

ANA HOLDINGS INC.

- Financial Results for the Nine Months ended December 31, 2021

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CFO, Executive Vice President
Member of the Board

February 1, 2022



- ◎ Thank you for participating in today's teleconference regarding the ANA Group financial results for the nine months ended December 31, 2021.
- ◎ First, please turn to page 3.

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Financial Results for FY2021 3Q

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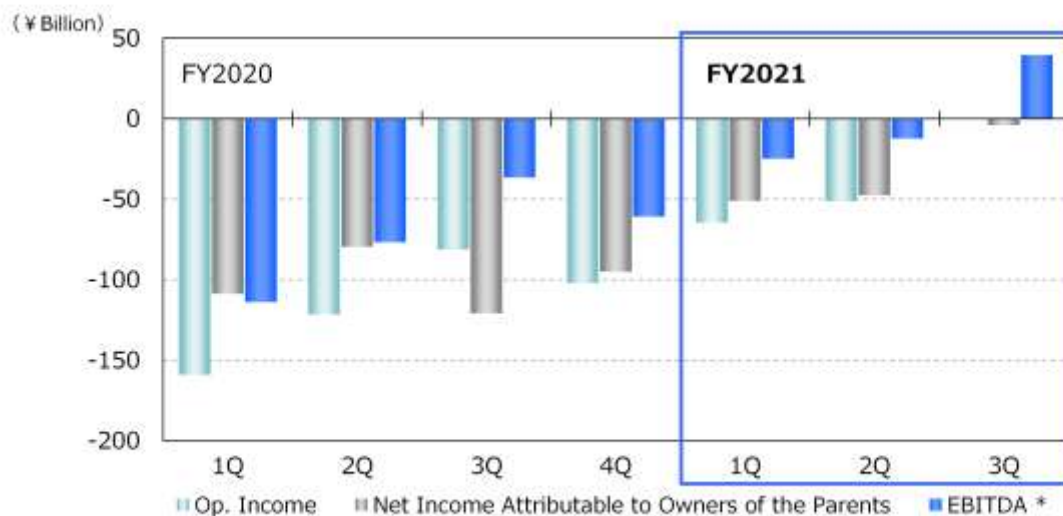
Comparison of Financial Results for FY2021 1-3Q and FY2020

【FY2021 1-3Q Cumulative Results (Consolidated)】

- Op. Income : ￥ -115.8Bn (YoY ￥ +246.5Bn)
- Net Income Attributable to Owners of the parent : ￥ -102.8Bn (YoY ￥ +206.7Bn)
- EBITDA* : ￥ 1.9Bn (YoY ￥ +229.5Bn)

【3Q[Oct.-Dec.] (Consolidated)】

- Op. Income : ￥ 0.1Bn
- Net Income Attributable to Owners of the parent : ￥ -4.0Bn
- EBITDA* : ￥ 39.4Bn



* EBITDA : Op. Income + Depreciation and Amortization

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- ◎ These are the highlights of our financial results.
- ◎ In the cumulative third quarter, operating loss was 115.8 billion yen, net loss was 102.8 billion yen, and EBITDA turned to positive of 1.9 billion yen. Despite the ongoing impacts of COVID-19, they have improved by more than 200.0 billion yen compared to the previous year.
- ◎ Meanwhile, beginning in October, domestic passenger demand recovered rapidly, and international cargo also saw significant growth in operating revenues. As a result, operating income for the stand-alone third quarter amounted to 0.1 billion yen as the company returned to positive figures for the first time in eight quarters. EBITDA also improved steadily, reaching 39.4 billion yen.
- ◎ Please turn to page 4.

Income Statements

(¥Billion)	1-3Q/FY2020	1-3Q/FY2021	Difference	3Q/FY2021	Difference
Operating Revenues	527.6	738.0	+ 210.4	306.9	+ 71.1
Operating Expenses	890.0	853.8	- 36.1	306.7	- 10.5
Operating Income	- 362.4	- 115.8	+ 246.5	0.1	+ 81.6
Operating Income Margin (%)	-	-	-	0.1	-
Non-Operating Income/Expenses	11.6	- 2.5	- 14.1	- 3.0	- 2.3
Ordinary Income	- 350.7	- 118.3	+ 232.4	- 2.8	+ 79.2
Special Gains/Losses	- 77.3	- 6.2	+ 71.0	- 0.4	+ 77.6
Net Income Attributable to Owners of the parent	- 309.5	- 102.8	+ 206.7	- 4.0	+ 117.0
Net Income	- 312.0	- 101.7	+ 210.3	- 3.9	+ 116.9
Other Comprehensive Income	24.7	8.0	- 16.6	2.0	- 8.8
Comprehensive Income	- 287.3	- 93.6	+ 193.6	- 1.8	+ 108.0

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- ◎ These are the highlights of our consolidated financial results.
- ◎ Operating revenues increased by 210.4 billion yen, or 39.9%, to 738.0 billion yen year on year.
- ◎ Operating expenses decreased by 36.1 billion yen, or 4.1%, to 853.8 billion yen from the previous year. Continuing from the first half of the fiscal year, expenses decreased in the third quarter year on year due to cost management efforts mainly on fixed costs, while we endeavored to recover capacity.
- ◎ As a result, operating loss was 115.8 billion yen, ordinary loss was 118.3 billion yen, and net loss attributable to owners of the parent was 102.8 billion yen.
- ◎ Please turn to page 5.

Financial Position

(¥Billion)	Mar 31, 2021*4	Dec 31, 2021	Difference *5
Assets	3,207.8 (3,245.2)	3,239.7	+ 31.8 (- 5.5)
Shareholders' Equity	1,007.2 (892.5)	797.8	- 209.4 (- 94.7)
Ratio of Shareholders' Equity (%)	31.4 (27.5)	24.6	- 6.8pt (- 2.9pt)
Interest-Bearing Debt	1,655.4	1,771.2	+ 115.7
Debt/Equity Ratio (times)	1.6 (1.9)	2.2	+ 0.6 (+ 0.4)
Liquidity on hand *1	965.7	971.5	+ 5.8
Net Interest Bearing Debt *2	689.7	799.7	+ 109.9
Net Debt/Equity Ratio (times)*3	0.7 (0.8)	1.0	+ 0.3 (+ 0.2)

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

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

*3 Net Debt/Equity Ratio : Net Interest Bearing Debt ÷ Equity

*4 Figures in parentheses are as of Mar 31, 2021, after applying accounting standards for revenue recognition

*5 Figures in parentheses show the differences from figures in parentheses as of Mar 31, 2021

- © This slide shows our financial position.
- © Total assets increased by 31.8 billion yen from the end of the previous fiscal year to 3,239.7 billion yen.
- © Total shareholders' equity was 797.8 billion yen, with shareholders' equity ratio coming in at 24.6%.
- © Interest-bearing debt increased by 115.7 billion yen from the end of prior fiscal year to 1,771.2 billion yen, partly due to the issuance of convertible bonds of 150.0 billion yen. Debt/equity ratio was 2.2 times. Net debt/equity ratio on a net interest-bearing debt basis was 1.0 times.
- © Liquidity on hand as of the end of the third quarter amounted to 971.5 billion yen.
- © Please turn to page 6.

