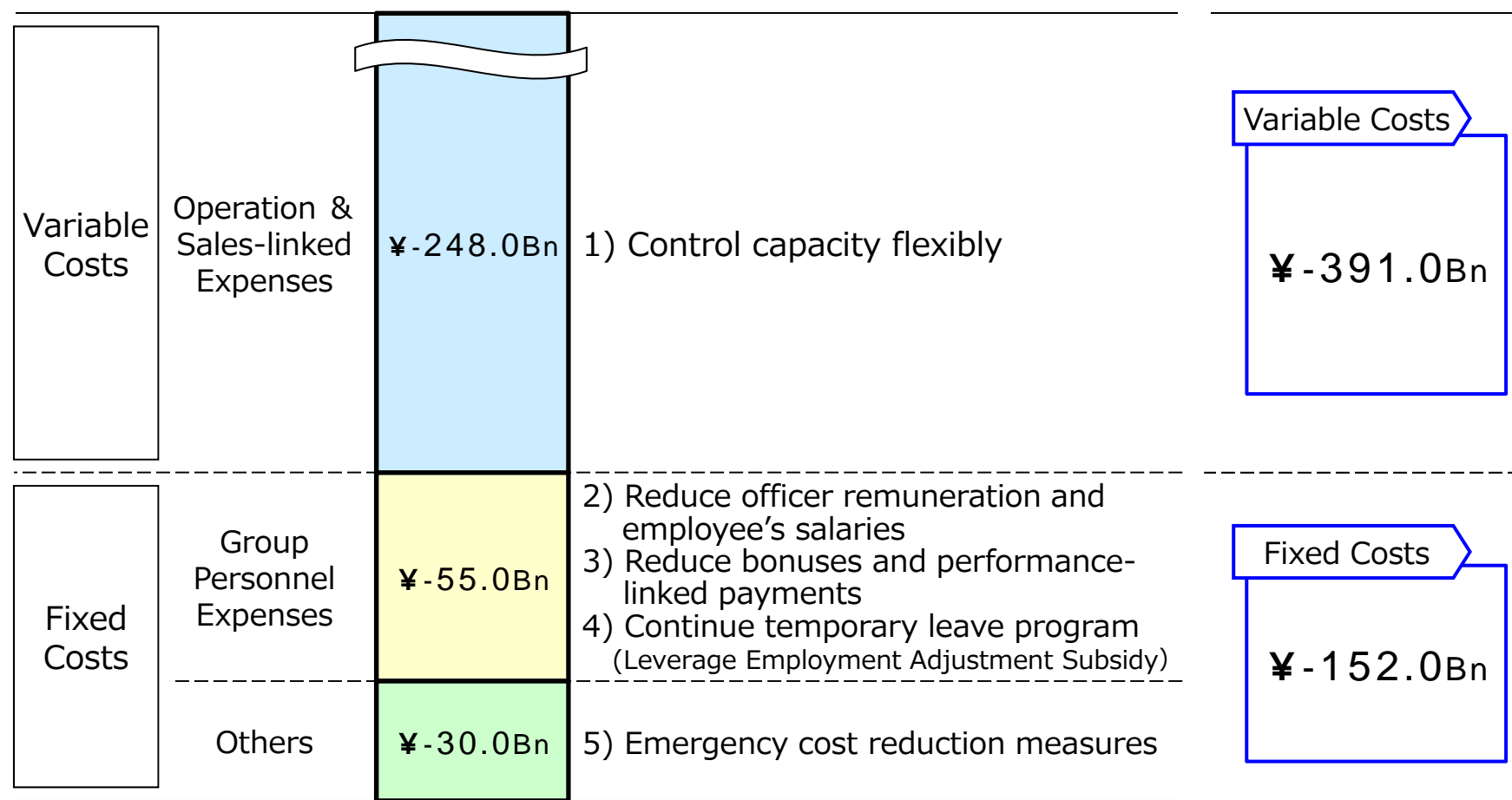
### Business

### Recent Initiatives

|   |  |                           |  |
|---|--|---------------------------|--|
| 1 | Match capacity to demand trends                        | Ongoing                   | 1) Optimize capacity flexibly in response to changes in demand   |
| 2 | Optimize employee utilization and services             | Ongoing                   | 1) Adopt temporary leave program (Employment Adjustment Subsidy)   |
|   |  | Making Progress           | 2) Apply furloughs to contracted foreign pilots  |
| 3 | Emergency response measures (Reduction of Fixed Costs) | Ongoing<br>Delving Deeper | Delve deeper to cut fixed costs across the group<br>1) Control officer remuneration, personnel expenses<br>2) Bring outsourced airport and maintenance work in-house<br>3) Reduce leasing costs, focusing mainly on airport-related facilities<br>4) Make significant reductions in controllable costs, etc. |
| 4 | Comprehensive Hygiene Measures                         | In Progress               | 1) ANA Care Promise  |

## Progress in Cost Reduction Measures

|                                      |                                |   |  |
|--------------------------------------|--------------------------------|---|--|
| Cost Reduction Impact (Consolidated) | <b>1H Results</b><br>¥-333.0Bn | Continue to delve deeper into cost reductions in 2H | <b>Full Year Forecast</b><br>¥-543.0Bn |
|--------------------------------------|--------------------------------|---|--|



\* Amount above : Difference from the Original Plan for FY2020



## Progress in Financial Measures

## Investing / Finance

## Recent Initiatives

## 1 Control capital expenditures

## 1) FY2020

CAPEX : ¥95.0Bn Reduction vs. Original Plan

Original Plan : ¥350.0Bn → Latest Forecast : ¥255.0Bn

- (1) Postpone planned aircraft delivery schedule
- (2) Defer in-flight product changes, etc.

[Ref.] Cash flow from investing activities

Latest Forecast : ¥200.0Bn

## 2) FY2021-2022 Plan

CAPEX : Over ¥200.0Bn Reduction

vs. Original Plan

(Total impact of reductions over two years)

## 2 Ensure Liquidity on Hand

## 1) Subordinated loan agreement : ¥400.0Bn

- (1) Secure capital funds (maintaining credit rating)

\* Timely Disclosed on Oct. 27, 2020

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# ANA Group Business Model Aiming through Business Structure Reform

**Reform of Business Structure (Three Pillars)**

**Short Term**

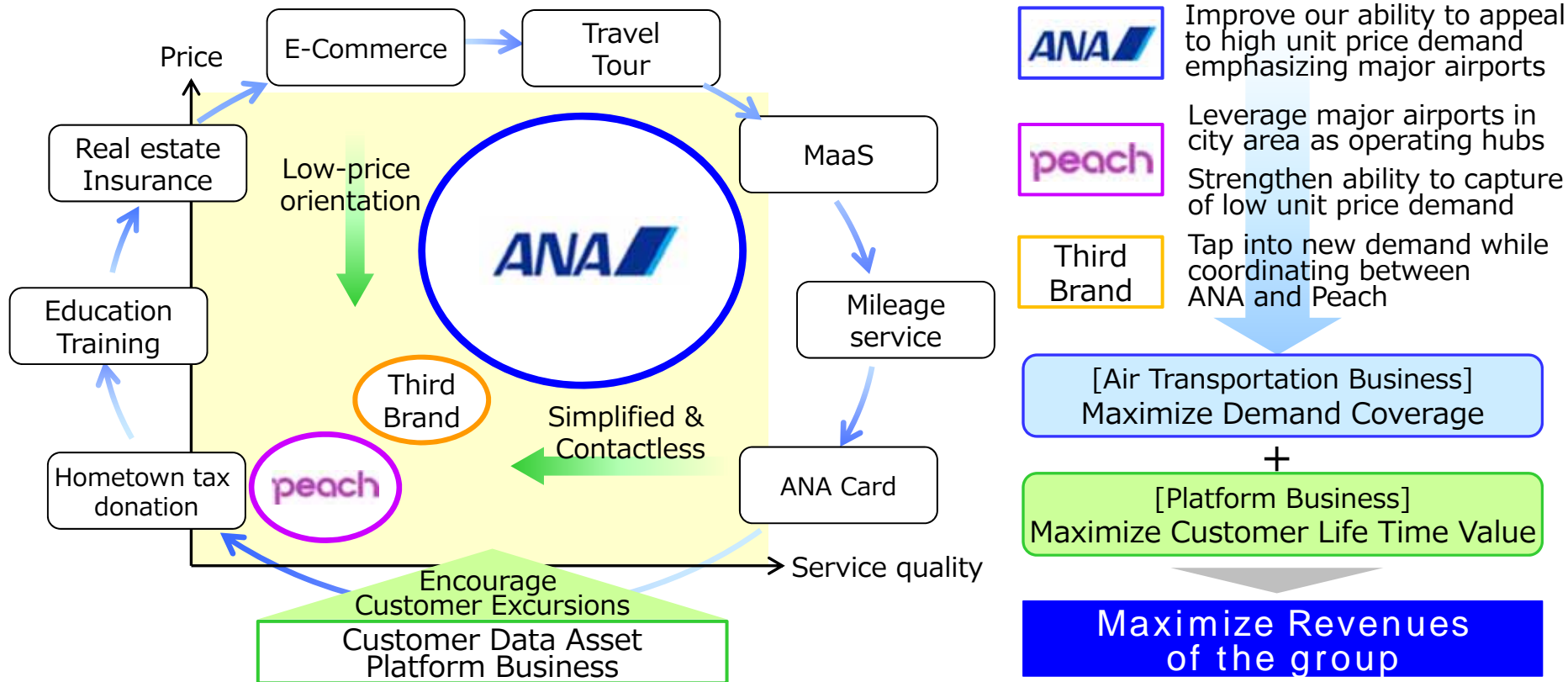
1. Temporarily reduce scale of the Air Transportation Business, mainly in the ANA Brand, to overcome the COVID-19 pandemic

