



Business Strategy

The environment surrounding the ANA Group is going through major changes due to COVID-19. We are continuing with *Business Structure Reform* steadily to return to growth and become a resilient corporate group capable of withstanding future pandemics.

THE WEDDING with ANA: In-Flight Wedding

THE WEDDING with ANA is an ANA Group original wedding package in a time when overseas weddings are difficult to perform.

We helped create once-in-a-lifetime memories at airports and inside our aircraft cabin space, the closest most can come to overseas travel at this time.

▶ P.76 The Power of People in the ANA Group

Business Environment Surrounding the ANA Group

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

Although passenger demand declined significantly on a temporary basis, we expect to see a gradual recovery to pre-COVID-19 levels over the medium term as vaccines become more widely available and the pace of globalization continues to progress.

Passenger segments will be affected, as we expect to see a contraction in the ratio of high-unit-price demand, mainly business travel, and an increase in the ratio of relatively low-unit-price demand, including leisure and VFR*. At the same time, passenger and customer needs for hygiene, non-contact services, and simplification are rising.

The group believes it necessary to adjust our resources, mainly aircraft and human resources, and to transform our service and business models to respond to these changes in air travel demand.

If we are to respond to the risk of a significant and prolonged slowdown in air travel demand, we must transition to a resilient business structure, revising our cost structure, which consists of a high ratio of fixed costs, and the current group profit structure, which relies heavily on the Air Transportation Business.

In this section, we will provide an overview of our *Business Structure Reform*, which we created at the end of October 2020, and our plan for fiscal 2021.

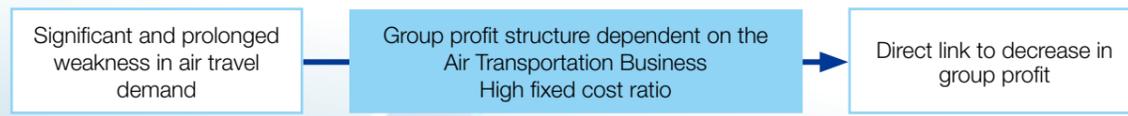
* VFR: Visiting Friends and Relatives

1 The COVID-19 Pandemic Has Caused Changes in Society and the Attitudes and Behaviors of People (Impact on Airline Demand)

	Short term (With-COVID-19)	Medium term (Post-COVID-19)
Number of passengers (quantitative change)	Decrease in passenger demand	Recovery to pre-COVID-19 levels
Passenger segments (qualitative change)	Recovery driven by leisure and VFR demand Decrease in business travel demand	Structural change in the composition of our customer base Leisure and VFR → Increase Business travel → Decrease

ANA Group Response **Must Change Service and Business Models for the New Normal**