Statements of Cash Flows

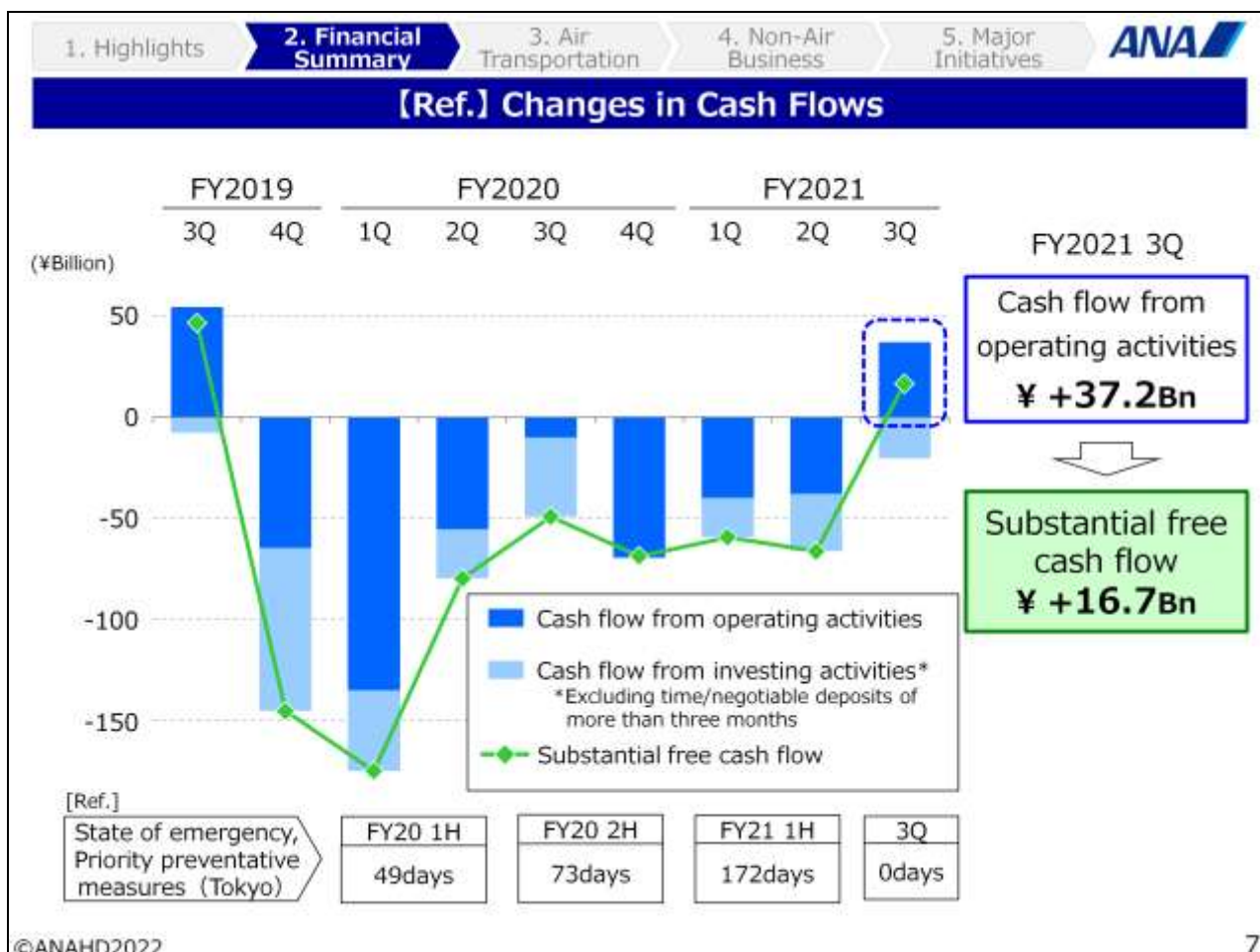
(¥Billion)	1-3Q/FY2020	1-3Q/FY2021	Difference
Cash Flow from Operating Activities	- 200.9	- 40.6	+ 160.2
Cash Flow from Investing Activities	- 521.3	110.9	+ 632.3
Cash Flow from Financing Activities	1,110.5	115.0	- 995.5
Net Increase/Decrease in Cash and Cash Equivalents	387.9	185.0	- 202.8
Cash and Cash Equivalents at the beginning of the Year	135.9	370.3	} + 185.0
Cash and Cash Equivalents at the end of the Current Period	523.6	555.3	
Depreciation and Amortization*1	134.8	117.7	- 17.0
Capital Expenditures	132.0	117.3	- 14.7
Substantial Free Cash Flow (Excluding time/negotiable deposits of more than three months)	- 304.5	- 109.0	+ 195.5
EBITDA (Op.Income + Depreciation & Amortization*1)	- 227.5	1.9	+ 229.5
EBITDA Margin (%)	-	0.3	-

*1 Including Grounded Aircraft Expense in FY2021

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- ◎ These are our cash flows.
- ◎ Cash flow from operating activities resulted in an outflow of 40.6 billion yen.
- ◎ Cash flow from investing activities resulted in an inflow of 110.9 billion yen, partly because we have implemented deliveries and sales of aircraft.
- ◎ Cash flow from financing activities resulted in an inflow of 115.0 billion yen, due to the issuance of convertible bonds and other factors.
- ◎ Substantial free cash flow resulted in an outflow of 109.0 billion yen, when excluding cash movements associated with the acquisition and sale of time and negotiable deposits of more than three months.
- ◎ Please turn to page 7.



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- ◎ This slide shows changes in cash flows.
- ◎ Cash flow from operating activities for this third quarter was an inflow of 37.2 billion yen, turning to positive for the first time over the past eight quarters. Cash outflows have continued since the fourth quarter of fiscal 2019. However, cash flow has improved significantly due to comprehensive cost reductions, increased cargo revenue, and a recovery in passenger demand on domestic routes.
- ◎ We also continued our efforts to curb capital investment, that led substantial free cash flow to an inflow of 16.7 billion yen. Substantial free cash flow swung positive for the first time since the outbreak of the COVID-19, as did cash flow from operating activities.
- ◎ Please turn to page 8.