↓

**Medium Term**

2. Transform the business model of Air Transportation Business for sustainable growth under the new normal of the post-COVID-19 era
3. Establish a platform business that utilizes customer data assets to create new revenue opportunities

Overview of the ANA Group Business Model, built around the Air Transportation Business



# Customer Data Asset Platform Business

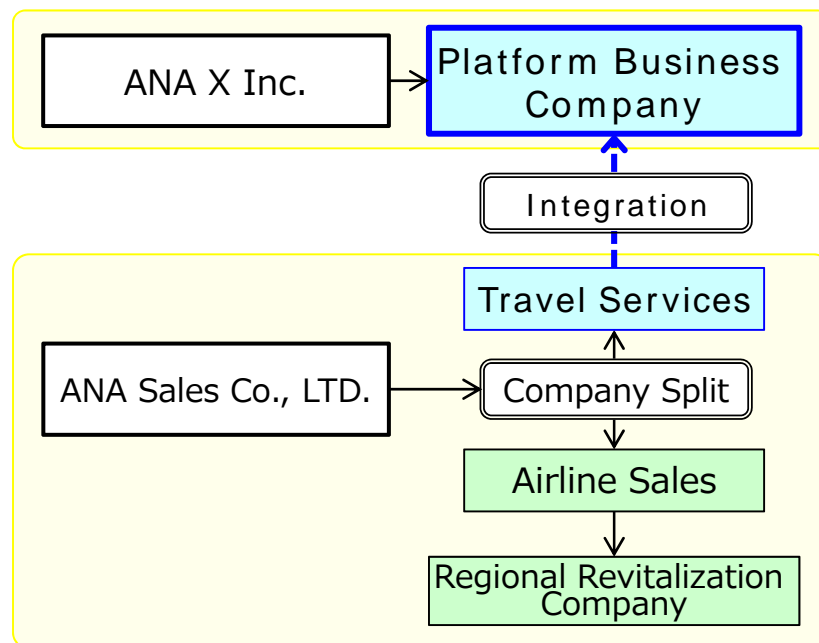
## 1. Purpose :

Generate new revenue opportunities by utilizing customer data accumulated so far

- 1) Provide value beyond the airline business
- 2) Maximize customer Life Time Value

## 2. Action :

Spin off from ANA Sales and integrate Travel Services with ANA X, and establish platform business company  
(Scheduled for Apr. 2021)



## 3. Future Plan

### 1) Short Term / with COVID-19

**Digitize Travel Services business**  
Expand contact points with customers by providing information and services related to Air and Travel



### 2) Medium Term / Post-COVID-19

Expand the services and contents  
Contribute to profits by Platform Business alone

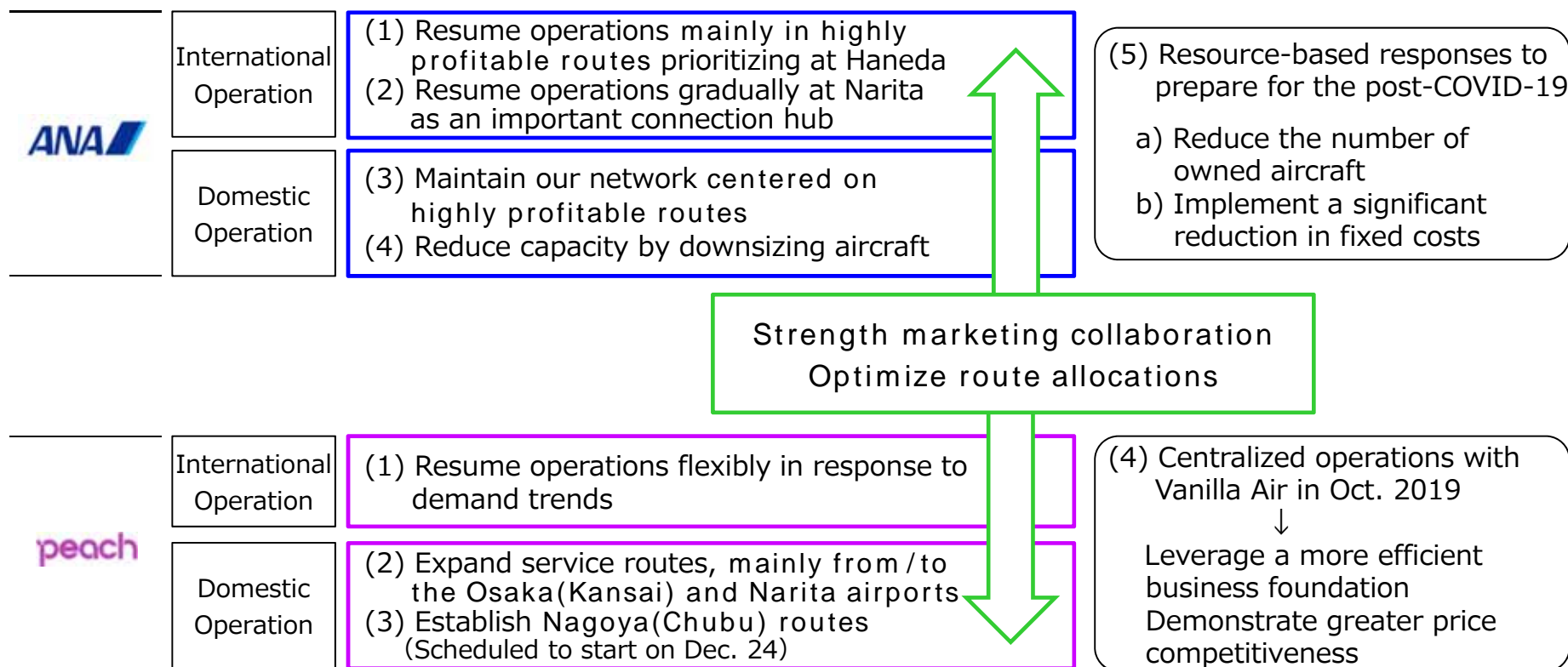
# Air Transportation Business (1) Short-Term Response

## 1. Revise the scale of Air Transportation Business, operating hubs and network

Short Term / with COVID-19

- 1) ANA      Optimize the size of business operations and concentrate management resources in highly profitable routes
- 2) Peach    Allocate routes with ANA and strengthen domestic routes, mainly in the three major city areas

Capture a diverse range of demand with both brands



# Air Transportation Business (2) Medium-Term Response

## 2. Establish Group Air Transportation Business Model

Medium Term / Post-COVID-19

Change in demand structure after the impact of COVID-19

Price → Low-price orientated  
 Services → Simplified & Contactless

[Assumption]  
 High unit price demand, mainly for business travel, will not return to the before COVID-19 level



- (1) Review class allocation and number of seats to meet changing demand
- (2) Develop a new service model required in the new normal
- (3) Select routes carefully and begin to recover network

Pursue of lower unit costs by enhancing productivity  
 ↓  
 Create value, even in the new normal



- (1) Expand passenger targets to new demographics
- (2) [International Operation]  
 Operate narrow-body aircraft for mid-range

Maintain efficiency and expand routes  
 ↓  
 Strengthen capturing domestic and overseas demand increased under the new normal

Third Brand

- (1) Utilize of our knowledge on LCC Business and our group resources
- (2) Complement the group network with low-cost operations

Capture mid- to low-unit price demand which is not covered by ANA and Peach

Reforms of each brand (adapt to changing demand)

Allocate management resources appropriately while monitoring change in the market

Transform the business model of Air Transportation Business for sustainable growth in the post-COVID-19 era

# Cost Management

## 1. Reduce the number of aircraft

|  |              | Original Plan |          | Revised    | Difference |
|--|--------------|---------------|----------|------------|------------|
|  | Add          | +16           | →        | +13        |            |
|  | Retire       | -7            | →        | -35        |            |
|  | <b>Total</b> | <b>+9</b>     | <b>→</b> | <b>-22</b> | <b>-31</b> |
|  | <b>Total</b> | <b>+2</b>     | <b>→</b> | <b>±0</b>  | <b>-2</b>  |

