

Financial Results for the Three Months Ended June 2024 Q&A Summary

Q1) What were the main variances between Q1 results and plan for operating revenues and expenses in the Air Transportation Business?

- A1) • Revenues from International Business were higher than planned in the first quarter as a result of strong demand. At the same time, operating income was in line with initial plan due to higher-than-expected operating expenses stemming from the weak yen and higher maintenance expenses.
- The main variances compared to plan for Q1 results were as follows:
[Breakdown of the differences vs. plan (Air Transportation Business, Q1(Apr.-Jun))]
Operating revenues: +10.0 billion yen
(International Passenger: +6.0 billion yen, International Cargo: +2.0 billion yen, Others: +2.0 billion yen (Contracted maintenance: +3.0 billion yen etc.))
Operating expenses: +10.0 billion yen
(Maintenance: +10.0 billion yen (Foreign exchange: +5.0 billion, Contracted maintenance: +3.0 billion yen, Increased maintenance frequency: +1.5 billion yen) etc.)

Q2) Please provide details on the operating income for the non-airline business in Q1.

- A2) • The Airline Related Business did not complete intra-group contract revisions in the first quarter in connection with contract price increases for airport ground handling from overseas airlines. We will continue to settle these contracts in order moving forward.
- The Travel Services Business posted a loss, mainly due to up-front investments for sales promotion expenses to expand the ANA Economic Zone. However, the profit result remained in line with initial plan.

Q3) What is the background of the higher-than-planned yield for the International Passenger Business?

- A3) • First quarter yield was slightly higher than plan, driven overall by strong performance on North American routes.
- The increase in fares from North America and a solid recovery in demand for business travel from Japan on North American routes contributed to this firm recovery. Meanwhile, yields on Chinese routes were lower than plan due to the normalization of yields in connection with the resumption of flights by overseas airlines.
 - We expect conditions to remain strong in the second quarter, especially on North American routes, but we assume that yields will gradually normalize across all routes. We will continue to monitor the supply and demand environment closely, including the degree to which our competitors expand capacity.

Q4) What is the outlook for supply and demand in the Passenger Business for the ANA brand?

A4) [International Passenger Business]

- Demand for business travel from Japan on North American and other routes and inbound travel demand to Japan have been firm. We expect demand for international routes to continue to recover steadily.
- Our supply should be generally in line with plan, including the new routes to Europe in the third quarter and beyond. We expect the scale of our business to expand according to plan, as demand on Chinese routes recovers steadily for inbound travel to Japan.

[Domestic Passenger Business]

- Business demand continued to recover moderately. Leisure demand continues to be strong, despite a lull after the pent-up demand in the wake of COVID-19. We will continue to capture demand to maximize revenues in the second quarter, which is a traditionally high-traffic period.

End