Results by Segment

(¥Billion)		1-3Q/FY2020	1-3Q/FY2021	Difference	3Q/FY2021	Difference
Operating Revenues	Air Transportation	432.0	638.4	+ 206.3	268.1	+ 72.8
	Airline Related	166.7	149.8	- 16.9	52.1	+ 5.2
	Travel Services	36.1	34.5	- 1.5	14.9	- 7.3
	Trade and Retail	61.0	61.4	+ 0.4	23.0	+ 0.3
	Others	27.4	27.6	+ 0.2	10.1	+ 1.2
	Adjustment	- 195.8	- 173.9	+ 21.8	- 61.6	- 1.1
	Total	527.6	738.0	+ 210.4	306.9	+ 71.1
Operating Income	Air Transportation	- 348.0	- 112.9	+ 235.0	0.8	+ 71.0
	Airline Related	2.0	2.6	+ 0.6	0.9	+ 7.6
	Travel Services	- 4.7	- 0.2	+ 4.4	- 0.1	+ 0.6
	Trade and Retail	- 3.0	0.6	+ 3.7	0.6	+ 0.8
	Others	0.5	1.1	+ 0.6	0.4	+ 0.8
	Adjustment	- 9.1	- 7.0	+ 2.0	- 2.6	+ 0.6
	Total	- 362.4	- 115.8	+ 246.5	0.1	+ 81.6

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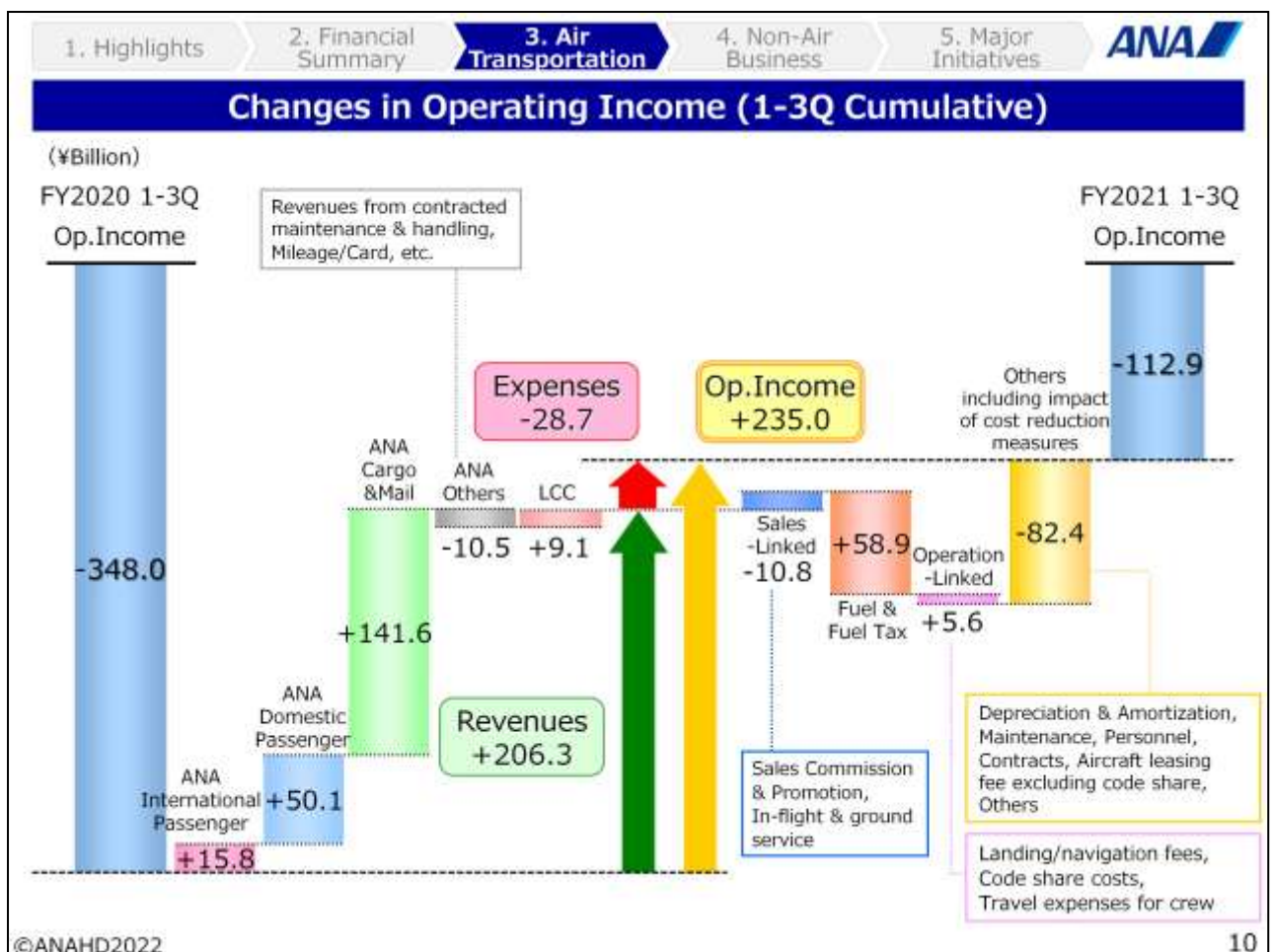
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- © This slide covers our results by segment.
- © In the cumulative third quarter, we saw the profit growth in all segments.
- © Our Airline Related Business saw an increase in revenue year on year due to a moderate recovery in contract revenues from outside the group, as well as our efforts to reduce costs by bringing operations in-house, increasing secondments to entities outside the group, and other measures.
- © In the Travel Services Business, revenues were lower than in the prior year when the *GoTo Travel Campaign* was in operation. However, we reduced personnel expenses and other costs, and generated a narrower operating loss year on year.
- © Continuing from the first half, our Trade and Retail Business again secured operating income due to strong performance in the electronics business and a recovery in retail business sales beginning in October.
- © Next, I would like to explain the details of Air Transportation Business. Please turn to page 10.