## 2. Develop measures related to wages and employment

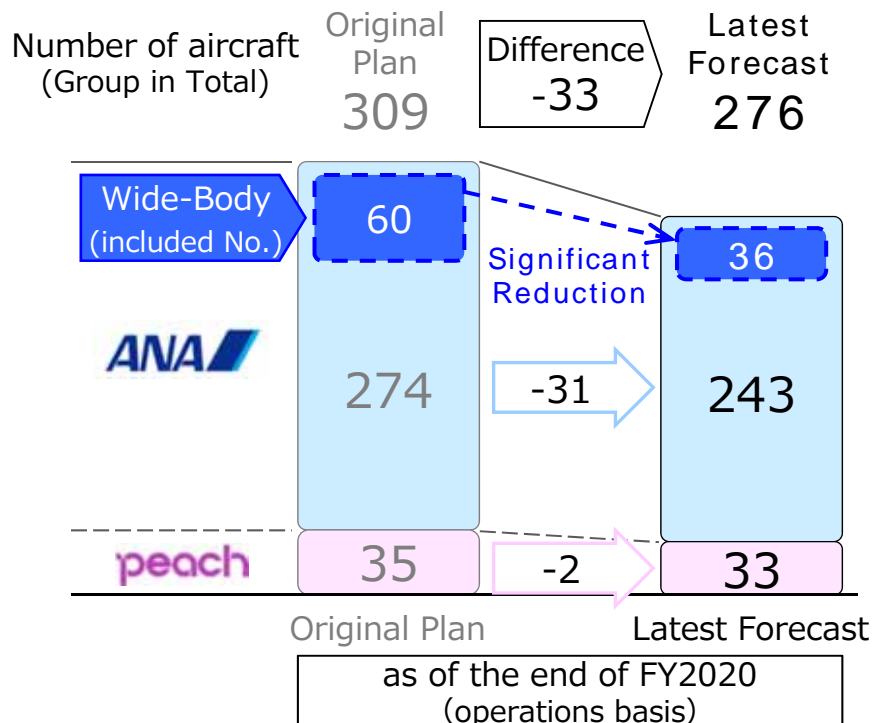
- 1) Reduce wages and bonuses for all group officers and employees
- 2) Offer voluntary retirement
- 3) Expand temporary leave and temporary absence
- 4) Discontinue new graduate hiring  
(FY2021 : Diff. vs. original plan -2,500 employees)

## 3. Reduce fixed costs on airline business

- 1) Apply furloughs to contracted foreign pilots
- 2) Bring outsourced works in-house  
[Airport ground handling / Maintenance work]
- 3) Strengthen cooperation of maintenance system  
[ANA/Peach/Others]

## 4. Others

- 1) Centralize management of procurement functions  
(Reduce procurement and logistics costs)
- 2) Reduce and return of office space, etc.



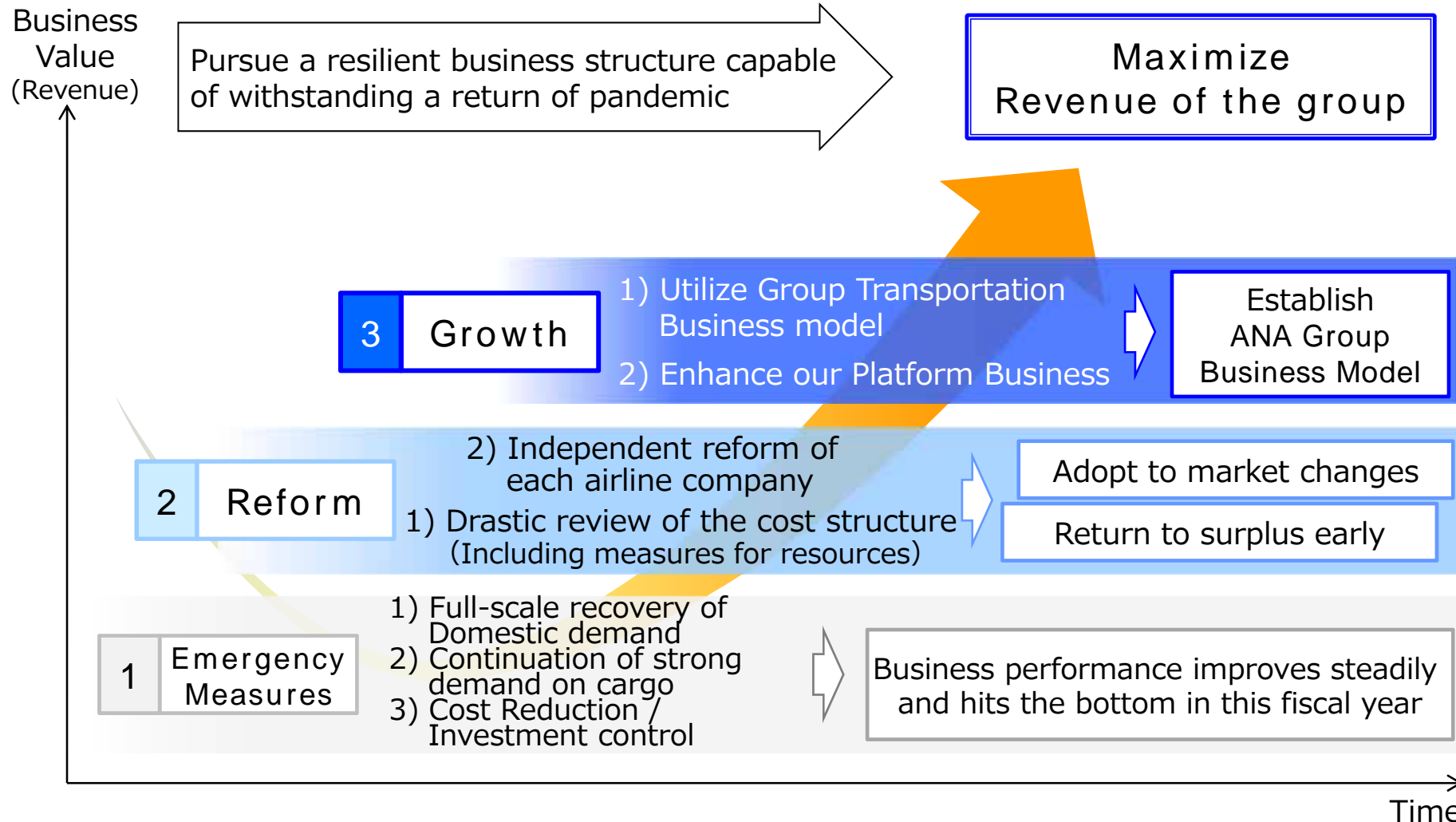
Revise cost structures, focusing mainly on fixed costs

|   |                              |
|---|------------------------------|
| Cost Reduction Impact (FY2021 Forecast) | <b>Total approx. ¥-250Bn</b> |
|---|------------------------------|

# Business Model Transformation

Short-Term / with COVID-19

Mid-Term / Post-COVID-19





## 2. Financial Results for the Six Months ended September 30, 2020 (Details)



## Comparison of Financial Results for FY2020 1-2Q and FY2019

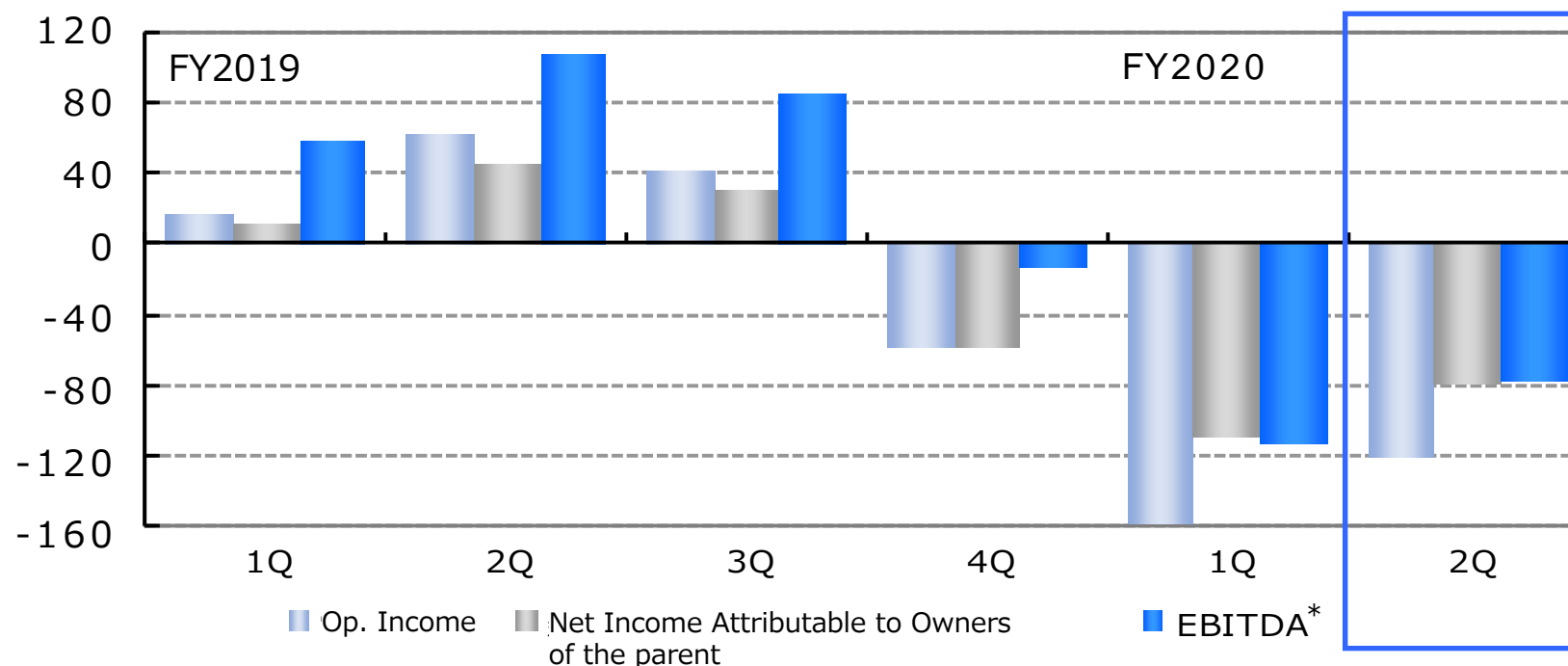
### 【FY2020 1-2Q Cumulative Results (Consolidated)】

