

Business Progress

The impact of COVID-19 has resulted in major changes to the environment surrounding the ANA Group.

We must take swift action both in our businesses and finances to overcome one of the greatest challenges in our history. At the same time, we must also transform our business structure to accommodate *new-normal* lifestyles, pursuing sustainable growth.

What Does the ANA Group DNA Mean to You?

日々の努力で徹底的に品質にこだわり
変革にチャレンジし
最前線で安全を守り続けます。

Uncompromising commitment to quality through everyday effort, striving for change, and an unwavering commitment to safety on the front lines.

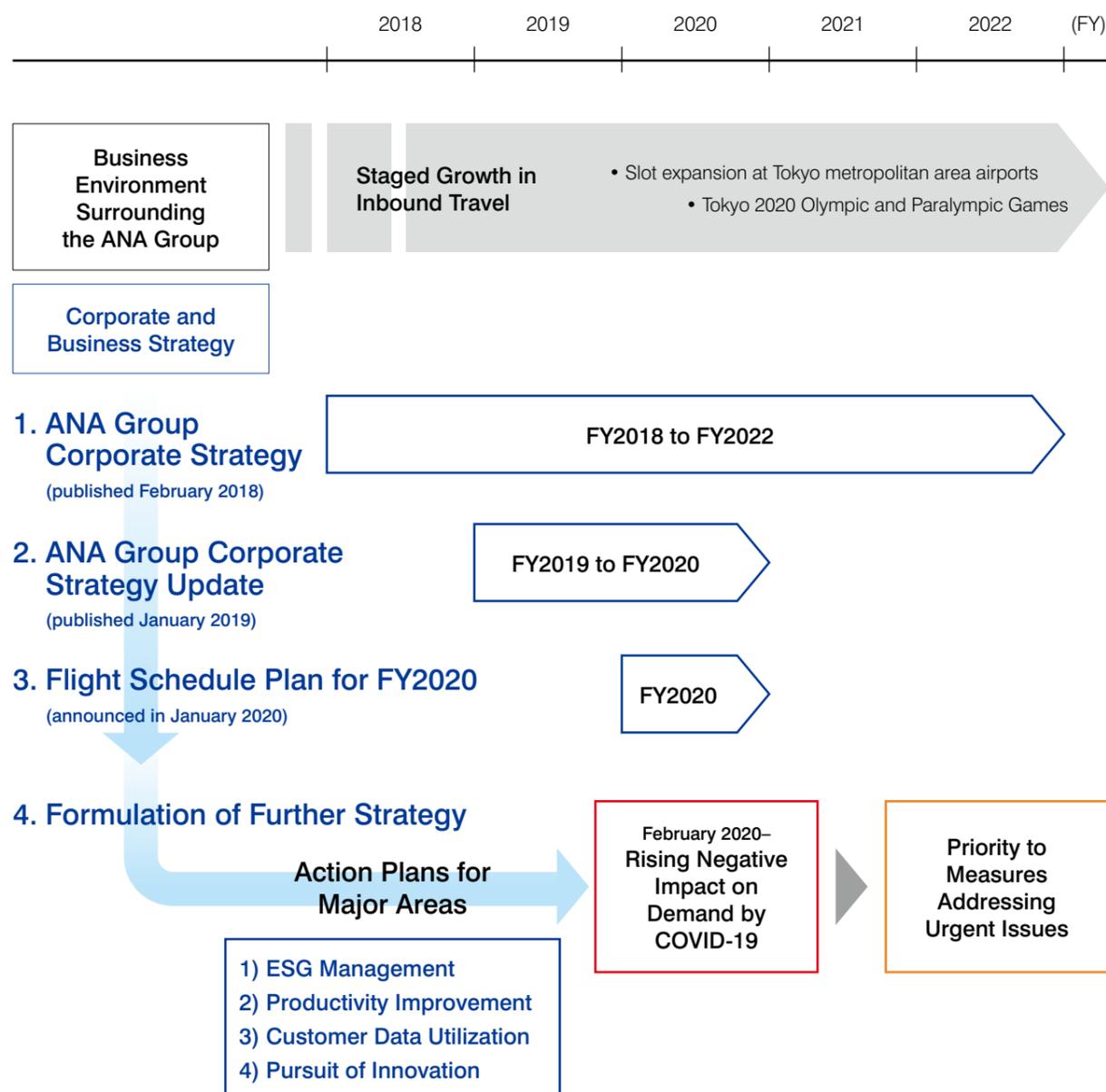
Teruyuki Kominami

ANA Line Maintenance Technics Co., Ltd.
Maintenance Crew

ANA Group Corporate Strategy Progress

In January 2019, we published the ANA Group Corporate Strategy Update for fiscal 2019 and 2020. As we subsequently finalized our plans to expand our international network, mainly from Haneda Airport, in January 2020 we planned to announce a rolling update to the ANA Group Corporate Strategy by March.

However, the impact of COVID-19 on our business became apparent in February. With the spread of the virus both in Japan and overseas, we assumed that the drastic decline in passenger demand would extend over a longer period of time. Accordingly, we made our response to this urgent issue a top priority.



Progress in Response Measures

From the initial stages of the impact of COVID-19, the ANA Group has taken a proactive response in both business and financial aspects.