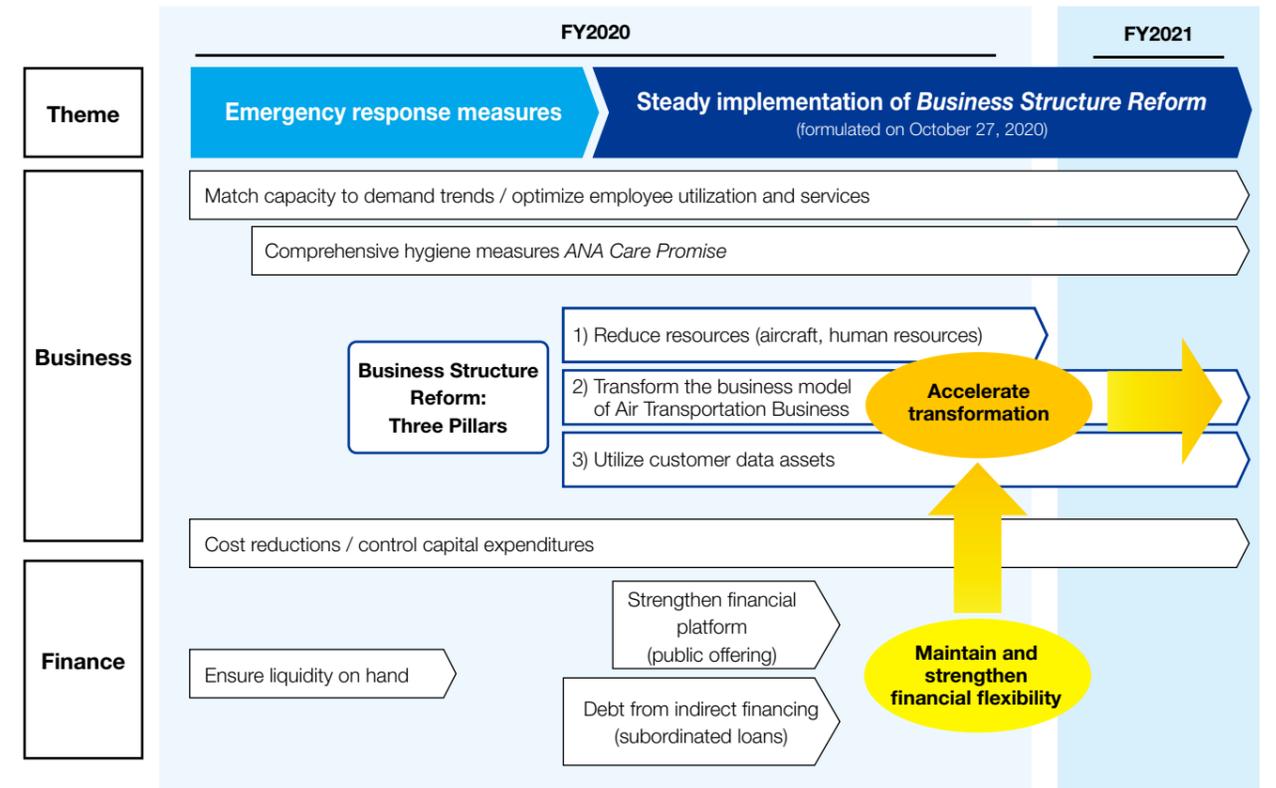
2 Significant and Prolonged Slowdown in Air Travel Demand Due to Travel Restrictions



ANA Group Response **Must Transform into a Resilient Business Structure Capable of Withstanding Future Pandemics**

Initiatives to Overcome the COVID-19 Pandemic

Throughout fiscal 2020, the group worked swiftly and smartly on a variety of initiatives to overcome the COVID-19 pandemic in terms of our business and our financial performance.



Business Structure Reform: 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 our 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

During the first half of fiscal 2020, we focused on emergency response measures in our businesses, matching capacity to demand trends, optimizing personnel assignments and services, etc. Also, we introduced comprehensive hygiene measures under the banner of the *ANA Care Promise*.

In terms of finances, we engaged in cost reduction measures, curbed capital expenditures, and, quite early on, secured enough liquidity on hand for the time being.

During the second half of fiscal 2020, we formulated our

Business Structure Reform at the end of October, pursuing initiatives focused on three pillars for the group to survive and return to growth, even should the COVID-19 pandemic continue for an extended period of time.

In addition, we accelerated our transformation by maintaining and strengthening financial flexibility through indirect financing and a public offering, looking forward to the post-COVID-19 era.