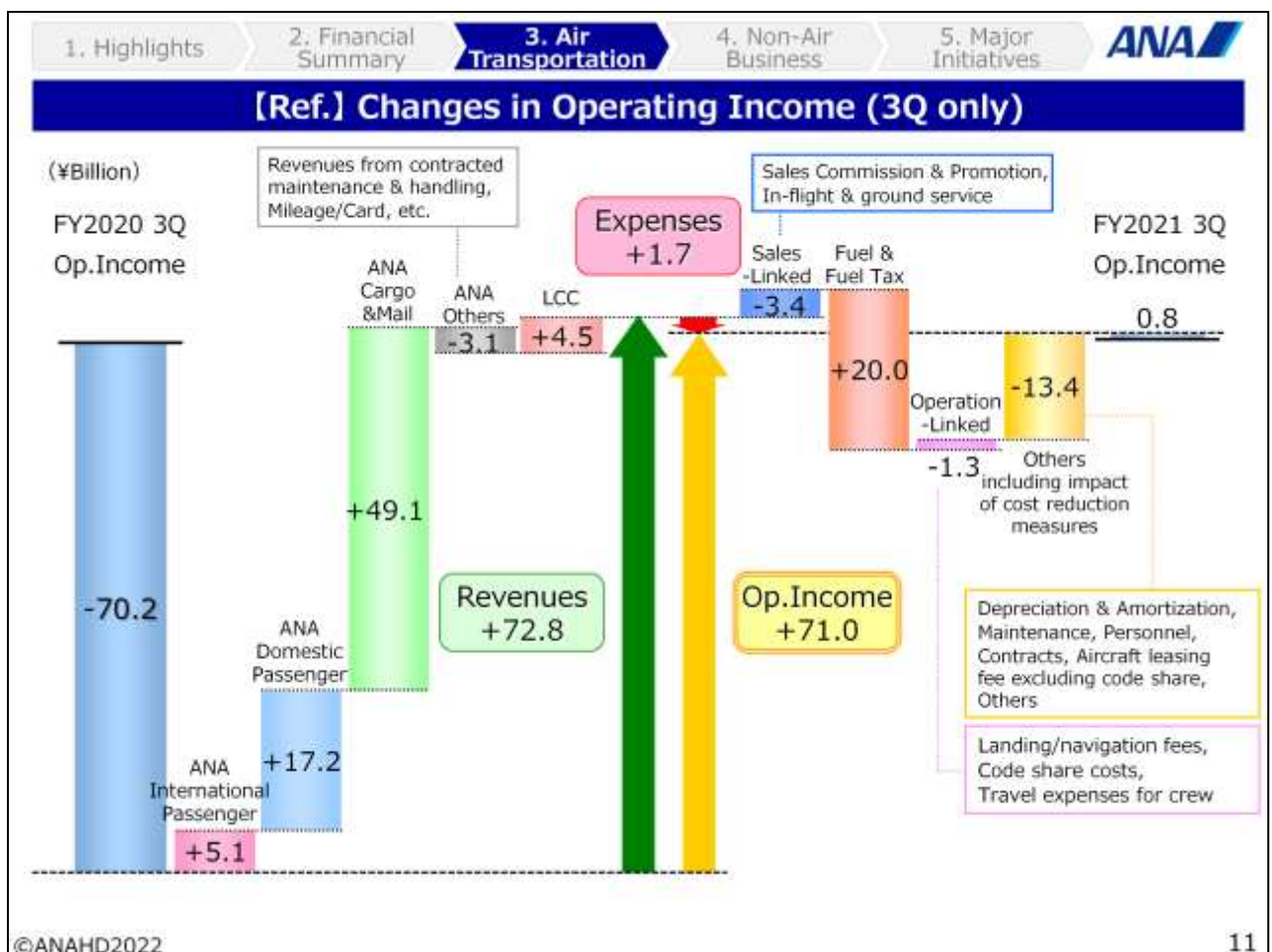
Operating Revenues and Expenses

(¥Billion)

		1-3Q FY2020	1-3Q FY2021	Difference	3Q/FY2021	Difference
Operating Revenues	ANA					
	International Passenger	32.3	48.2	+ 15.8	17.8	+ 5.1
	Domestic Passenger	156.3	206.5	+ 50.1	94.6	+ 17.2
	Cargo & Mail	120.7	262.4	+ 141.6	108.3	+ 49.1
	Others	107.1	96.6	- 10.5	35.8	- 3.1
	LCC	15.3	24.5	+ 9.1	11.4	+ 4.5
	Total	432.0	638.4	+ 206.3	268.1	+ 72.8
Operating Expenses	Fuel and Fuel Tax	75.8	134.8	+ 58.9	54.5	+ 20.0
	Landing and Navigation Fees	33.2	31.0	- 2.2	11.6	- 2.8
	Aircraft Leasing Fees	80.1	84.9	+ 4.7	28.6	+ 1.2
	Depreciation and Amortization	129.3	105.1	- 24.1	35.0	- 7.7
	Aircraft Maintenance	80.7	59.7	- 21.0	20.1	- 0.5
	Personnel	124.9	114.7	- 10.2	38.5	- 3.5
	Sales Commission and Promotion	31.2	19.9	- 11.3	7.9	- 3.9
	Contracts	138.1	125.3	- 12.7	43.9	+ 0.3
	Others	86.3	75.6	- 10.6	26.8	- 1.1
	Total	780.0	751.3	- 28.7	267.3	+ 1.7
Op. Income	Operating Income	- 348.0	- 112.9	+ 235.0	0.8	+ 71.0
	EBITDA	- 218.7	- 7.7	+ 210.9	35.8	+ 63.2
	EBITDA Margin (%)	-	-	-	13.4	-



- © This shows a comparison of the cumulative results for the third quarter of operating income in our Air Transportation Business.
- © Operating revenues resulted in an overall increase of 206.3 billion yen, as our International Cargo Business drove the increase in sales, and ANA Domestic Passenger Business also improved its performance significantly.
- © Operating expenses decreased by 28.7 billion yen. Although fuel expense and operation-linked costs increased in line with the recovery in capacity, aircraft-related expenses and human resources expenses decreased significantly in response to *Business Structure Reform*.
- © As a result, the operating loss was 112.9 billion yen.
- © Please turn to page 11.



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- © This slide compares the results of the third quarter alone with the previous year.
- © Operating revenues increased 72.8 billion yen overall, as we aggressively captured demand for ANA domestic passengers and international cargo.
- © Meanwhile, we held overall operating expenses to a 1.7 billion yen increase by reducing operation-linked expenses and fixed costs, despite the impact of price increases in the fuel market.
- © In the third quarter, ANA domestic passenger revenue improved 22% while ASK increased 4% year on year. International cargo revenue increased 95% with a 28% increase in ATK, demonstrating the effectiveness of flexible and agile capacity adjustments. As a result of the significant improvement in business profitability compared with the previous year, the Air Transportation Business recorded 0.8 billion yen in operating income, representing net positive income on a quarterly basis.
- © Please turn to page 19.