Business Measures

We implemented measures for the following four major areas of our businesses.

| Results for the 1Q of FY2020 | |
|------------------------------|--|
| 1 | Match Capacity to Demand Trends Reduced operation and sales-linked expenses significantly |
| 2 | Optimize Employee Utilization and Services 1) Adopted a temporary leave program Expanded targeting to 36 Group companies and 43,500 employees 2) Revised airport operation structure, etc. Temporary closures of some facilities along with capacity |
| 3 | Emergency Response Measures Reduced fixed costs across various categories 1) Reduced officer remuneration, personnel expenses 2) Shrank aircraft-related expenses 3) Cut down outsourcing business 4) Made significant reductions in controllable costs, etc. |
| 4 | Establish Social Credibility Launched ANA Care Promise (June 1) |

Match Capacity to Demand Trends

In response to the decline in passenger demand, we matched capacity to demand by suspending and reducing flights. We also downsized the aircraft in operations, reducing variable costs such as fuel expenses and landing and navigation fees.

Optimize Employee Utilization and Services

Along with controlling capacity, we adopted a temporary leave program and other measures to optimize employee utilization. We also optimized our service systems and operation structure, including the temporary closure of certain airport facilities.

Emergency Response Measures

We implemented a number of measures quickly to reduce personnel expenses and other costs. These measures included reducing officer remuneration, management salaries, and summer bonuses, which improved our profit balance.

Establish Social Credibility

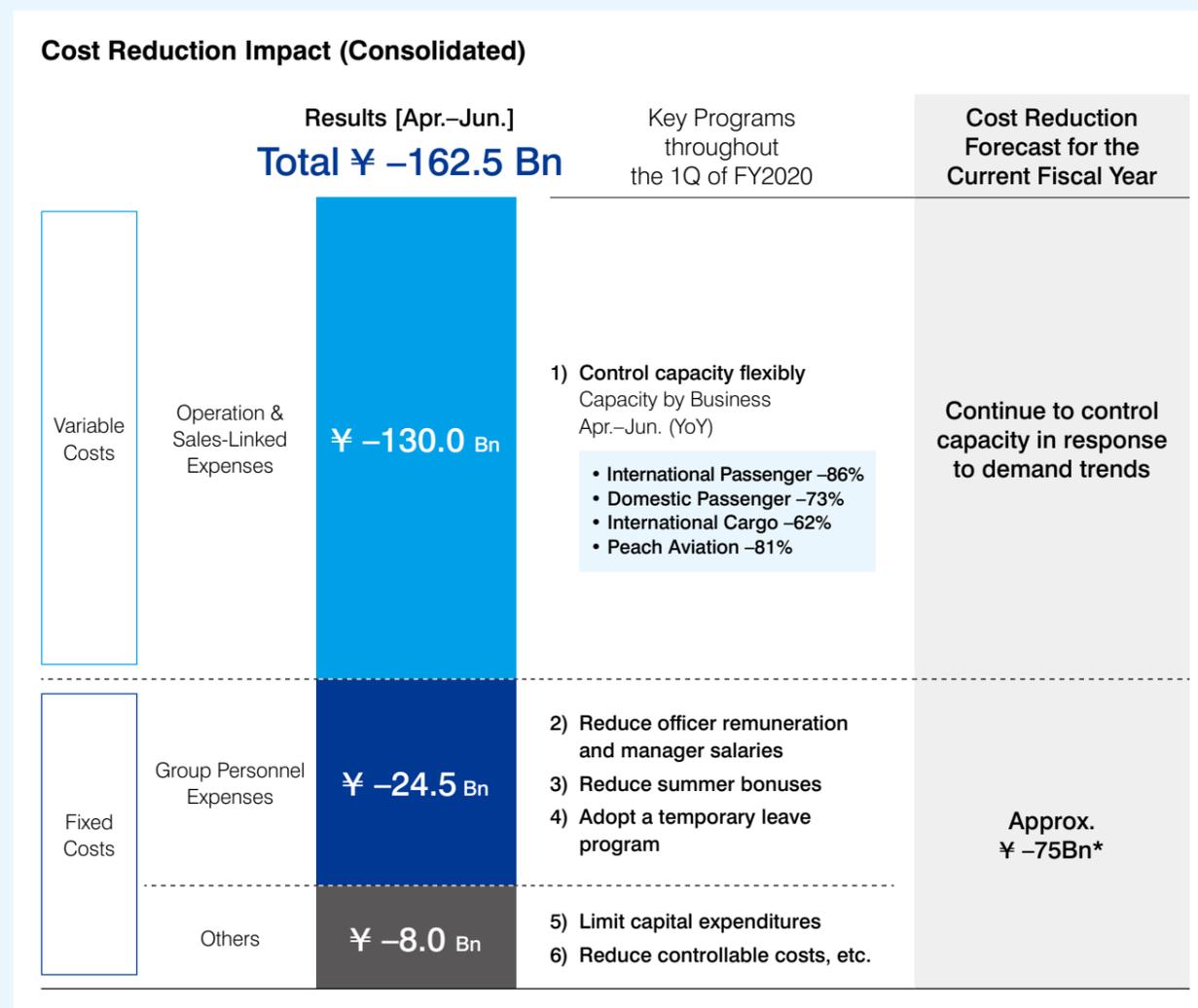
We are pursuing efforts to establish our social trust so customers use our aircraft with peace of mind.