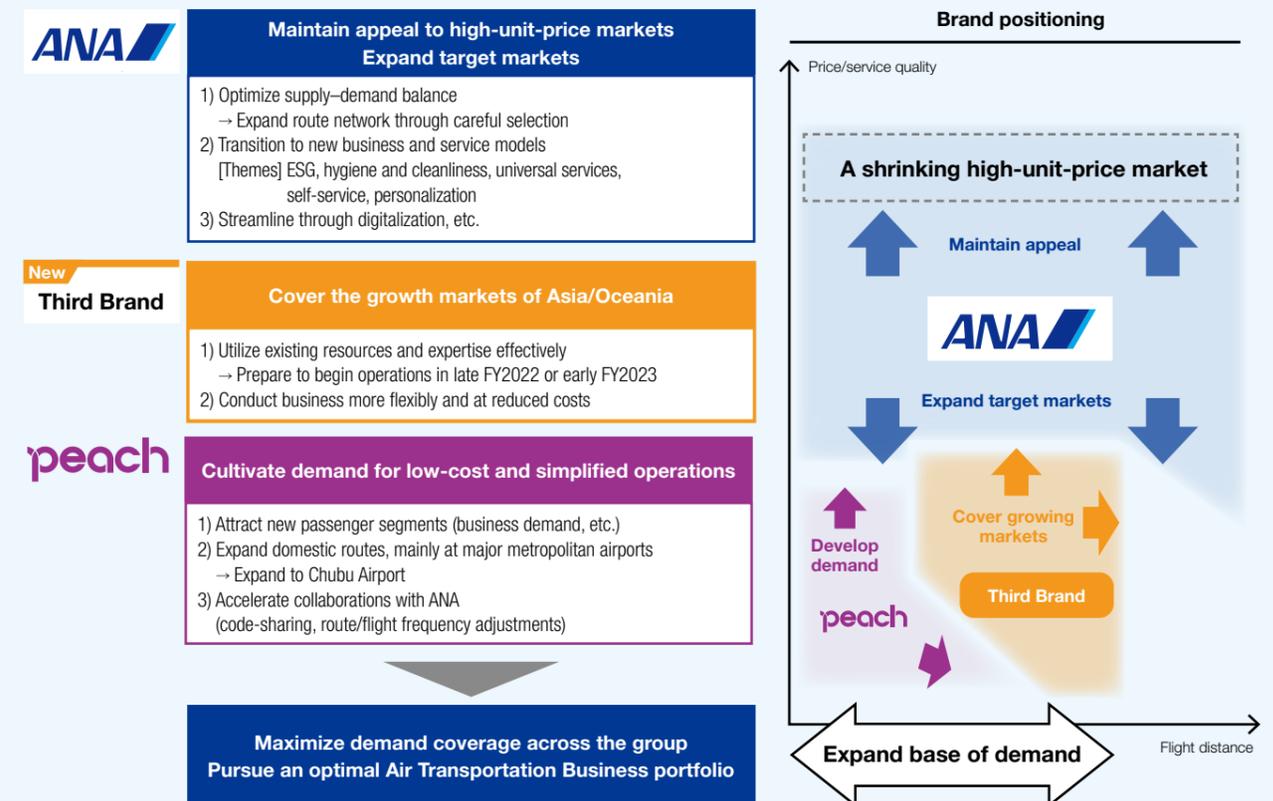
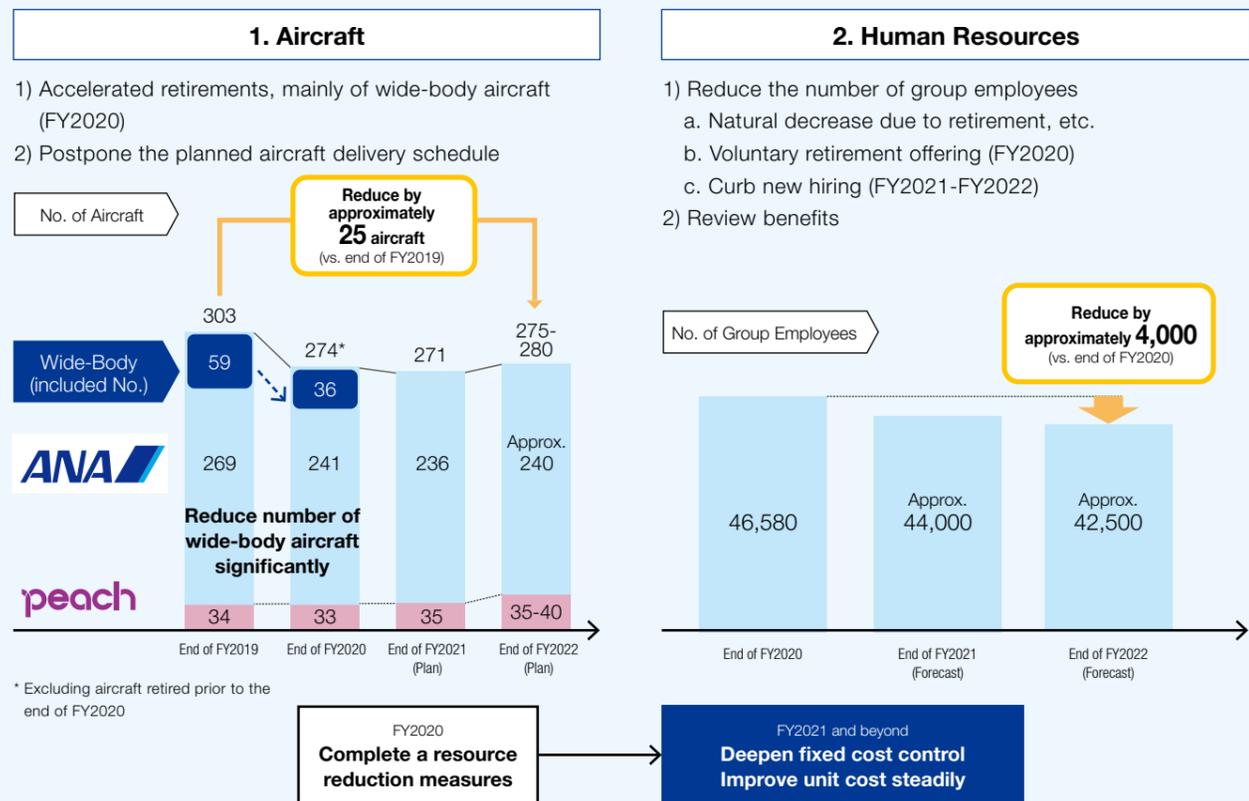
Progress in Business Structural Reform