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ANA International Passenger Operations

	1-3Q/FY2020	1-3Q/FY2021	% YoY	3Q/FY2021	% YoY
Available Seat Km (million)	9,809	14,962	+ 52.5	5,528	+ 26.1
Revenue Passenger Km (million)*1	2,140	3,746	+ 75.0	1,498	+ 80.9
Passengers (thousands)*1	320	549	+ 71.2	221	+ 74.5
Load Factor (%)*1	21.8	25.0	+ 3.2pt*2	27.1	+ 8.2pt*2
Passenger Revenues (¥Billion)*1	32.3	48.2	+ 49.1	17.8	+ 40.2
Unit Revenue (¥/ASK)*1	3.3	3.2	- 2.2	3.2	+ 11.1
Yield (¥/RPK)*1	15.1	12.9	- 14.8	11.9	- 22.5
Unit Price (¥/Passenger)*1	100,832	87,821	- 12.9	80,482	- 19.7

*1 Including award ticket passengers due to the application of accounting standards for revenue recognition in FY2021

*2 Difference

ANA Domestic Passenger Operations

	1-3Q/FY2020	1-3Q/FY2021	% YoY	3Q/FY2021	% YoY
Available Seat Km (million)	20,812	24,539	+ 17.9	9,379	+ 4.0
Revenue Passenger Km (million)*1	9,097	12,090	+ 32.9	5,455	+ 13.3
Passengers (thousands)*1	9,906	13,198	+ 33.2	6,057	+ 15.7
Load Factor (%)*1	43.7	49.3	+ 5.6pt*2	58.2	+ 4.8pt*2
Passenger Revenues (¥Billion)*1	156.3	206.5	+ 32.1	94.6	+ 22.3
Unit Revenue (¥/ASK)*1	7.5	8.4	+ 12.0	10.1	+ 17.6
Yield (¥/RPK)*1	17.2	17.1	- 0.6	17.3	+ 7.9
Unit Price (¥/Passenger)*1	15,784	15,648	- 0.9	15,622	+ 5.6

*1 Including award ticket passengers due to the application of accounting standards for revenue recognition in FY2021

*2 Difference

ANA International Cargo Operations (Belly & Freighter)

Figures on this table include the results on P.16

	1-3Q/FY2020	1-3Q/FY2021	% YoY	3Q/FY2021	% YoY
Available Ton Km (million)	2,996	5,233	+ 74.6	1,845	+ 28.4
Revenue Ton Km (million)	2,066	3,929	+ 90.2	1,412	+ 38.7
Revenue Ton (thousand tons)	429	743	+ 73.0	267	+ 32.3
Load Factor (%)	68.9	75.1	+ 6.1pt*1	76.6	+ 5.7pt*1
Cargo Revenues (¥Billion)	101.6	237.7	+ 134.0	99.3	+ 95.6
Unit Revenue (¥/ATK)	33.9	45.4	+ 34.0	53.9	+ 52.3
Yield (¥/RTK)	49.2	60.5	+ 23.0	70.3	+ 41.0
Unit Price (¥/kg)	236	320	+ 35.3	372	+ 47.8

*1 Difference

ANA International Cargo Operations (Freighter only)

	1-3Q/FY2020	1-3Q/FY2021	% YoY	3Q/FY2021	% YoY
Available Ton Km (million)	1,290	1,780	+ 37.9	623	+ 20.7
Revenue Ton Km (million)	876	1,257	+ 43.5	446	+ 23.0
Revenue Ton (thousand tons)	230	317	+ 37.6	112	+ 16.5
Load Factor (%)	67.9	70.6	+ 2.8pt*1	71.7	+ 1.3pt*1
Cargo Revenues (¥Billion)	44.7	87.1	+ 94.6	36.3	+ 85.8
Unit Revenue (¥/ATK)	34.7	49.0	+ 41.1	58.3	+ 53.9
Yield (¥/RTK)	51.1	69.3	+ 35.6	81.4	+ 51.0
Unit Price (¥/kg)	194	275	+ 41.4	323	+ 59.5

*1 Difference

ANA Domestic Cargo Operations

	1-3Q/FY2020	1-3Q/FY2021	% YoY	3Q/FY2021	% YoY
Available Ton Km (million)	541	701	+ 29.5	263	+ 6.7
Revenue Ton Km (million)	179	213	+ 19.1	76	+ 1.8
Revenue Ton (thousand tons)	162	189	+ 16.6	69	- 0.2
Load Factor (%)	33.1	30.5	- 2.7pt*1	29.1	- 1.4pt*1
Cargo Revenues (¥Billion)	15.3	18.7	+ 22.5	6.6	- 0.1
Unit Revenue (¥/ATK)	28.3	26.8	- 5.4	25.4	- 6.4
Yield (¥/RTK)	85.5	87.9	+ 2.8	87.0	- 1.9
Unit Price (¥/kg)	94	99	+ 5.1	96	+ 0.1