In June 2020, ANA launched the ANA Care Promise. Peach also implemented a variety of measures, providing a clean and hygienic environment, striving to eliminate customer anxiety.

Progress in Response Measures

Cost Reduction Initiatives

By taking appropriate measures in our businesses, we achieved total cost reductions of ¥162.5 billion during the first quarter of fiscal 2020, reflecting a combination of cuts in variable costs, such as fuel expenses, and fixed costs, such as personnel expenses.



We will continue to strive to minimize variable costs by matching capacity to demand trends carefully.

We plan to reduce fixed costs by ¥75.0 billion* over the full year. As we expect the recovery in passenger demand to take time, we will pursue further cost reductions by expanding areas to target and digging for deeper cuts.

* Forecast as of July 29, 2020

Financial Measures

The ANA Group implemented financial measures in the following two major areas. At the same time, we issued a request to the government for support of the airline industry.



We secured liquidity on hand as early as possible in anticipation of the prolonged impact of COVID-19. Working with financial institutions, we secured access to approximately ¥1 trillion in total funding, consisting of bank loans of ¥535.0 billion in the first quarter and an expanded commitment line to a maximum of ¥500.0 billion.

We also postponed planned aircraft deliveries for this year and deferred in-flight product changes, limiting capital expenditures. We reviewed Group investment plans, deferring some projects and significantly reducing investment amounts.

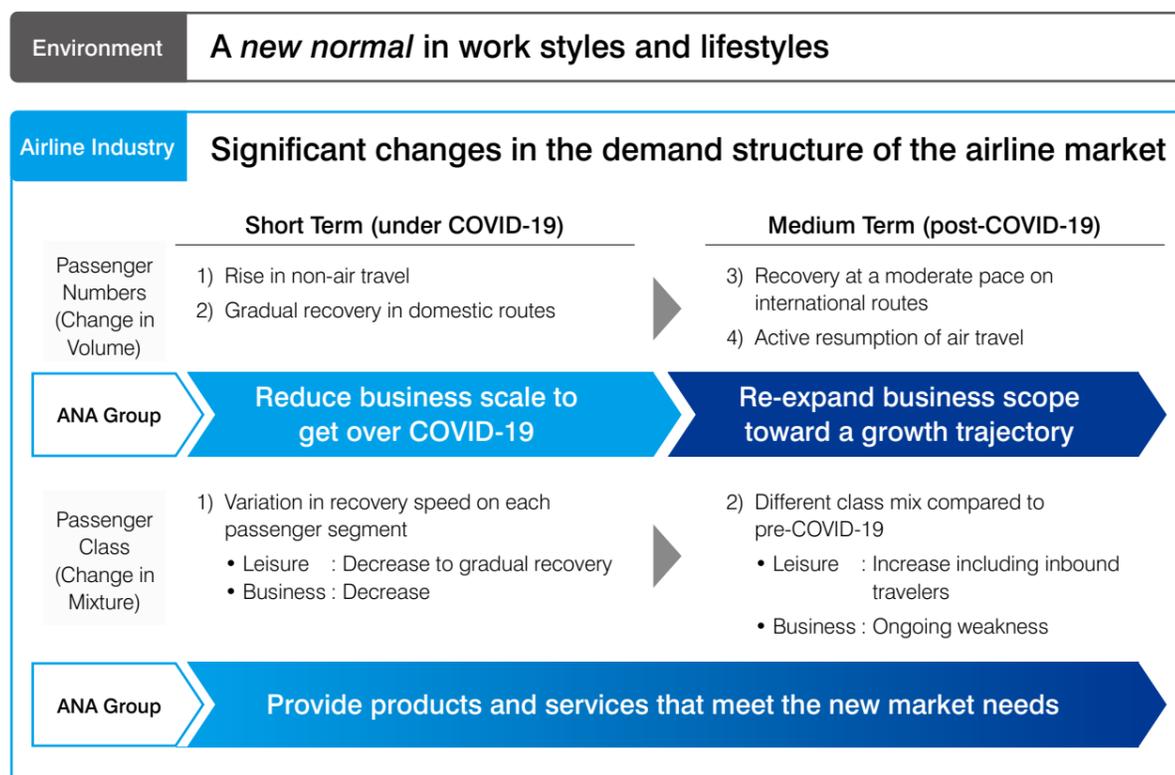


In the meantime, we submitted a request to the government for industry support through the Scheduled Airlines Association of JAPAN. As a result, many airports in Japan have deferred landing and navigation fees. Leasing costs and facilities usage fees have also been reduced. Going forward, our industry will continue to ask for further support, including extended deferments and exemptions of taxes and public fees.

Future Management Policies

Business Environment and the ANA Group Response

The impact of COVID-19 has forced changes in social structures and value systems around the world. As work-styles and lifestyles change, the acceptance of a *new normal* is about to cause changes in demand structures, even in the airline industry. The ANA Group will respond to this situation as described below.



Responding to Passenger Numbers (Change in Volume)

We are currently seeing strong movement toward non-air travel. Even so, we expect to see a gradual recovery in passenger demand on domestic operations. Over the medium term, we believe the emergence of vaccines and other factors will lead to a moderate pace of recovery in international operations, while continued globalization will spur a return to air travel.