Theme 1
Short term

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

Theme 2
Short and Medium term

Transform the business model of our Air Transportation Business for sustainable growth under the new normal of the post-COVID-19 era



We accelerated aircraft retirements, mainly of wide-body aircraft, during fiscal 2020, reducing the total number to 274 in the group as of the end of fiscal year (operating basis). We have already made arrangements with manufacturers to postpone the delivery of aircraft. Even with these measures, we intend to respond in a flexible manner according to demand trends. In terms of human resources, we plan to conduct a reduction in force by approximately 4,000 employees groupwide

over the next two years. We will accomplish this by restricting new hiring and other measures to reduce the scale of our business temporarily. While we protect the jobs of our group employees, we will also reduce personnel expenses by revising compensation packages. Having taken these measures throughout fiscal 2020, we completed resource reduction measures. We will deepen cost control mainly in fixed costs and improve unit cost steadily.

The ANA brand will maintain its appeal to the higher-priced market, while capturing a wider range of non-business passenger segments, which we expect to grow in the future. At the same time, we will shift to new business and service models to adapt to the new normal, pursuing labor savings and streamlining through the use of digital technologies. The newly established third brand will tap into growth markets such as Asia and Oceania, targeting demand for inbound flights to Japan. Air Japan Co., Ltd. will serve as the umbrella entity under which we prepare and allocate existing resources and expertise, aiming to commence operations in the second half of fiscal 2022 or the first half of fiscal 2023. This brand will focus on mid-range international flights by reducing costs and offering reasonable fares.

Peach will target domestic and neighboring Asian markets to cultivate demand for low-cost and simplified operations. In addition to capturing new passenger segments (e.g., business demand), Peach will expand domestic routes, mainly to major metropolitan airports. We will also accelerate collaborations between our full service carrier and LCCs, which include the launch of code-sharing with ANA beginning August 2021. As each company engages in transformation, we will pursue an optimal Air Transportation Business portfolio by maximizing group coverage of demand. We accomplish this through the optimal positioning of each brand and stronger marketing collaborations.

Progress in Business Structural Reform

Theme 3
Medium term

Establish a platform business that utilizes customer data assets to create new revenue opportunities

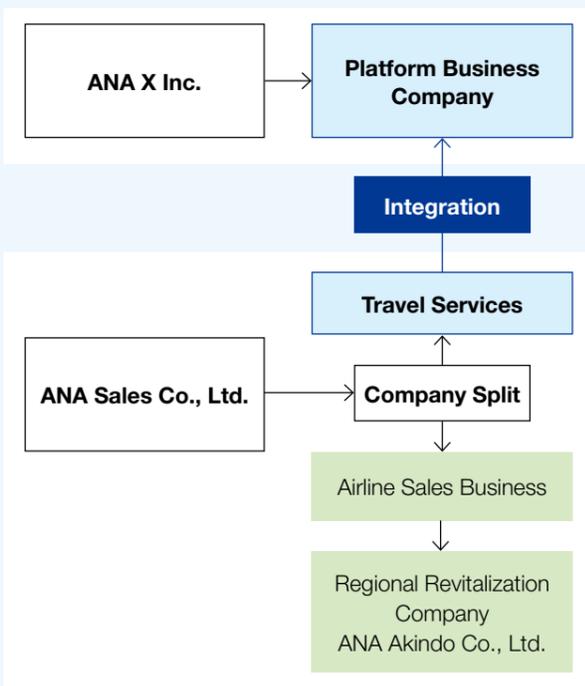
▶ P.38 Special Feature: Establishing a New Platform Business