- Op. Income : ¥-280.9Bn ( YoY ¥-359.8Bn )
- Net Income Attributable to Owners of the parent : ¥-188.4Bn ( YoY ¥-245.2Bn )
- EBITDA\* : ¥-190.8Bn ( YoY ¥-355.5Bn )

### 【2Q[Jul.-Sep.] (Consolidated)】

- Op. Income : ¥-121.8Bn
- Net Income Attributable to Owners of the parent : ¥-79.6Bn
- EBITDA\* : ¥-76.7Bn

( ¥ Billion )



\* EBITDA : Op. Income + Depreciation and Amortization

## Income Statements

| (¥Billion)   | 1H/FY2019 | 1H/FY2020 | Difference | 2Q/FY2020 | Difference |
|--|-----------|-----------|------------|-----------|------------|
| Operating Revenues                                 | 1,055.9   | 291.8     | - 764.1    | 170.2     | - 385.2    |
| Operating Expenses                                 | 977.1     | 572.7     | - 404.3    | 292.1     | - 200.6    |
| Operating Income                                   | 78.8      | - 280.9   | - 359.8    | - 121.8   | - 184.5    |
| Operating Income Margin (%)                        | 7.5       | -         | -          | -         | -          |
| Non-Operating Income/Expenses                      | 2.6       | 12.2      | + 9.6      | 9.7       | + 7.9      |
| Ordinary Income                                    | 81.5      | - 268.6   | - 350.1    | - 112.1   | - 176.6    |
| Special Gains/Losses                               | 2.6       | 0.7       | - 1.8      | 0.3       | - 1.9      |
| Net Income Attributable to<br>Owners of the parent | 56.7      | - 188.4   | - 245.2    | - 79.6    | - 125.0    |
| Net Income   | 57.3      | - 191.1   | - 248.4    | - 80.7    | - 126.7    |
| Other Comprehensive Income                         | - 11.4    | 13.7      | + 25.2     | - 2.8     | + 4.9      |
| Comprehensive Income                               | 45.8      | - 177.3   | - 223.2    | - 83.5    | - 121.7    |

## Financial Position

| (¥Billion)                        | Mar 31, 2020 | Sep 30, 2020 | Difference |
|-----------------------------------|--------------|--------------|------------|
| Assets                            | 2,560.1      | 2,744.6      | + 184.4    |
| Shareholders' Equity              | 1,061.0      | 885.1        | - 175.8    |
| Ratio of Shareholders' Equity (%) | 41.4         | 32.3         | - 9.2pt    |
| Interest-Bearing Debt             | 842.8        | 1,315.5      | + 472.6    |
| Debt/Equity Ratio (times)         | 0.8          | 1.5          | + 0.7      |
| Liquidity on hand *               | 238.6        | 452.2        | + 213.5    |
| Net Interest Bearing Debt **      | 604.2        | 863.3        | + 259.1    |

\* Liquidity on hand : Cash and Deposits + Marketable Securities

\*\* Net Interest Bearing Debt : Interest Bearing Debt – Liquidity on hand

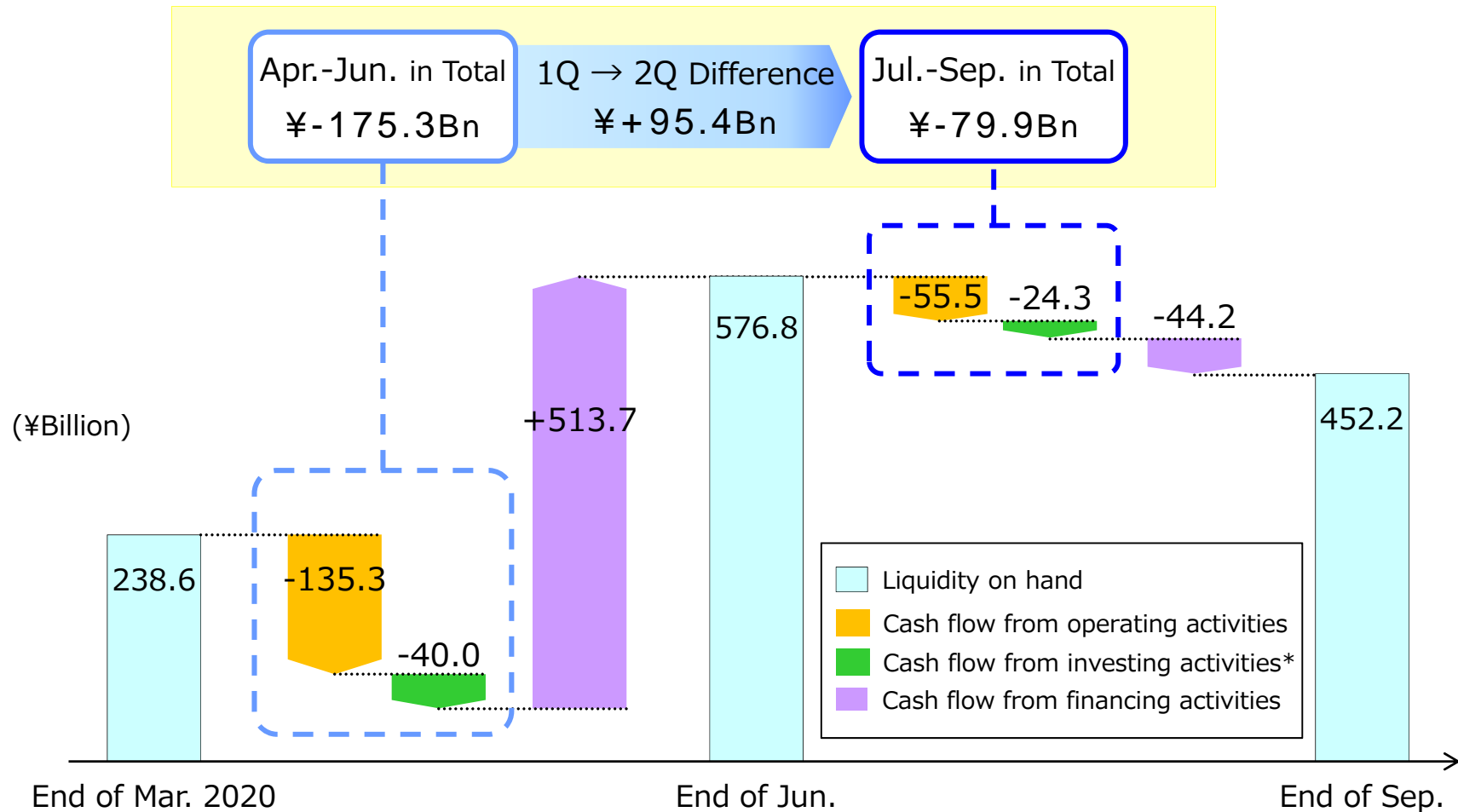
## Statements of Cash Flows

| (¥Billion)   | 1H/FY2019 | 1H/FY2020 | Difference |
|--|-----------|-----------|------------|
| Cash Flow from Operating Activities  | 140.3     | - 190.9   | - 331.2    |
| Cash Flow from Investing Activities  | - 112.5   | 37.2      | + 149.7    |
| Cash Flow from Financing Activities  | 0.3       | 469.4     | + 469.0    |
| Net Increase/Decrease in Cash and Cash Equivalents   | 27.4      | 315.3     | + 287.9    |
| Cash and Cash Equivalents at the beginning of the Year                                       | 211.8     | 135.9     | } + 315.1  |
| Cash and Cash Equivalents at the end of the Current Period                                   | 239.8     | 451.0     |            |
| Depreciation and Amortization  | 85.8      | 90.1      | + 4.2      |
| Capital Expenditures   | 181.0     | 80.7      | - 100.3    |
| Substantial Free Cash Flow<br>(Excluding time/negotiable deposits of more than three months) | 19.6      | - 255.2   | - 274.9    |
| EBITDA*  | 164.7     | - 190.8   | - 355.5    |
| EBITDA Margin (%)  | 15.6      | -         | -          |