The Group will reduce the scale of our businesses temporarily to weather the declining phase of demand. When we see a recovery in demand over the medium term, we will re-expand the scale of our businesses toward a growth trajectory.

Responding to Passenger Class (Change in Mixture)

Even as the impact of COVID-19 continues, we expect leisure demand to recover first, growing steadily over the medium term. We also expect to see a recovery in inbound travelers. However, we forecast demand for business travel to continue to experience weakness as corporate earnings deteriorate and online conferencing becomes more widespread. Therefore, we expect to see significant changes in passenger class mixture.

The Group will provide products and services that meet new market needs, changing our approach to capturing demand across the entire Group.

Basic Policy for Reform of Business Structure

The ANA Group will carry out business structure reform to respond steadily to changes in the market environment.

Sustainable Growth



As a short-term initiative, we will change our business structure toward balanced profitability in our Air Transportation Business.

1) Optimize Air Transportation Business portfolio strategy

ANA will reduce the scope of its business for the time being, concentrating management resources on high-profit routes. At the same time, ANA will reevaluate current products and services in anticipation of market needs in the post-COVID-19 era.

However, Peach, which has established an efficient business structure through merger, will strive to capture wider demand in outlying regions of the major cities near Narita and Kansai airports.

2) Implement resource-related tactics to reduce fixed costs

We intend to reduce the total number of owned aircraft in our fleet, as well as leverage smaller and more efficient aircraft.

We also plan to review our staffing assignments, enhancing productivity through new work styles based on digital transformation (DX), etc.

Over the medium term, we will pursue a deeper portfolio strategy for the purpose of strengthening our Air Transportation Business, covering a wide range of diversifying demand.

Also, we will seek to establish a resilient Group business structure that creates consistent, steady value by establishing our Non-Air Business as a second earnings pillar.

This will improve corporate value, returning the ANA Group to stable and continuous dividends as we pursue sustainable growth.

Air Transportation Business

We will survive the trials of COVID-19, continuing to grow on into the future.

Yuji Hirako

Member of the Board of Directors,
ANA HOLDINGS INC.
President & Chief Executive Officer,
ALL NIPPON AIRWAYS CO., LTD.



The year 2020 was expected to be a year of great progress, with the expansion of international flight slots at Haneda Airport and Japan hosting the Tokyo 2020 Olympic and Paralympic Games. Unfortunately, the airline industry now faces major challenges stemming from the COVID-19 pandemic. Since I was named president in 2017, I have worked to build a resilient organization that can deliver results in any environment. Currently, we have been forced to cut flights on both international and domestic routes on an unprecedented scale. It is at times like these that we must demonstrate resilience to survive.

Our air transportation services have enjoyed an outstanding reputation in the world. In 2019, ANA was ranked first in the Asia-Pacific region for on-time arrivals by Cirium of the U.S. In addition, we received the prestigious 5-Star designation from SKYTRAX of the U.K. for an eighth consecutive year, rating

among the best airlines in the world. At the same time, COVID-19 has had a major impact on our lifestyles and behavior. On June 1, ANA launched the *ANA Care Promise* as a new standard for air travel. Under this promise, we have strengthened our hygiene initiatives even further. We will pursue the complete confidence of our passengers through appropriate measures in the with-COVID-19 era and based on the service quality we have built over our history.

To overcome this unprecedented crisis, we must reform our Air Transportation Business cost structure, particularly in fixed costs. In addition, we are reviewing employee work styles and plan to increase employee productivity significantly. By engaging diligently and quickly in these areas, we will introduce bold reforms that place ANA back on a growth trajectory in the post-COVID-19 era.

During fiscal 2019, we conducted a comprehensive review of safety, quality and services that form the solid foundation of our business. At the same time, we executed up-front investments in human resources and our fleet to take advantage of the international slot expansion at Haneda Airport. While results were firm through the third quarter, the impact of COVID-19 in the fourth quarter resulted in Air Transportation Business operating revenues amounting to ¥1,737.7 billion, a decrease of 4.2% year on year. Operating income amounted to ¥49.5 billion, a decrease of 69.1%.

In fiscal 2020, we will maintain flexibility in controlling capacity during periods of weak demand. We will also work to maximize revenues during periods of recovery.

International Passenger Business

Phased recovery of ASK while assessing the status of global travel and immigration restrictions

Fiscal 2019 in Review

In May, we began introducing the Airbus A380 FLYING HONU on our Narita–Honolulu route as part of our Hawaii Strategy. We also introduced Narita–Perth service in September, Narita–Chennai service in October, and Narita–Vladivostok service in March 2020.

For the first time in 10 years, ANA unveiled new seats for First Class and Business Class on Boeing 777-300ER aircraft. We introduced the upgraded aircraft on the Haneda–London route in August, the Haneda–New York and Narita–New York routes in November, and the Haneda–Frankfurt route in February 2020. We introduced our first private wide-seat with a closable door, called *THE Room*, in Business Class. These new seats offer the world's first personal 4K-compatible monitor and other amenities, achieving the highest levels of passenger comfort.