1. Purpose Create new revenue opportunities by utilizing customer data accumulated so far

- (1) Provide value beyond the airline business
- (2) Maximize customer lifetime value



2. Action April 2021 reorganization of group companies



In April 2021, we integrated the Travel Service of ANA Sales Co., Ltd., launching ANA X Inc. as a platform business company. Utilizing customer data accumulated by the group and digital touch points such as the ANA Mileage Club app, we intend to establish a platform business built around the Air Transportation Business, Travel Services, and ANA Credit Card business, which processes more than ¥4 trillion in transactions yearly.

In addition to digitizing the Travel Services and guiding customers to our new platform, we intend to streamline the air ticket and travel sales operations of our airline sales business. Meanwhile, the newly established ANA Akindo Co., Ltd. will

develop a regional revitalization business by discovering attractive regional products, both tangible and intangible, developing these products for use on the platform.

Over the medium term, we plan to expand our lineup of offerings through credit card and mileage businesses, e-commerce, real estate, and other services, as well as through B-to-B alliances with other companies.

In this way, we will provide value that goes beyond the airline business and pursue maximum customer lifetime value, expanding non-airline revenues and contributing to earnings as an independent business.

Passenger Demand Forecast

We have made the following assumptions in our forecast of future passenger demand.

When we began formulating our fiscal 2021 plan, we assumed demand for domestic routes would recover beginning in the second quarter of fiscal 2021.

Our assumption was based on the belief that we would see a gradual recovery in demand for travel and ancestral home trips that would become more pronounced as vaccinations progress.

Based on our plan assumptions, we expect to see an average fiscal 2021 demand recover to 80% of the pre-COVID-19 levels, returning generally to pre-COVID-19 levels at the end of the fiscal year.

On the other hand, we expect passenger demand for international routes to recovery in stages, driven mainly by business travel and traffic associated with expatriates, long-term stays as the major countries of the world begin to relax immigration

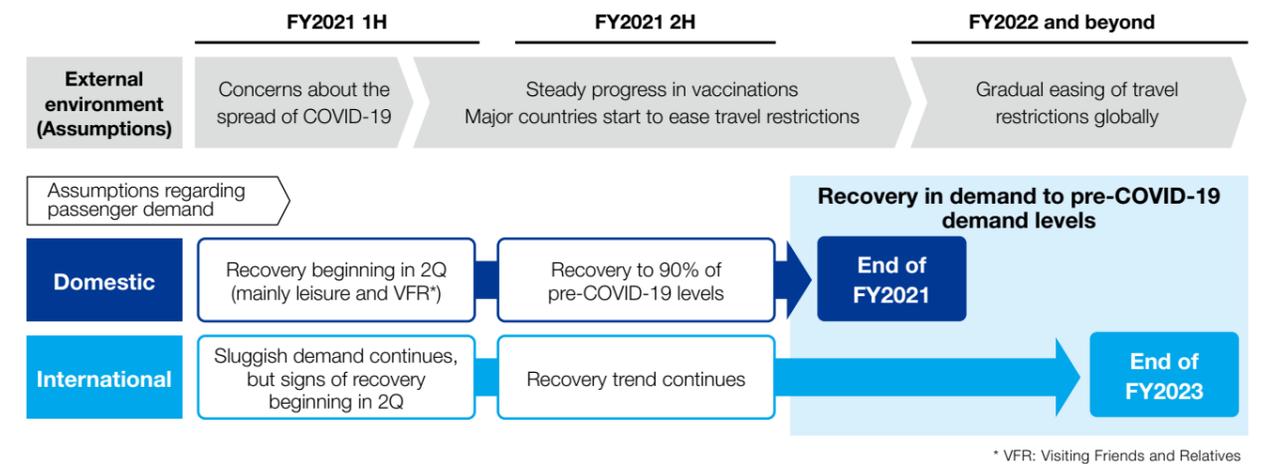
restrictions some time by the end of the year.