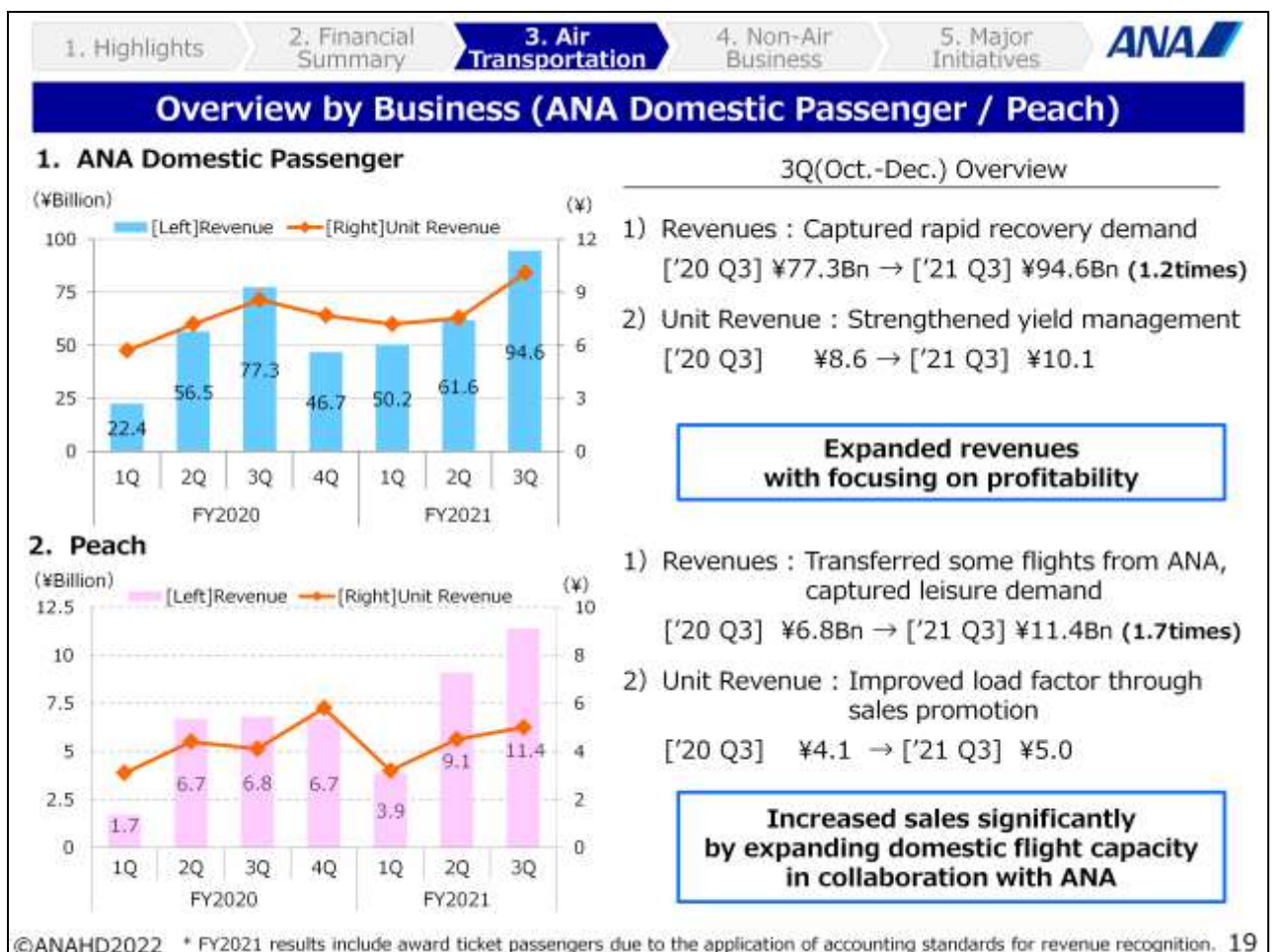
*1 Difference

LCC (Peach Aviation)

	1-3Q/FY2020	1-3Q/FY2021	% YoY	3Q/FY2021	% YoY
Available Seat Km (million)	3,769	5,556	+ 47.4	2,301	+ 37.1
Revenue Passenger Km (million)	1,822	3,336	+ 83.0	1,558	+ 72.9
Passengers (thousands)	1,583	2,922	+ 84.6	1,367	+ 78.6
Load Factor (%)	48.4	60.0 + 11.7pt*1		67.7 + 14.0pt*1	
Operating Revenue (Billion)*2	15.3	24.5	+ 59.8	11.4	+ 66.1
Unit Revenue (¥/ASK)	4.1	4.4	+ 8.4	5.0	+ 21.1
Yield (¥/RPK)	8.4	7.4	- 12.7	7.4	- 3.9
Unit Price (¥/Passenger)	9,705	8,401	- 13.4	8,377	- 7.0

*1 Difference

*2 Op. Revenue includes ancillary revenues



◎ I will discuss the demand trends by business.

◎ The first part of the slide shows the ANA Domestic Passenger results. We captured passenger demand steadily which recovered rapidly beginning in October. Operating revenues for the third quarter amounted to 94.6 billion yen, about 1.2 times higher than the previous year when the *GoTo Travel Campaign* was in operation. Unit revenue improved as a result of consistent yield management. We expanded our top line while continuing to adjust our capacity in a flexible manner and with a focus on profitability.

◎ The second part is about Peach. At the end of October, we expanded Peach domestic capacity by shifting over a portion of ANA flights. Leisure travel demand became more active with the easing of travel restrictions. By capturing this demand proactively, we generated sales of 11.4 billion yen in the third quarter, approximately 1.7 times higher than the same period in the previous fiscal year.

◎ Next, please turn to page 20.



◎ The third part shows our performance in ANA International Cargo Business.

◎ The graph at the top shows the changes in capacity. In October, we expanded the number of cities served by wide-body freighters further to enhance our aircraft utilization. At the same time, we maximized ATK in conjunction with year-end peak volume, using passenger aircraft actively for cargo, particularly on the high-demand North American routes.

◎ The lower chart represents operating revenue and unit price trends. Third quarter operating revenues amounted to 99.3 billion yen, nearly double the level of the same period in the previous fiscal year and a record high on a quarterly basis. Unit costs were extremely high, about 1.5 times higher year on year, due to stronger efforts to capture cargo with higher unit prices as mainstay commercial products, such as semiconductors and automobile-related products, remained firm.

◎ Please turn to page 22.

Air Transportation Business (vs. pre-COVID-19 levels)

FY2021 1-3Q

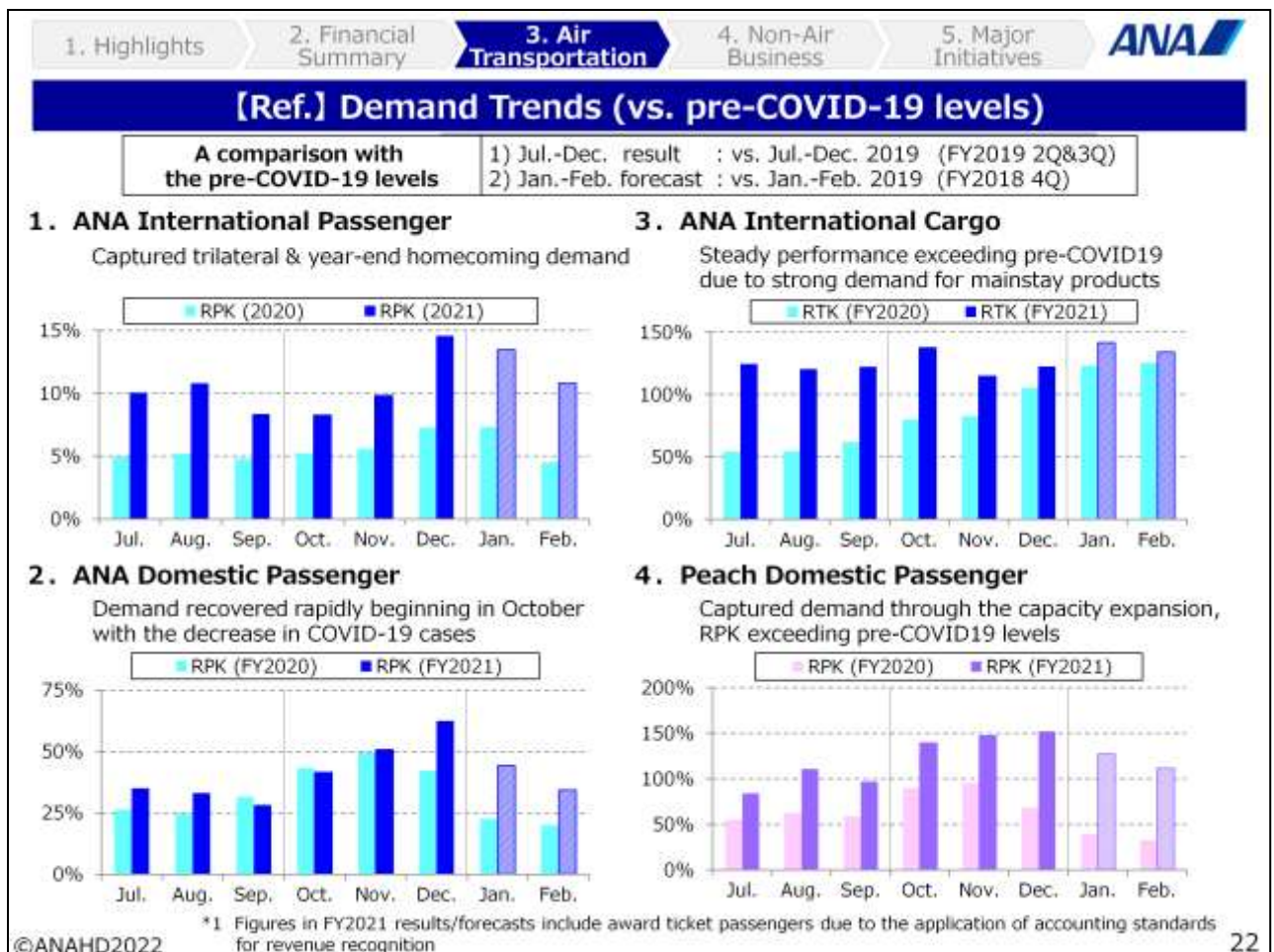
vs. FY2019(%) ^{*1}	ANA International Passenger		ANA Domestic Passenger		LCC ^{*2}	
	1-3Q/FY2021	3Q/FY2021	1-3Q/FY2021	3Q/FY2021	1-3Q/FY2021	3Q/FY2021
Available Seat Km	- 71.6	- 69.0	- 45.4	- 36.2	- 35.4	- 15.9
Revenue Passenger Km ^{*3}	- 90.8	- 89.1	- 62.2	- 48.8	- 54.5	- 30.6
Passengers ^{*3}	- 92.9	- 91.3	- 62.0	- 47.9	- 49.4	- 23.2