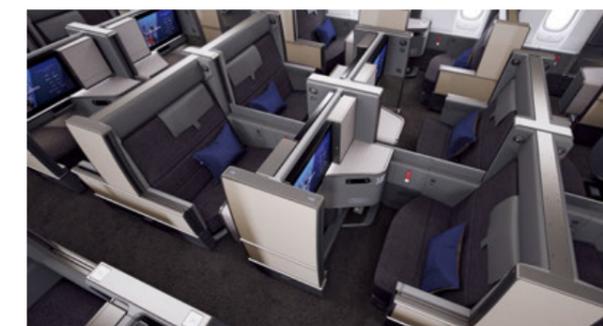
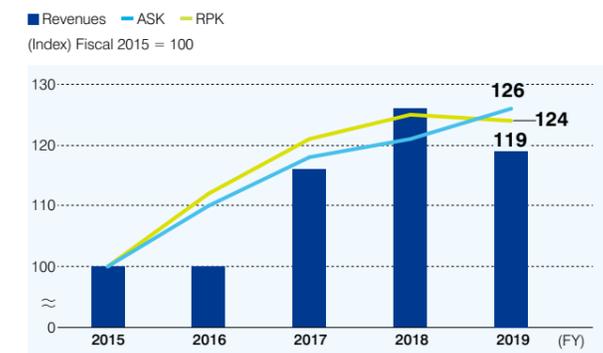
Meanwhile, the decline in demand due to COVID-19 on Chinese routes became apparent at the end of January. Slowing demand spread subsequently to routes in Asia, North America, Europe, and Hawaii. In response, we began adjusting supply and demand in February, and by the end of March, we canceled or reduced a total of 2,814 flights across 71 routes.

As a result, international route passengers amounted to 9.41 million, a decrease of 6.7% year on year. Operating revenues were 5.8% lower at ¥613.9 billion.

Fiscal 2020 Business Policies

As long as travel and immigration restrictions continue in place around the world, we will continue to reduce the scale of our operations to the greatest extent possible. In the meantime, we will restore capacity in phases if Japan and other countries we service begin to ease restrictions.

Performance of the International Passenger Business



New Business Class Seat, *THE Room*

Air Transportation Business

Domestic Passenger Business

Increasing capacity as economic activity and movement of people resume, helping to revitalize the local economy while restoring profitability

Fiscal 2019 in Review

Passenger numbers through the third quarter were solid, mainly due to strong business demand and travel within Japan. We also captured the strong demand over the 10-day Golden Week holidays. We introduced discounted tickets available for purchase up to 355 days prior to boarding as one means to capture demand as early as possible. These and other measures, as well as our new fare structure adopted in the previous year, succeeded in generating sales.

In our route network, we increased the number of flights for Narita–Nagoya (Chubu) in May and Nagoya (Chubu)–Kumamoto in October. We also adjusted aircraft type flexibly and optimized the number of flight, optimized supply to demand through aircraft type and scheduling.

In November, we introduced new seats on Boeing 777-200 aircraft, offering improved comfort and functionality with power reclining in Premium Class. We also introduced seats equipped with touch panel personal monitors in Economy Class. At the Naha Airport, we altered the layout of the departure counter and implemented the ANA *Baggage Drop* automated baggage drop machine, making Naha the fourth airport in Japan to be so equipped. We also renovated the ANA LOUNGE. These and other efforts were made to further improve service quality.

However, the spread of COVID-19 in Japan prompted the central and local governments to ask citizens to refrain from unessential go-out or attendance at events. These policies resulted in a significant decline in passenger demand beginning at the end of February. While we endeavored to maintain our network as a public transportation provider, we began adjusting the number of flights in March. In total, 2,674 flights across 42 routes were suspended or reduced.

As a result, domestic passengers amounted to 42.91 million, a decrease of 3.2% year on year. Operating revenues were 2.4% lower, at ¥679.9 billion.

Fiscal 2020 Business Policies

We will continue to reduce operation-linked expenses by controlling the number of flights in operation as long as demand remains weak due to COVID-19. At the same time, we will resume capacity flexibly when we confirm increased demand as a result of increased economic activity and the resumption of travel. We plan to strengthen our ability to capture leisure travel demand by taking advantage of the Japanese government's *Go To campaign* and other measures to encourage tourism. We will leverage these measures to restore profitability and contribute to the revitalization of local economies.

Performance of the Domestic Passenger Business



New Premium Class Seats for the Boeing 777-200



Refurbished Naha Airport Departure Counter

Cargo and Mail Business

Maximize transport capacity to grow earnings in a tight cargo market

Fiscal 2019 in Review

Our International Cargo Business experienced weak demand for cargo originating both in Japan and overseas due to the global economic slowdown stemming from U.S.–China trade friction and other factors. In addition, we were forced to cancel a large number of flights beginning in February due to the impact of COVID-19. As a result, both transport volume and revenues underperformed year on year.