We assume that average demand for fiscal 2021 will be 30% of pre-COVID-19 levels, with year-end demand at 50%, and a recovery to pre-COVID-19 levels at the end of fiscal 2023.

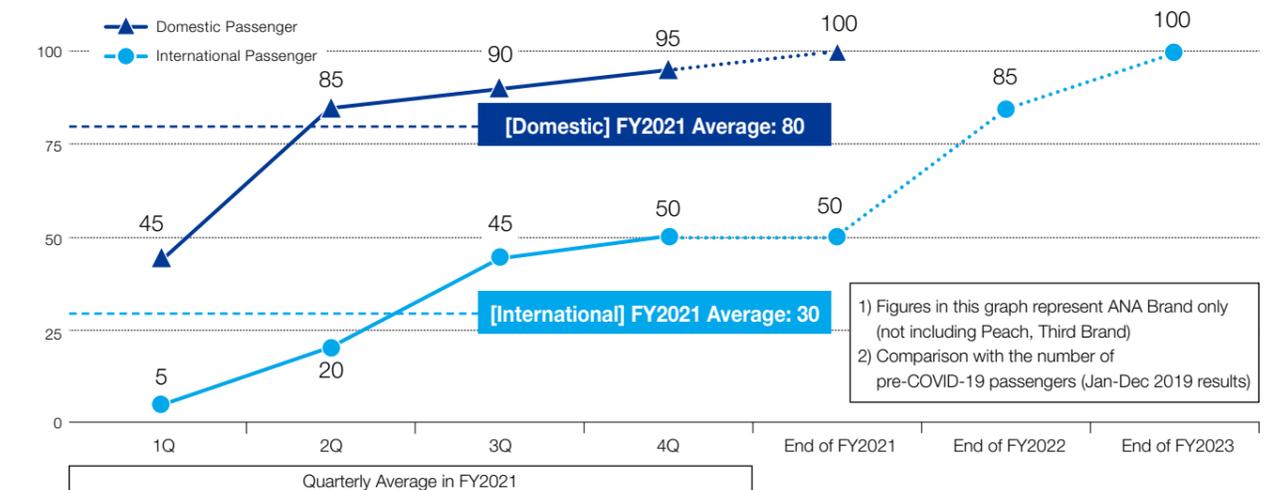
Domestic passenger results were short of our initial plan for the first quarter due to the impact of state of emergency declarations between April 25 and June 20. However, we kept bottom-line impact to a minimum by adjusting capacity to curb variable costs and by experiencing higher revenues in the solid-performing cargo business.

Going forward, we will continue to monitor demand trends and implement necessary measures on a flexible and timely basis, including adjusting aircraft and human resources.

FY2021 Plan Assumptions (Announced on April 30, 2021)



[Index] Demand level before COVID-19 (CY2019 results) = 100



Cost Management

Responding immediately after experiencing the impact of the outbreak of COVID-19, we have implemented cost management initiatives on a consistent and comprehensive basis.

During fiscal 2020, we reduced costs by ¥590.0 billion in total compared with fiscal 2019.