\* EBITDA : Op. Income + Depreciation and Amortization

**[Ref.] Changes in Substantial Free Cash Flow**

Substantial free cash flow\* improved steadily across the first half



\* Excluding time/negotiable deposits of more than three months

## Results by Segment

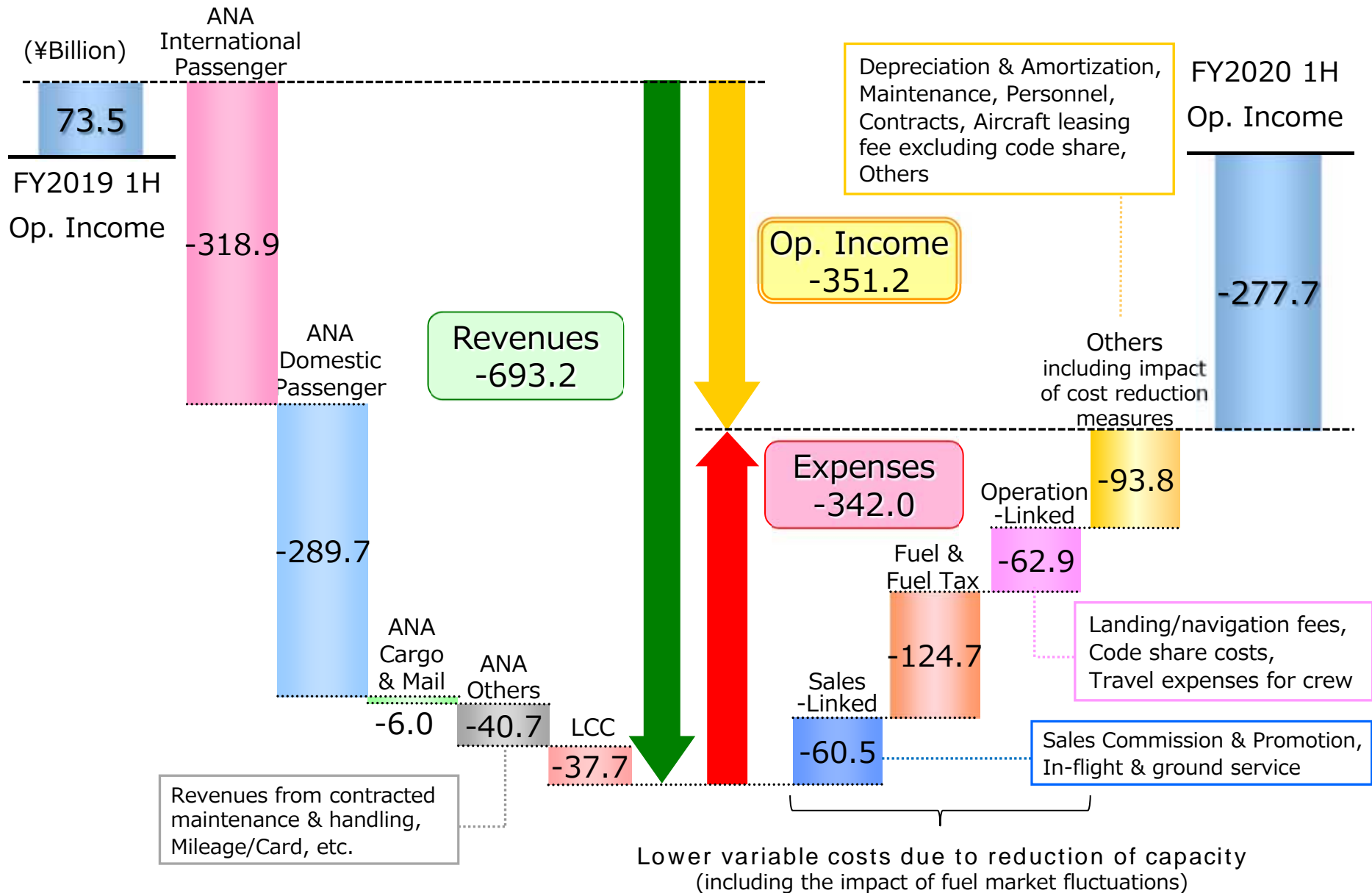
|                    | (¥Billion)         | 1H/FY2019 | 1H/FY2020 | Difference | 2Q/FY2020 | Difference |
|--------------------|--------------------|-----------|-----------|------------|-----------|------------|
| Operating Revenues | Air Transportation | 930.0     | 236.7     | - 693.2    | 141.4     | - 348.9    |
|                    | Airline Related    | 149.0     | 119.8     | - 29.2     | 59.9      | - 15.1     |
|                    | Travel Services    | 82.3      | 13.8      | - 68.5     | 10.6      | - 33.4     |
|                    | Trade and Retail   | 75.9      | 38.2      | - 37.6     | 18.5      | - 19.8     |
|                    | Others             | 20.9      | 18.5      | - 2.4      | 9.3       | - 1.2      |
|                    | Adjustment         | - 202.2   | - 135.3   | + 66.9     | - 69.6    | + 33.4     |
|                    | Total              | 1,055.9   | 291.8     | - 764.1    | 170.2     | - 385.2    |
| Operating Income   | Air Transportation | 73.5      | - 277.7   | - 351.2    | - 123.9   | - 183.3    |
|                    | Airline Related    | 7.4       | 8.7       | + 1.3      | 7.8       | + 4.3      |
|                    | Travel Services    | 1.3       | - 4.0     | - 5.3      | - 1.2     | - 2.2      |
|                    | Trade and Retail   | 1.9       | - 2.8     | - 4.7      | - 1.4     | - 2.6      |
|                    | Others             | 1.5       | 0.8       | - 0.6      | 0.2       | - 0.7      |
|                    | Adjustment         | - 6.8     | - 5.9     | + 0.9      | - 3.2     | + 0.0      |
|                    | Total              | 78.8      | - 280.9   | - 359.8    | - 121.8   | - 184.5    |

## Operating Revenues and Expenses

|                    |                                | 1H/FY2019 | 1H/FY2020 | Difference | 2Q/FY2020 | Difference |
|--------------------|--------------------------------|-----------|-----------|------------|-----------|------------|
| (¥Billion)         |                                |           |           |            |           |            |
| Operating Revenues | ANA                            |           |           |            |           |            |
|                    | International Passenger        | 338.5     | 19.6      | - 318.9    | 10.1      | - 164.2    |
|                    | Domestic Passenger             | 368.7     | 78.9      | - 289.7    | 56.5      | - 145.9    |
|                    | Cargo & Mail                   | 67.6      | 61.5      | - 6.0      | 31.6      | - 1.7      |
|                    | Others                         | 108.8     | 68.1      | - 40.7     | 36.4      | - 18.1     |
| LCC                | 46.1                           | 8.4       | - 37.7    | 6.7        | - 18.8    |            |
| Total              | 930.0                          | 236.7     | - 693.2   | 141.4      | - 348.9   |            |
| Operating Expenses | Fuel and Fuel Tax              | 166.0     | 41.3      | - 124.7    | 25.9      | - 58.1     |
|                    | Landing and Navigation Fees    | 62.1      | 18.7      | - 43.4     | 11.3      | - 20.1     |
|                    | Aircraft Leasing Fees          | 64.6      | 52.7      | - 11.8     | 26.9      | - 5.6      |
|                    | Depreciation and Amortization  | 82.2      | 86.4      | + 4.2      | 43.2      | + 1.3      |
|                    | Aircraft Maintenance           | 84.8      | 60.1      | - 24.7     | 32.1      | - 8.1      |
|                    | Personnel                      | 106.6     | 82.8      | - 23.8     | 40.5      | - 13.5     |
|                    | Sales Commission and Promotion | 55.6      | 19.4      | - 36.2     | 9.3       | - 18.2     |
|                    | Contracts                      | 127.6     | 94.5      | - 33.0     | 47.1      | - 17.2     |
|                    | Others                         | 106.6     | 58.3      | - 48.2     | 28.7      | - 25.7     |
|                    | Total                          | 856.5     | 514.5     | - 342.0    | 265.4     | - 165.5    |
| Op. Income         | 73.5                           | - 277.7   | - 351.2   | - 123.9    | - 183.3   |            |
| EBITDA             | 155.7                          | - 191.2   | - 347.0   | - 80.7     | - 181.9   |            |
| EBITDA Margin (%)  | 16.7                           | -         | -         | -          | -         |            |