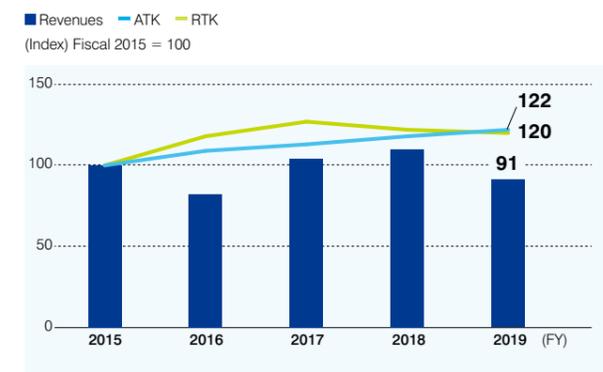
In our route network, we introduced the Boeing 777F wide-body cargo freighter for the Narita–Shanghai (Pudong) route (July) and Narita–Chicago route (October). In addition to new products such as oversize cargo and special cargo (e.g., semiconductor manufacturing equipment), we also captured transportation demand for emergency supplies and hygiene-related supplies, which surged in demand due to the spread of COVID-19.

As a result, international cargo volume for fiscal 2019 amounted to 866 thousand tons (down 5.2% year on year) and operating revenue amounted to ¥102.6 billion (down 17.9%).

Fiscal 2020 Business Policies

Global passenger flight cancellations and reductions have resulted in a shortage of capacity for international cargo transportation. To respond flexibly to the tight supply and demand in the market, we plan to operate extra flights and charters, mainly using freighters. In April, we became the first Japanese airline to begin transporting cargo in the passenger cabin on passenger aircraft. We will continue to pursue revenue growth, while maximizing our transport capacity.

Performance of the International Cargo Business



Boeing 777F Aircraft



Transporting Cargo in the Passenger Cabin

ANA Signed a Strategic Partnership Agreement with Singapore Airlines



On January 31, 2020, ANA signed a joint venture framework agreement with Singapore Airlines to strengthen our network and increase our presence in the Asia / Oceania region. While expanding existing code share flights, ANA is preparing to apply for Antitrust Immunity (ATI) under the Civil Aeronautics Act. Our goal is to start joint operations beginning with our 2021 winter schedule. After approval, this agreement will mark the third such arrangement after United Airlines (Asia–North, Central, and South America) and Lufthansa (Japan–Europe). These stronger alliances help us offer greater passenger convenience and strengthen our competitiveness in the Asia / Oceania region.

Air Transportation Business

LCC Business

LCC merger strengthens our business foundation and allows us to allocate management resources on domestic routes for the time being

Fiscal 2019 in Review

We moved forward with the transfer of aircraft and human resources in stages as we prepared for the Peach Aviation Limited and Vanilla Air Inc. merger. By the end of October, we completed the integration of operations. While we curtailed the use of resources temporarily due to aircraft conversions and flight crew transition training, we transferred 10 routes previously operated by Vanilla Air to Peach.

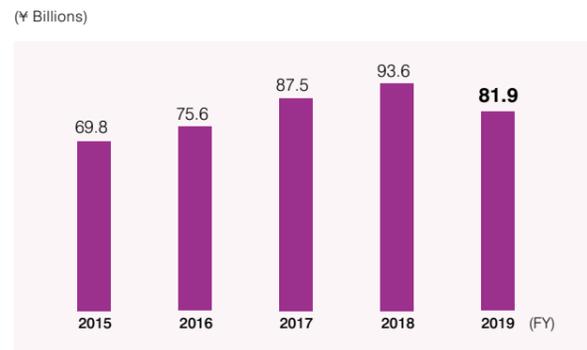
At the same time, geopolitical risks in Hong Kong and South Korea had a negative impact on performance, as did the spread of COVID-19 beginning in February. In response, we canceled or reduced 2,088 flights across 23 international and domestic routes.

As a result, passengers numbers amounted to 7.28 million, a decrease of 10.6% year on year. Operating revenues were 12.5% lower, at ¥81.9 billion.

Fiscal 2020 Business Policies

We introduced Narita–Kagoshima and Narita–Nagasaki service on our domestic routes at the end of March. In mid-June we resumed service for all routes, and in late July, we resumed service for all flights, strengthening our efforts to capture leisure travel demand. On August 1, we launched the Narita–Miyazaki and Narita–Kushiro routes, building on the strengths established by the Peach brand over the years and expanding routes offered from our LCC base in Narita, taking over from Vanilla Air.

LCC Business: Operating Revenues



* The above graph represents the combined total of Peach and Vanilla Air results (fiscal 2015–2016 includes Peach results before consolidation).



Takeaki Mori

Representative Director & CEO
Peach Aviation Limited

After serving many passengers in Japan and overseas, Vanilla Air ceased operations at the end of October 2019 and completed a merger with Peach Aviation. Many who transferred from Vanilla Air, including pilots, cabin attendants, maintenance crew, and other employees, are now serving as the mainstay of Peach operations.

This merger has combined the strengths of each company, including Peach's innovative initiatives out of the Kansai International Airport and Vanilla Air's creation of new Tokyo metropolitan area demand at the Narita Airport. The shared management resources provide economies of scale that have strengthened our business foundation.

In addition to the routes taken over from Vanilla Air, Peach introduced service between Narita and Kagoshima, Nagasaki, Miyazaki, and Kushiro, establishing a firm presence in the Tokyo metropolitan area.