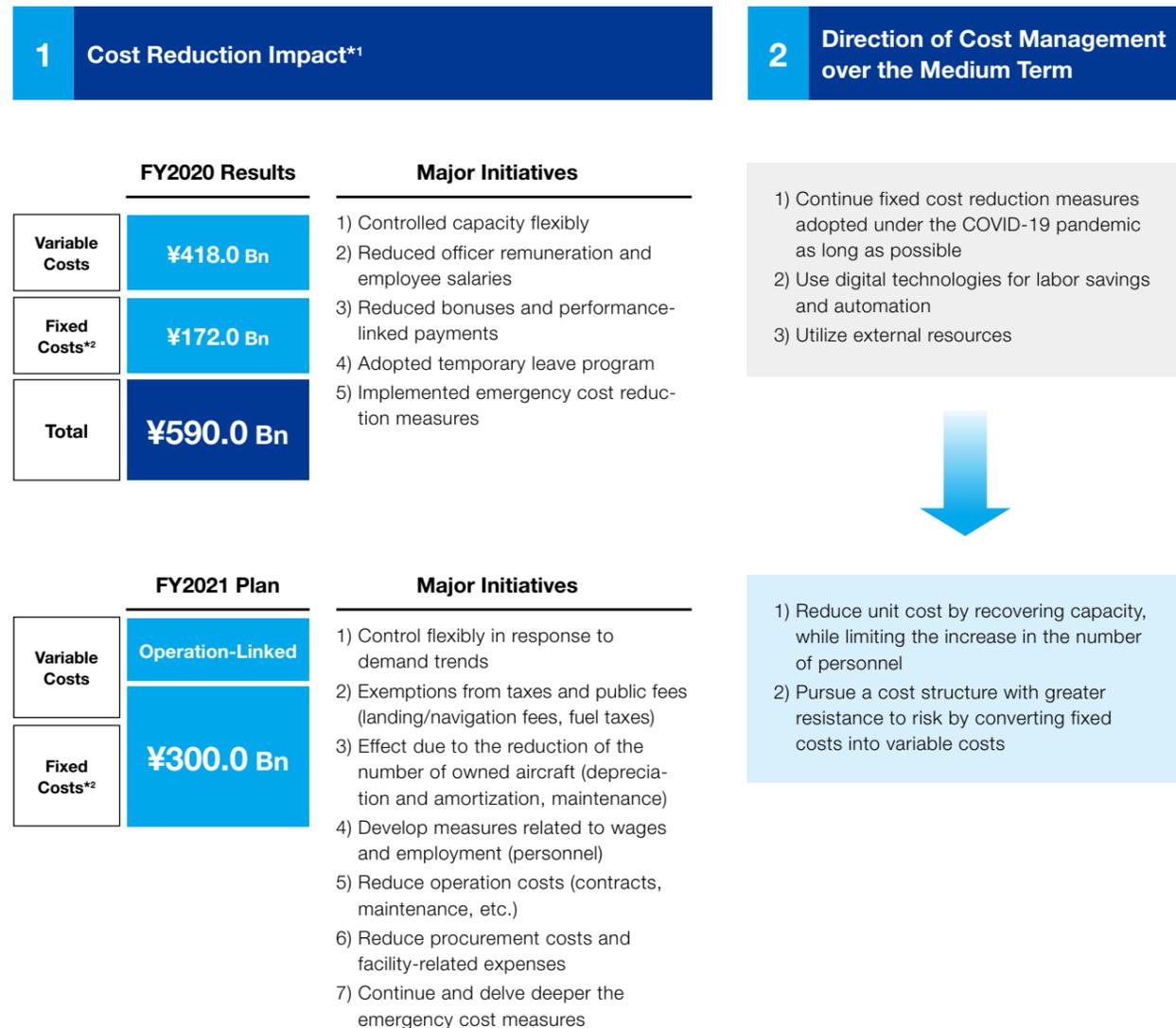
First, we curbed variable costs drastically by adjusting capacity to match passenger demand. In terms of fixed costs, we reviewed salaries and bonuses based on an agreement with the labor union. We looked at every expense to make emergency reductions.

For fiscal 2021, we have incorporated measures into our plan to reduce fixed costs and other expenses by ¥300 billion.

In addition to reductions and exemptions in taxes and public dues and reducing the number of aircraft in our fleet, we are engaging in more extensive measures related to wages

and employment, operating cost reductions, and reforms in procurement costs, among other initiatives. First quarter results outperformed our plan, and we intend to continue with consistent and comprehensive cost management, including the control of variable costs linked to capacity.

Over the medium term, our policy will be to recover capacity as we control the increase in personnel through improved productivity and efficiency to reduce unit cost. Here, we plan to leverage digital technologies for labor savings and automation, among other measures. We will also pursue cost structure with greater resistance to risk by converting fixed costs into variable costs through the use of external resources.



*1 All figures compared to FY2019 results
*2 Includes Employment Adjustment Subsidy

Present Measures Anticipating a Return to Growth

We are aiming to return to growth in the post-COVID-19 era, while we seek to achieve medium- to long-term environmental goals through decarbonization initiatives.