# Changes in Operating Income



## Overview by Business

## 2Q Initiatives

## Major Results

|                                   |   |  |
|-----------------------------------|---|--|
| ANA<br>International<br>Passenger | 1) Reduced capacity significantly and <u>minimize variable costs</u>                                    | RPK (YoY)<br>1H -95%   |
|                                   | 2) <u>Maximized marginal profit</u> by making decision for each flight based on cargo demand            | ASK (YoY)<br>1H -84%   |
| ANA<br>Domestic<br>Passenger      | 1) Continued to <u>actively stimulate demand</u> and recover passenger numbers                          | Passenger Numbers (YoY)<br>May. -94%→ Jul. -73%→ Sep. -68%   |
|                                   | 2) <u>Optimized capacity to demand</u> and increased load factor  | Load Factor<br>May. 29%→ Jul. 41%→ Sep. 53%  |
| ANA<br>International<br>Cargo     | 1) Operated extra flights to <u>maximize supply</u>   | Extra Flights by Freighter 2Q 959 flights<br>Cargo flights by passenger aircraft<br>2Q 966 flights |
|                                   | 2) <u>Secured more cargo mainly with higher unit price demands</u> , sales exceeded the year-ago period | International Cargo Revenue in 2Q<br>exceeded the previous year result                             |
| LCC                               | 1) <u>Canceled all international flights, made flexible adjustments to domestic flight capacity</u>     | Domestic Passenger Numbers (YoY)<br>May. -92%→ Jul. -50%→ Sep. -48%                                |
|                                   | 2) <u>Stimulated demand</u> , recovered passenger numbers and load factor                               | Load Factor in Domestic operation<br>May. 26%→ Jul. 50%→ Sep. 59%                                  |

## ANA International Passenger Operations

|                                | 1H/FY2019 | 1H/FY2020 | % YoY     | 2Q/FY2020 | % YoY     |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Available Seat Km (million)    | 34,893    | 5,426     | - 84.4    | 3,061     | - 82.8    |
| Revenue Passenger Km (million) | 26,805    | 1,311     | - 95.1    | 691       | - 95.0    |
| Passengers (thousands)         | 5,172     | 193       | - 96.3    | 102       | - 96.2    |
| Load Factor (%)                | 76.8      | 24.2      | - 52.6pt* | 22.6      | - 55.6pt* |
| Passenger Revenues (¥Billion)  | 338.5     | 19.6      | - 94.2    | 10.1      | - 94.2    |
| Unit Revenue (¥/ASK)           | 9.7       | 3.6       | - 62.7    | 3.3       | - 66.3    |
| Yield (¥/RPK)                  | 12.6      | 15.0      | + 18.5    | 14.6      | + 16.5    |
| Unit Price (¥/Passenger)       | 65,453    | 101,259   | + 54.7    | 98,988    | + 51.3    |

\* Difference

## ANA Domestic Passenger Operations

|                                | 1H/FY2019 | 1H/FY2020 | % YoY     | 2Q/FY2020 | % YoY     |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Available Seat Km (million)    | 30,251    | 11,789    | - 61.0    | 7,850     | - 49.3    |
| Revenue Passenger Km (million) | 21,293    | 4,284     | - 79.9    | 3,108     | - 72.7    |
| Passengers (thousands)         | 23,102    | 4,673     | - 79.8    | 3,394     | - 72.3    |
| Load Factor (%)                | 70.4      | 36.3      | - 34.0pt* | 39.6      | - 34.0pt* |
| Passenger Revenues (¥Billion)  | 368.7     | 78.9      | - 78.6    | 56.5      | - 72.1    |
| Unit Revenue (¥/ASK)           | 12.2      | 6.7       | - 45.0    | 7.2       | - 45.0    |
| Yield (¥/RPK)                  | 17.3      | 18.4      | + 6.4     | 18.2      | + 2.2     |
| Unit Price (¥/Passenger)       | 15,961    | 16,899    | + 5.9     | 16,648    | + 0.8     |

\* Difference

## ANA International Cargo Operations (Belly &amp; Freighter)

|                             | 1H/FY2019 | 1H/FY2020 | % YoY    | 2Q/FY2020 | % YoY     |
|-----------------------------|-----------|-----------|----------|-----------|-----------|
| Available Ton Km (million)  | 3,595     | 1,559     | - 56.6   | 870       | - 51.7    |
| Revenue Ton Km (million)    | 2,082     | 1,047     | - 49.7   | 595       | - 43.2    |
| Revenue Ton (thousand tons) | 433       | 227       | - 47.4   | 128       | - 41.3    |
| Load Factor (%)             | 57.9      | 67.1      | + 9.2pt* | 68.4      | + 10.3pt* |
| Cargo Revenues (¥Billion)   | 51.1      | 50.8      | - 0.6    | 25.3      | + 1.5     |
| Unit Revenue (¥/ATK)        | 14.2      | 32.6      | + 129.0  | 29.1      | + 110.4   |
| Yield (¥/RTK)               | 24.6      | 48.5      | + 97.6   | 42.6      | + 78.7    |
| Unit Price (¥/kg)           | 118       | 223       | + 88.9   | 197       | + 73.0    |

\* Difference

(Figures on this page include results on P.30)

## ANA International Cargo Operations (Freighter only)

|                             | 1H/FY2019 | 1H/FY2020 | % YoY    | 2Q/FY2020 | % YoY    |
|-----------------------------|-----------|-----------|----------|-----------|----------|
| Available Ton Km (million)  | 712       | 774       | + 8.6    | 423       | + 16.8   |
| Revenue Ton Km (million)    | 451       | 512       | + 13.6   | 286       | + 26.1   |
| Revenue Ton (thousand tons) | 161       | 133       | - 16.9   | 77        | - 5.9    |
| Load Factor (%)             | 63.3      | 66.2      | + 2.9pt* | 67.7      | + 5.0pt* |
| Cargo Revenues (¥Billion)   | 15.5      | 25.2      | + 61.9   | 12.5      | + 65.1   |
| Unit Revenue (¥/ATK)        | 21.9      | 32.6      | + 49.0   | 29.7      | + 41.3   |
| Yield (¥/RTK)               | 34.5      | 49.2      | + 42.5   | 43.8      | + 30.9   |
| Unit Price (¥/kg)           | 97        | 188       | + 94.9   | 163       | + 75.4   |

\* Difference

## ANA Domestic Cargo Operations

|                             | 1H/FY2019 | 1H/FY2020 | % YoY    | 2Q/FY2020 | % YoY    |
|-----------------------------|-----------|-----------|----------|-----------|----------|
| Available Ton Km (million)  | 896       | 294       | - 67.2   | 199       | - 57.3   |
| Revenue Ton Km (million)    | 191       | 103       | - 45.9   | 63        | - 35.0   |
| Revenue Ton (thousand tons) | 185       | 93        | - 49.8   | 57        | - 40.2   |
| Load Factor (%)             | 21.4      | 35.3      | +13.9pt* | 32.1      | +11.0pt* |
| Cargo Revenues (¥Billion)   | 12.6      | 8.6       | - 31.6   | 5.0       | - 22.2   |
| Unit Revenue (¥/ATK)        | 14.1      | 29.4      | + 108.4  | 25.2      | + 82.1   |
| Yield (¥/RTK)               | 65.8      | 83.1      | + 26.3   | 78.8      | + 19.8   |
| Unit Price (¥/kg)           | 68        | 93        | + 36.4   | 87        | + 30.1   |

\* Difference

## LCC

|                                | 1H/FY2019 | 1H/FY2020 | % YoY    | 2Q/FY2020 | % YoY    |
|--------------------------------|-----------|-----------|----------|-----------|----------|
| Available Seat Km (million)    | 5,858     | 2,090     | - 64.3   | 1,531     | - 48.7   |
| Revenue Passenger Km (million) | 5,090     | 922       | - 81.9   | 724       | - 72.4   |
| Passengers (thousands)         | 3,995     | 817       | - 79.5   | 643       | - 68.7   |
| Load Factor (%)                | 86.9      | 44.1      | -42.8pt* | 47.3      | -40.7pt* |
| Operating Revenue (Billion) ** | 46.1      | 8.4       | - 81.7   | 6.7       | - 73.7   |
| Unit Revenue (¥/ASK)           | 7.9       | 4.0       | - 48.6   | 4.4       | - 48.6   |
| Yield (¥/RPK)                  | 9.1       | 9.2       | + 1.2    | 9.3       | - 4.5    |
| Unit Price (¥/Passenger)       | 11,557    | 10,359    | - 10.4   | 10,453    | - 15.9   |