At present, travel remains restricted significantly due to the impact of COVID-19. At the same time, acceleration of telework and other work-style reforms have led to more leisure time and even the potential for working from resorts or family homes in rural areas. Seeing these trends, we believe the importance of travel to meet others and enjoying the novelty of visiting new places will only continue to increase. The concept of travel has changed and will continue to expand in the future. By communicating the good qualities and new charms of Japan to the rest of the world, we believe we can develop even more demand in inbound tourist travel.

And Peach was one of the first to increase domestic route flights, with the theme of *Bridging Your Sky*. We will expand our domestic network to function fully in our role as a bridge, contributing to the revitalization of economies in Japan's outlying regions and of Japan as a whole. In addition, we expect the *tabinoco* website (user-generated travel content platform) to generate new demand, serving as a bridge connecting passengers with other passengers and Japan's rural areas.

Governments will begin lifting travel restrictions in phases in the near future. Over the medium to long term, we plan to once again expand our international business, taking advantage of our substantial domestic network to encourage inbound travelers to see even more of what Japan has to offer.

Peach will secure a position as the leading LCC in Asia, both in customer satisfaction and in market share.

Non-Air Business

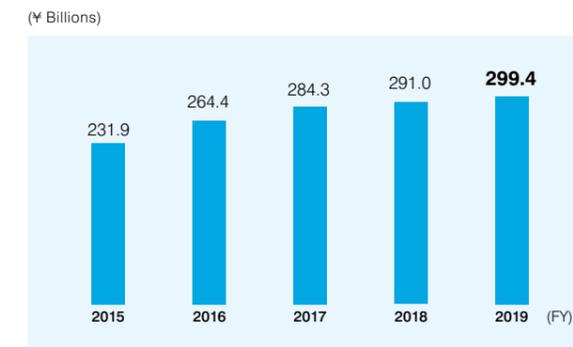
Strengthening efforts to establish a new revenue pillar to stand next to our Air Transportation Business

Airline Related

Fiscal 2019 operating revenues amounted to ¥299.4 billion (2.9% increase year on year) and operating income amounted to ¥18.1 billion (37.7% increase). This result was mainly due to increased ground handling services at Kansai and Chubu airports and the new consolidation of subsidiary MRO Japan Co., Ltd., an aircraft maintenance company launching full operations in Okinawa.

Fiscal 2020 contracts for ground handling services are likely to decrease due to fewer flights by overseas airlines owing to the impact of COVID-19. When global operations resume in the future, we will pursue initiatives to restore and strengthen profitability.

Airline Related Business: Operating Revenues

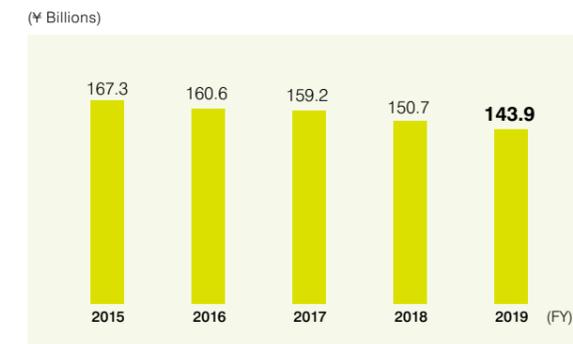


Travel Services

During fiscal 2019, sales of online products attracted strong demand for both domestic and international travel. In addition, we took an aggressive stance to capture demand for travel during the 10-day Golden Week holiday in Japan. The spread of COVID-19 beginning in late January impacted operating revenues and operating income, which amounted to ¥143.9 billion (4.5% decrease year on year) and ¥1.3 billion (129.9% increase), respectively.

In fiscal 2020, we plan to capture domestic travel demand, which is expected to recover early. We will also pursue efforts to strengthen our competitive posture, taking advantage of the *Go To campaign*, while expanding direct sales and leveraging our dynamic *Tabisaku* packaged product.

Travel Services: Operating Revenues



Trade and Retail

In fiscal 2019, while transaction volume for aircraft parts increased in our aerospace and electronics business, volume decreased for nuts and other food business products. Further, volume in our Retail business declined at our airport ANA DUTY FREE SHOP retail locations and ANA FESTA airport shops due to the impact of COVID-19. As a result, operating revenues amounted to ¥144.7 billion (3.9% decrease year on year) and operating income amounted to ¥2.9 billion (21.5% decrease).

During fiscal 2020, we will exercise selection and concentration to strengthen existing businesses, while also creating new businesses that contribute to greater revenue growth.

Trade and Retail: Operating Revenues



ANA Group Response to COVID-19

Creating a New Standard for Air Travel

The global spread of COVID-19 has led to the start of a new lifestyle standard in many aspects of our daily lives. In June 2020, ANA launched the *ANA Care Promise* as a shared commitment to our customers to protect the health of our passengers and staff, creating a carefully detailed environment emphasizing measures to prevent disease infection. Peach Aviation has also committed to creating a new standard in the skies through similar measures and the concerted efforts of all employees.

We will continue to place the highest priority on safety, providing clean, hygienic environments and services to offer even greater peace of mind to our customers in every travel situation.

Overview of Disease-Prevention Measures

1 Create a hygienic and clean environment at all times

- Disinfect and sterilize equipment, etc.
- Package food and drinks in the lounge, etc.