vs. FY2019(%) ^{*1}	ANA International Cargo		ANA Domestic Cargo	
	1-3Q/FY2021	3Q/FY2021	1-3Q/FY2021	3Q/FY2021
Available Ton Km	- 5.7	- 5.6	- 47.1	- 38.6
Revenue Ton Km	+ 22.0	+ 24.1	- 28.5	- 28.1
Revenue Ton	+ 10.6	+ 11.7	- 34.4	- 33.0

^{*1} Comparison with the pre-COVID-19 results (vs. Apr.-Dec. 2019)

^{*2} FY2019 : Peach Aviation and Vanilla Air in Total

^{*3} FY2021 : Including award ticket passengers due to the application of accounting standards for revenue recognition



- ◎ This slide shows our monthly results by business and outlook for January and February 2022.
- ◎ ANA International Passenger demand remains flat generally, mainly due to the extension of strengthened border measures through the end of February. We will respond with flexible measures in line with any movement toward easing of immigration restrictions.
- ◎ ANA Domestic Passenger and Peach Domestic Passenger turn weak due to the impact of the spread of the Omicron variant, and demand in February in particular will be low. We will continue to monitor future trends and control capacity as appropriate.
- ◎ We expect ANA International Cargo volume to remain firm in the fourth quarter, especially for mainstay commercial products such as semiconductors and automobile-related products.
- ◎ Please turn to page 25.

Number of Aircraft

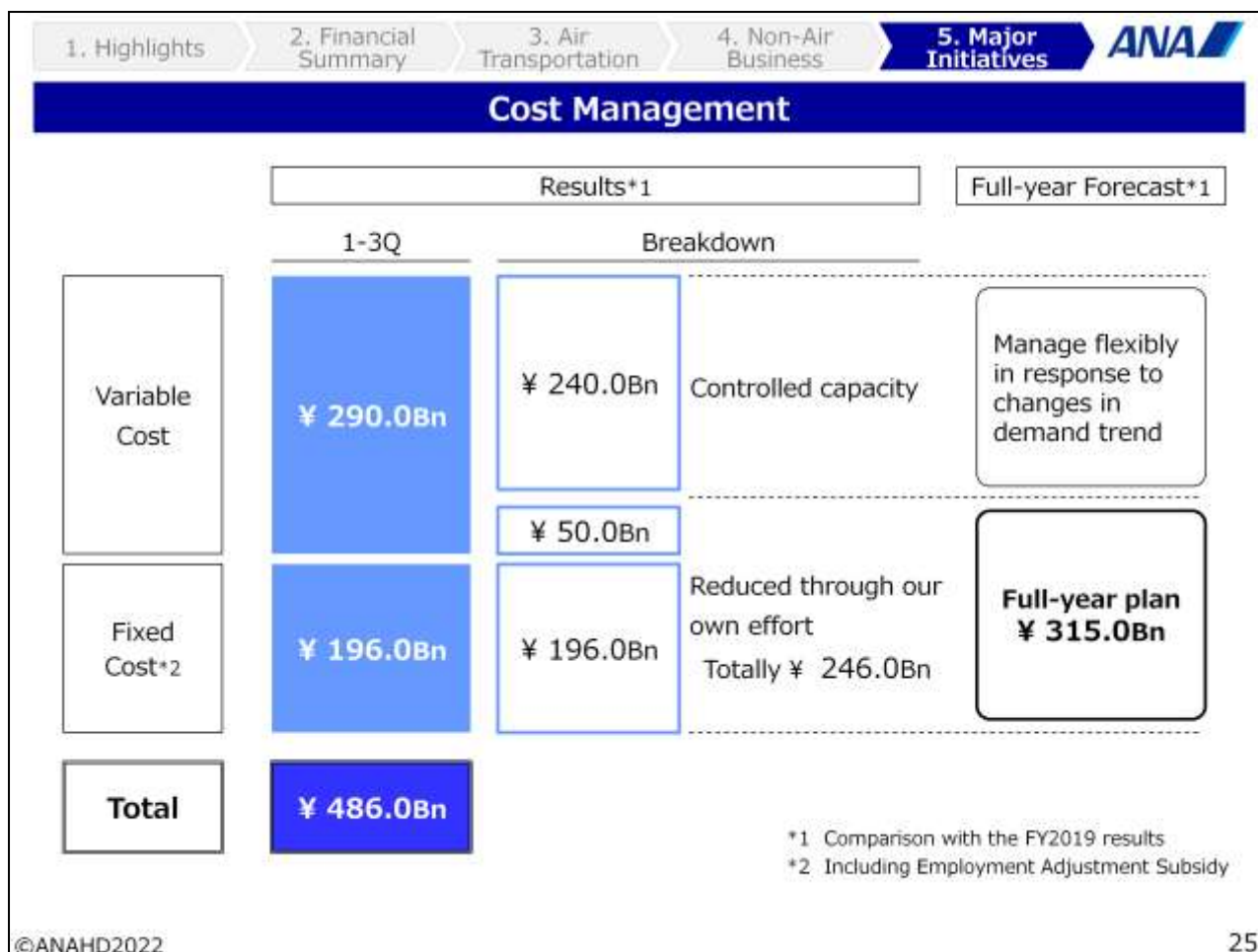
	Total					Excluding retired aircraft*1		
	Mar 31 2021	Dec 31 2021	Diff.	Owned	Leased	Mar 31 2021	Dec 31 2021	Diff.
*1 Aircraft retired and waiting for sale or lease return								
Airbus A380-800	2	3	+ 1	3	—	2	3	+ 1
Boeing 777-300/-300ER	30	20	- 10	11	9	20	20	—
Boeing 777-200/-200ER	14	14	—	12	2	12	12	—
Boeing 777-F	2	2	—	2	—	2	2	—
Boeing 787-10	2	2	—	2	—	2	2	—
Boeing 787-9	36	39	+ 3	33	6	36	39	+ 3
Boeing 787-8	36	36	—	31	5	36	36	—
Boeing 767-300/-300ER	21	18	- 3	18	—	20	18	- 2
Boeing 767-300F/-300BCF	9	9	—	6	3	9	9	—
Airbus A321-200neo	17	22	+ 5	—	22	17	22	+ 5
Airbus A321-200	4	4	—	—	4	4	4	—
Airbus A320-200neo	11	11	—	11	—	11	11	—
Airbus A320-200	3	1	- 2	—	1	3	0	- 3
Boeing 737-800	39	39	—	24	15	39	39	—
Boeing 737-700	5	0	- 5	—	—	4	0	- 4
De Havilland Canada DASH 8-400	24	24	—	24	—	24	24	—
ANA	255	244	- 11	177	67	241	241	—
Airbus A321-200neoLR	0	1	+ 1	—	1	0	1	+ 1
Airbus A320-200neo	3	5	+ 2	—	5	3	5	+ 2
Airbus A320-200	35	30	- 5	—	30	30	28	- 2
Peach Aviation	38	36	- 2	—	36	33	34	+ 1
Group Total	293	280	- 13	177	103	274	275	+ 1