\* Difference

\*\* Op. Revenue includes ancillary revenues

(FY2019 : Peach Aviation and Vanilla Air in Total)



## Other Segments excluding Air Transportation Business

| (¥Billion)                    | Airline Related  |           |            | Travel Services |           |            |
|-------------------------------|------------------|-----------|------------|-----------------|-----------|------------|
|                               | 1H/FY2019        | 1H/FY2020 | Difference | 1H/FY2019       | 1H/FY2020 | Difference |
| Operating Revenues            | 149.0            | 119.8     | - 29.2     | 82.3            | 13.8      | - 68.5     |
| Operating Income              | 7.4              | 8.7       | + 1.3      | 1.3             | - 4.0     | - 5.3      |
| Depreciation and Amortization | 2.6              | 2.5       | - 0.0      | 0.2             | 0.2       | + 0.0      |
| EBITDA*                       | 10.0             | 11.2      | + 1.2      | 1.6             | - 3.7     | - 5.3      |
| EBITDA Margin (%)             | 6.7              | 9.4       | + 2.7pt    | 2.0             | -         | -          |
|                               | Trade and Retail |           |            | Others          |           |            |
|                               | 1H/FY2019        | 1H/FY2020 | Difference | 1H/FY2019       | 1H/FY2020 | Difference |
| Operating Revenues            | 75.9             | 38.2      | - 37.6     | 20.9            | 18.5      | - 2.4      |
| Operating Income              | 1.9              | - 2.8     | - 4.7      | 1.5             | 0.8       | - 0.6      |
| Depreciation and Amortization | 0.6              | 0.6       | + 0.0      | 0.1             | 0.1       | + 0.0      |
| EBITDA*                       | 2.5              | - 2.1     | - 4.7      | 1.6             | 1.0       | - 0.6      |
| EBITDA Margin (%)             | 3.3              | -         | -          | 8.0             | 5.6       | - 2.4pt    |

\* EBITDA : Op. Income + Depreciation and Amortization

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### 3. FY2020 Earnings Forecast (Detail)



## Consolidated Earnings Forecast

| (¥Billion)   | FY2019  | FY2020<br>(Forecast) | Difference |
|--|---------|----------------------|------------|
| Operating Revenues                                 | 1,974.2 | 740.0                | - 1,234.2  |
| Operating Expenses                                 | 1,913.4 | 1,245.0              | - 668.4    |
| Operating Income                                   | 60.8    | - 505.0              | - 565.8    |
| Operating Income Margin (%)                        | 3.1     | —                    | —          |
| Ordinary Income                                    | 59.3    | - 500.0              | - 559.3    |
| Net Income Attributable to<br>Owners of the parent | 27.6    | - 510.0              | - 537.6    |

| Results/Assumptions           | 1H/FY2020<br>Results | 2H/FY2020<br>Assumptions |
|-------------------------------|----------------------|--------------------------|
| FX Rate (¥/US\$)              | 106.8                | 110                      |
| Dubai Crude Oil (US\$/bbl)    | 36.9                 | 40                       |
| Singapore Kerosene (US\$/bbl) | 36.5                 | 50                       |

## Earnings Plan by Segment

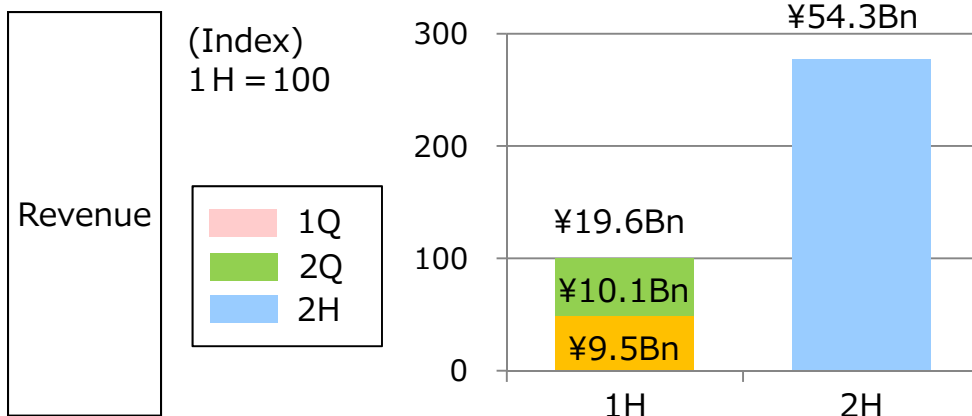
|                       | (¥Billion)                   | FY2019  | FY2020<br>(Plan) | Difference |
|-----------------------|------------------------------|---------|------------------|------------|
| Operating<br>Revenues | Air Transportation           | 1,737.7 | 622.0            | - 1,115.7  |
|                       | Airline Related              | 299.4   | 232.0            | - 67.4     |
|                       | Travel Service               | 143.9   | 45.0             | - 98.9     |
|                       | Trade and Retail             | 144.7   | 85.0             | - 59.7     |
|                       | Total for Reporting Segments | 44.2    | 39.0             | - 5.2      |
|                       | Other                        | - 395.9 | - 283.0          | + 112.9    |
|                       | Adjustment                   | 1,974.2 | 740.0            | - 1,234.2  |
| Operating<br>Income   | Air Transportation           | 49.5    | - 478.0          | - 527.5    |
|                       | Airline Related              | 18.1    | - 2.5            | - 20.6     |
|                       | Travel Service               | 1.3     | - 6.5            | - 7.8      |
|                       | Trade and Retail             | 2.9     | - 5.0            | - 7.9      |
|                       | Total for Reporting Segments | 3.5     | 0.5              | - 3.0      |
|                       | Other                        | - 14.7  | - 13.5           | + 1.2      |
|                       | Adjustment                   | 60.8    | - 505.0          | - 565.8    |

## Earnings Plan of Air Transportation Business

| (¥Billion)            |                         | FY2019         | FY2020<br>(Plan) | Difference       |
|-----------------------|-------------------------|----------------|------------------|------------------|
| Operating<br>Revenues | ANA                     |                |                  |                  |
|                       | International Passenger | 613.9          | 74.0             | - 539.9          |
|                       | Domestic Passenger      | 679.9          | 249.0            | - 430.9          |
|                       | Cargo & Mail            | 136.1          | 124.0            | - 12.1           |
|                       | Others                  | 225.7          | 142.0            | - 83.7           |
|                       | LCC                     | 81.9           | 33.0             | - 48.9           |
|                       | <b>Total</b>            | <b>1,737.7</b> | <b>622.0</b>     | <b>- 1,115.7</b> |
| Operating<br>Expenses | Fuel and Fuel Tax       | 314.4          | 100.0            | - 214.4          |
|                       | Non-Fuel Cost           | 1,373.7        | 1,000.0          | - 373.7          |
|                       | <b>Total</b>            | <b>1,688.1</b> | <b>1,100.0</b>   | <b>- 588.1</b>   |
| Op. Income            | Operating Income        | 49.5           | - 478.0          | - 527.5          |

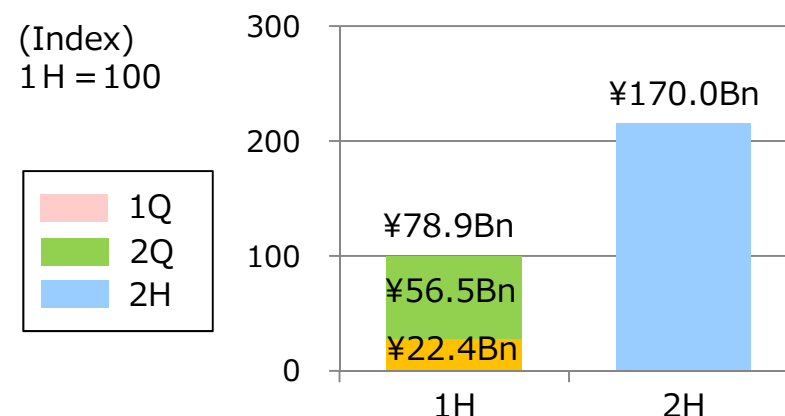
## FY2020 Earnings Forecast

## International Passenger



|                                  | 1H<br>(Result)    | 2H<br>(Plan)       |
|----------------------------------|-------------------|--------------------|
| ※YoY in parentheses              |                   |                    |
| Available Seat Km<br>(million)   | 5,426<br>(- 84.4) | 10,422<br>(- 69.3) |
| Revenue Passenger<br>Km(million) | 1,311<br>(- 95.1) | 4,636<br>(- 80.2)  |
| Load Factor (%)                  | 24.2              | 44.5               |
| Unit<br>Revenue(¥/ASK)           | 3.6               | 5.2                |
| Yield(¥/RPK)                     | 15.0              | 11.7               |