2 Implement preventive measures for staff who interact with customers

- Wear masks, face shields, etc. (airport and lounge staff)
- Wear masks, gloves, and goggles, etc. (cabin attendants)



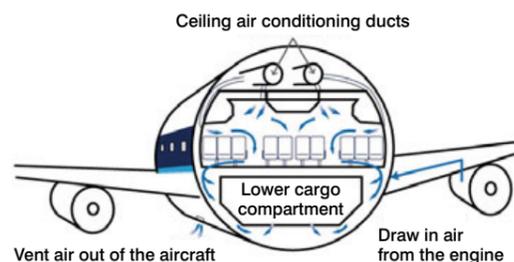
3 Disinfect all aircraft on a regular basis

- International route aircraft (every flight)
- Domestic route aircraft (every night)



4 Thorough ventilation inside the aircraft

- Ventilate all air in the cabin in three minutes by drawing in clean outside air
- Equip all aircraft with high-performance filters* to filter and circulate air inside the cabin



* Type used in hospital operating room air conditioners

We are asking passengers to cooperate with initiatives to prevent the spread of disease; thereby reducing anxiety among all passengers. These measures include mandatory wearing of masks or facial coverings in the airport and inside the aircraft, modified procedures within the airport, at security checkpoints, at the boarding gate, social distancing, and other measures.

* Passengers who do not wear masks or who are not feeling well (fever, etc.) may be denied boarding.

▼ For more detailed information:

About the *ANA Care Promise*
<https://www.ana.co.jp/en/jp/topics/coronavirus-travel-information/>

About Peach Disease-Prevention Measures
https://www.flypeach.com/information/en/infection_control/



Special Feature

Establishing avatarin

avatar-in is a futuristic platform that allows anyone to connect beyond geographical distances or physical restrictions. By launching a new venture for this platform, we will accelerate business speed and contribute to the society of the future in next-generation social infrastructure.

In April 2020, ANA Holdings established avatarin Inc. as our first-ever start-up. An avatar is a remote-controlled alter ego robot that enables interactive telepresence. ANA Holdings launched the ANA AVATAR project in 2018, developing robots and researching mobility that does not require physical movement. We see great potential yet to be unlocked in use cases for these avatars. For instance, avatars can contribute to resolving a myriad of social issues in areas like education and healthcare, as well as generate new travel demand. To achieve *the wings within ourselves to fulfill the hopes and dreams of an interconnected world* as defined in our Mission Statement, avatarin Inc. will address business domains beyond the airline framework, creating new value unique to the ANA Group.

MISSION

To expand humanity's potential by offering new abilities through avatars.

Major Businesses

- Develop and offer services using avatar remote-controlled alter ego robots and the *avatar-in* platform
- Offer proposals to resolve social issues through avatars

newme, a wider general-use avatar model



avatar-in, avatar platform

Creating a future society in which anyone can participate, freely connecting via the internet to avatars placed in many different locations



Avatar Use Cases



Participate in office meetings from home



Shop while receiving store staff advice



View popular new releases at the bookstore



Participate in online graduation ceremonies



Students living on a remote island visit the Tokyo National Museum remotely



Well-known basketball coach provides direct instruction remotely



Playing with children living far away



Remote hospital visits



Akira Fukabori
Founder & CEO,
avatarin Inc.

Our mission is to expand humanity's potential by offering new abilities through avatars. We believe that it is our mission to harness technology that eliminates distance, time, and physical constraints on movement, providing a new method of travel that transcends aircraft or other existing methods.

Currently, avatarin Inc. uses the remote-controlled alter ego robot avatar and the world's first avatar platform *avatar-in* to

create an environment in which anyone can freely and instantly project their presence to any location. Our aim is to make a world in which all people can easily participate in society. *newme* is a wider general-use avatar designed for maximum market penetration, installed in locations that include medical facilities, tourism sites, and schools. By transferring consciousness and presence to *newme*, users can travel beyond geographical and physical limitations. For example, hospital patients can enjoy shopping and sightseeing, teachers can conduct classes at schools on remote islands, etc.

Today, the impact of COVID-19 has caused rapid growth in social needs for contactless and remote technologies. The spread of online work and teleconferencing has resulted in issues including fewer opportunities for small talk and

serendipity (chance events and experiences), more difficulty in team building, and greater challenges in developing new ideas. With avatars, users can move around the office, conference halls, and other locations freely from their own home. This system creates a realistic environment in which users can visit and talk to someone without constraints, take a casual stroll, have chance encounters, glean hints of potential ideas from accidental meetings or discoveries, and so on.

By advancing the greater fusion of real and virtual, avatars offer *new abilities* for all people. We are firm in our belief that we can contribute to resolving various social issues by connecting people without concern to distance, time, and physical restrictions, as well as by proposing new, mutually supportive lifestyles. To promote the spread of avatars and

gain acceptance for the avatar platform as social infrastructure, we will proceed in the joint development of robots and services via collaboration and equity partnerships with a wide range of companies.

Air travel passengers make up only 6% of the world's population. We are transitioning from the era of physical travel to an era of teleported consciousness. The ANA Group, which began with only two helicopters, will supplement the movement of aircraft and offer instant mobility in the form of avatars. As we leverage ideas unique to us as an airline group, we will continue to evolve avatarin Inc. and contribute to the creation of the society of the future.