Other Segments excluding Air Transportation Business

(¥Billion)	Airline Related			Travel Services		
	1-3Q FY2020	1-3Q FY2021	Difference	1-3Q FY2020	1-3Q FY2021	Difference
Operating Revenues	166.7	149.8	- 16.9	36.1	34.5	- 1.5
Operating Income	2.0	2.6	+ 0.6	- 4.7	- 0.2	+ 4.4
Depreciation and Amortization	3.7	3.6	- 0.0	0.4	0.1	- 0.3
EBITDA*	5.8	6.3	+ 0.5	- 4.3	- 0.1	+ 4.1
EBITDA Margin (%)	3.5	4.3	+ 0.8pt	-	-	-

	Trade and Retail			Others		
	1-3Q FY2020	1-3Q FY2021	Difference	1-3Q FY2020	1-3Q FY2021	Difference
Operating Revenues	61.0	61.4	+ 0.4	27.4	27.6	+ 0.2
Operating Income	- 3.0	0.6	+ 3.7	0.5	1.1	+ 0.6
Depreciation and Amortization	1.0	0.8	- 0.1	0.2	0.4	+ 0.1
EBITDA*	- 2.0	1.5	+ 3.5	0.7	1.5	+ 0.7
EBITDA Margin (%)	-	2.5	-	2.9	5.6	+ 2.7pt

* EBITDA : Op. Income + Depreciation and Amortization



- ◎ Finally, I would like to explain the main initiatives in the third quarter. The first point is about the progress of our cost reduction initiatives.
- ◎ As a result of the cumulative third quarter, we have reduced a total of 486.0 billion yen compared to the same period of fiscal 2019. As a result of self-efforts, we created 246.0 billion yen in reductions, making steady progress toward our fiscal year target of 315.0 billion yen. Going forward, we will continue to strengthen our cost management and reduce unit cost in the medium term while pursuing the effects of *Business Structure Reform*.
- ◎ Please turn to page 26.

Convertible Bond

1. Objectives

Engage in solid, flexible financial management to maintain and improve our competitive advantage in the post-COVID-19 airline market

1

**Growth investment accelerating
Business Structure Reform
(Approx. ¥ 50Bn)**

- 1) Investment in digital technologies to build new service models
- 2) Capital expenditures to establish 3rd brand

2

**Secure funds for the redemption and
repayment of existing debt
(Approx. ¥ 100Bn)**

- 1) Funds for the redemption of CBs maturing in 2022 (¥70Bn)
- 2) Repayment of long-term debt (Approx. ¥30Bn)

2. Details

1) Closing Date (Issue Date)	December 10, 2021
2) Maturity Date	December 10, 2031 (Term of 10 years)
3) Principal Amount	¥ 150.0Bn
4) Coupon	0.0% (Zero coupons)
5) Conversion Price	¥ 2,883 (Conversion premium : 10.02%)
6) Main Supplementary Provisions	<ol style="list-style-type: none"> 1) A provision that allows the company to redeem the CBs early (after three years from the issuance date) if the stock price remains at a level higher than 120% of the conversion price for a certain period of time (Soft call provision) 2) A provision that allows CB holders to request early redemption seven years after the issue date (Put provision)
7) Ratio of Dilutive Shares	11.06% (= No. of dilutive shares ÷ No. of issued shares [excl. treasury stock]*) *As of September 30, 2021

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- ◎ Second, I want to address the issuance of convertible bonds.
- ◎ In December last year, we issued convertible bonds totaling 150.0 billion yen with the aim of maintaining and improving our competitive advantage in the post-COVID-19 global airlines market, while engaging in steady and flexible financial management, despite the lingering impact of COVID-19.
- ◎ The proceeds will be used to invest approximately 50 billion yen in growth to accelerate *Business Structure Reform* and 100 billion yen to redeem or repay existing debt.
- ◎ When our stock price rises in the future, we believe the conversion into shares will allow us to increase capital and strengthen our financial foundation. Refer to the bottom of the page for an overview of the issuance.
- ◎ Last, on January 18, we announced ANA Group Flight Schedule for Fiscal Year 2022. This latest plan encompasses both ANA and Peach. Our policy is to maximize overall group profits by pursuing the best mix of demand trends during COVID-19 with the strengths of each brand. We will continue to work together as a group in *Business Structure Reform* to improve business performance as quickly as possible, while we move forward with reforms looking ahead to the post-COVID-19 era.
- ◎ This concludes my presentation. Thank you for your attention.

(Memo)

(Memo)

(Memo)

(Memo)

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

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

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