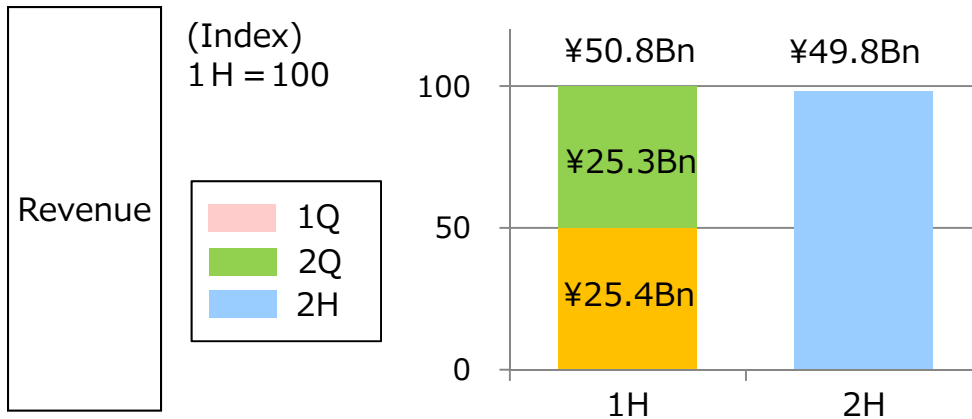
## Domestic Passenger



|                                  | 1H<br>(Result)     | 2H<br>(Plan)       |
|----------------------------------|--------------------|--------------------|
| ※YoY in parentheses              |                    |                    |
| Available Seat Km<br>(million)   | 11,789<br>(- 61.0) | 17,431<br>(- 38.4) |
| Revenue Passenger<br>Km(million) | 4,284<br>(- 79.9)  | 10,372<br>(- 43.0) |
| Load Factor (%)                  | 36.3               | 59.5               |
| Unit<br>Revenue(¥/ASK)           | 6.7                | 9.8                |
| Yield(¥/RPK)                     | 18.4               | 16.4               |

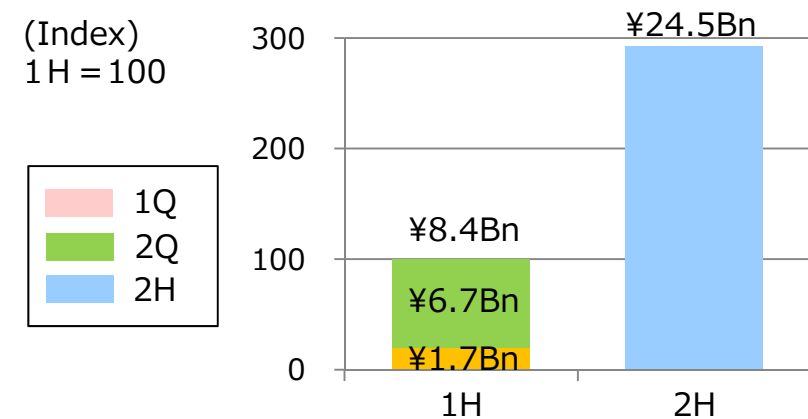
## FY2020 Earnings Forecast

## International Cargo



|                              | 1H<br>(Result)    | 2H<br>(Plan)      |
|------------------------------|-------------------|-------------------|
| ※YoY in parentheses          |                   |                   |
| Available Ton<br>Km(million) | 1,559<br>(- 56.6) | 1,940<br>(- 48.4) |
| Revenue Ton<br>Km(million)   | 1,047<br>(- 49.7) | 1,252<br>(- 41.5) |
| Load Factor (%)              | 67.1              | 64.5              |
| Unit<br>Revenue(¥/ATK)       | 32.6              | 25.7              |
| Yield(¥/RTK)                 | 48.5              | 39.9              |

## LCC



|                                  | 1H<br>(Result)    | 2H<br>(Plan)      |
|----------------------------------|-------------------|-------------------|
| ※YoY in parentheses              |                   |                   |
| Available Seat Km<br>(million)   | 2,090<br>(- 64.3) | 4,551<br>(- 12.8) |
| Revenue Passenger<br>Km(million) | 922<br>(- 81.9)   | 2,854<br>(- 30.6) |
| Load Factor (%)                  | 44.1              | 62.7              |
| Unit<br>Revenue(¥/ASK)           | 4.0               | 5.3               |
| Yield(¥/RPK)                     | 9.2               | 8.5               |



## Number of Aircraft



|                         | Mar 31,<br>2020 | Sep 30,<br>2020 | Difference | Owned      | Leased    |
|-------------------------|-----------------|-----------------|------------|------------|-----------|
| Airbus A380-800         | 2               | 2               | -          | 2          | -         |
| Boeing 777-300/-300ER   | 35              | 35              | -          | 26         | 9         |
| Boeing 777-200/-200ER   | 20              | 19              | - 1        | 15         | 4         |
| Boeing 777-F            | 2               | 2               | -          | 2          | -         |
| Boeing 787-10           | 2               | 2               | -          | 2          | -         |
| Boeing 787-9            | 35              | 36              | + 1        | 30         | 6         |
| Boeing 787-8            | 36              | 36              | -          | 31         | 5         |
| Boeing 767-300/-300ER   | 24              | 23              | - 1        | 23         | -         |
| Boeing 767-300F/-300BCF | 10              | 9               | - 1        | 6          | 3         |
| Airbus A321-200neo      | 11              | 12              | + 1        | -          | 12        |
| Airbus A321-200         | 4               | 4               | -          | -          | 4         |
| Airbus A320-200neo      | 11              | 11              | -          | 11         | -         |
| Airbus A320-200         | 3               | 3               | -          | -          | 3         |
| Boeing 737-800          | 39              | 39              | -          | 24         | 15        |
| Boeing 737-700          | 8               | 8               | -          | 8          | -         |
| Boeing 737-500          | 3               | -               | - 3        | -          | -         |
| Bombardier DHC-8-400    | 24              | 24              | -          | 24         | -         |
| <b>ANA Total</b>        | <b>269</b>      | <b>265</b>      | <b>- 4</b> | <b>204</b> | <b>61</b> |
| Airbus A320-200*        | 34              | 32              | - 2        | -          | 32        |
| <b>ANA Group Total</b>  | <b>303</b>      | <b>297</b>      | <b>- 6</b> | <b>204</b> | <b>93</b> |



\* Not includes aircraft on maintenance work to transfer from Vanilla Air to Peach Aviation

## Timely Disclosure

- 1 ANA HOLDINGS reports Consolidated Financial Results for the Six Months Ended September 30, 2020
- 2 Notice of Consolidated Financial Results Forecast and Dividend Policy
- 3 Notice of Transformative Measures to a New Business Model
- 4 Notice Regarding Financing through a Subordinated Syndicated Loan

(Memo)



(Memo)



(Memo)



(Memo)



|                                    |   |
|------------------------------------|---|
| <p>Mission Statement</p>           | <p>Built on a foundation of security and trust, “the wings within ourselves” help to fulfill the hopes and dreams of an interconnected world.</p>   |
| <p>ANA Group Safety Principles</p> | <p>Safety is our promise to the public and is the foundation of our business. Safety is assured by an integrated management system and mutual respect. Safety is enhanced through individual performance and dedication.</p>  |
| <p>Management Vision</p>           | <p>It is our goal to be the world’s leading airline group in customer satisfaction and value creation.</p>  |
| <p>ANA’s Way</p>                   | <p>To live up to our motto of “Trustworthy, Heartwarming, Energetic!”, we work with:</p> <ol style="list-style-type: none"> <li>1. Safety<br/>We always hold safety as our utmost priority, because it is the foundation of our business.</li> <li>2. Customer Orientation<br/>We create the highest possible value for our customers by viewing our actions from their perspective.</li> <li>3. Social Responsibility<br/>We are committed to contributing to a better, more sustainable society with honesty and integrity.</li> <li>4. Team Spirit<br/>We respect the diversity of our colleagues and come together as one team by engaging in direct, sincere and honest dialogue.</li> <li>5. Endeavor<br/>We endeavor to take on any challenge in the global market through bold initiative and innovative spirit.</li> </ol> |

## Cautionary Statement

Forward-Looking Statements. This material contains forward-looking statements based on ANA HOLDINGS INC.'s current plans, estimates, strategies, assumptions and beliefs. These statements represent the judgments and hypotheses of the Company's management based on currently available information. Air transportation, the Company's core business, involves government-mandated costs that are beyond the Company's control, such as airport utilization fees and Fuel taxes. In additions, conditions in the markets served by the Company are subject to significant fluctuations.

It is possible that these conditions will change dramatically due to a number of factors, such as trends in the economic environment, aviation fuel tax, technologies, demand, competition, foreign exchange rate fluctuations, continuity and/or outbreak of infection, and others. Due to these risks and uncertainties, it is possible that the Company's future performance will differ significantly from the contents of this material.

Accordingly, there is no assurance that the forward-looking statements in this material will prove to be accurate.

This material is available on our website.

<http://www.ana.co.jp/group/en/investors>

Investor Relations



Presentations

Investor Relations, ANA HOLDINGS INC.

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