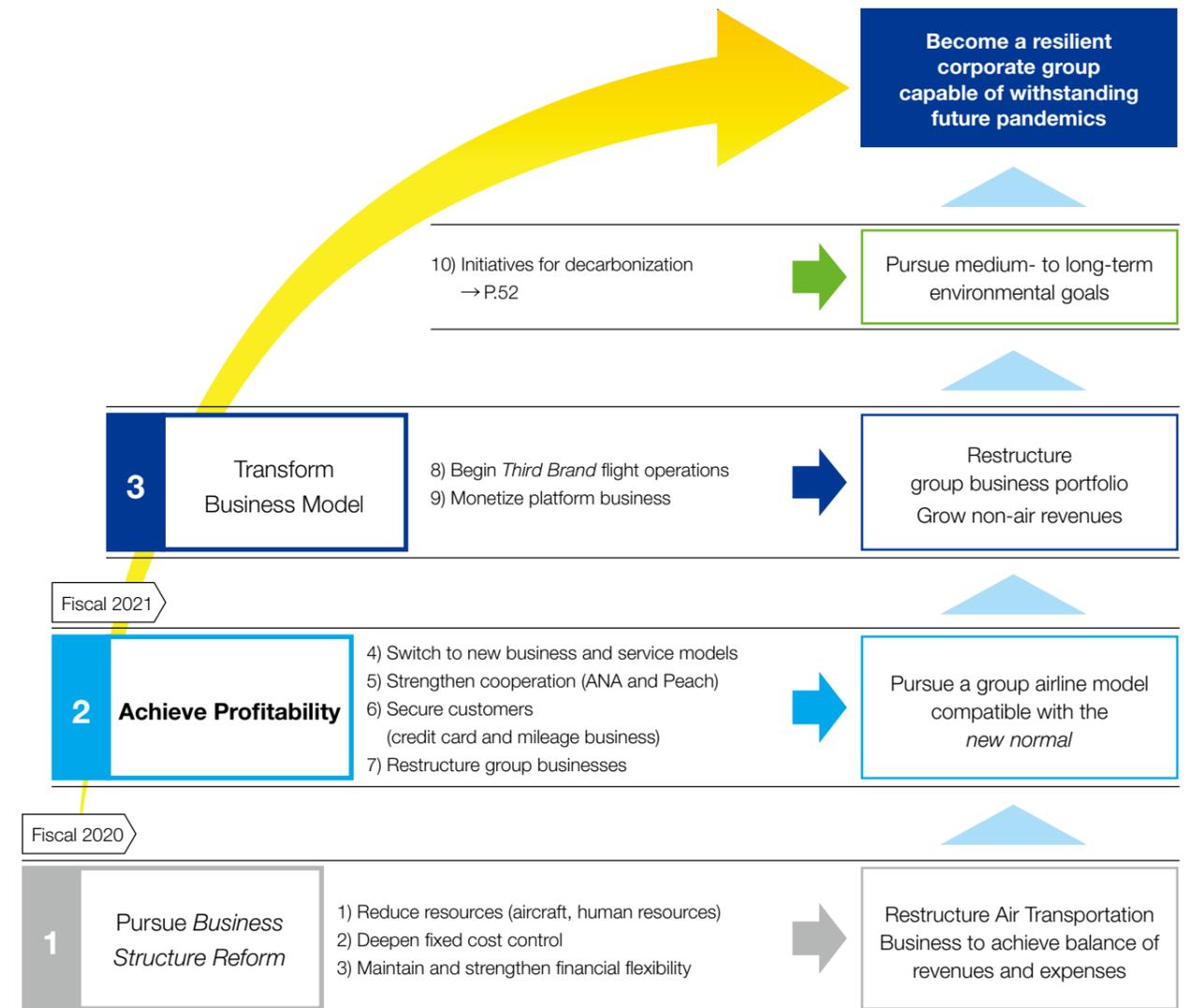
In fiscal 2020, we sought to restructure the Air Transportation Business through *Business Structure Reform*. While economic conditions changed dramatically, we implemented measures in business and finance.

In fiscal 2021, we plan to stabilize our business by achieving profitability. Our first order of business is to shift to a group airline model that is compatible with the new normal, improving the profitability of our mainstay Air Transportation Business.

At the same time, we look ahead to the next fiscal year and

beyond as we engage in transforming our business model, restructuring the group business portfolio, and expanding non-air revenues.

We will also strive to reform our cost structure through fixed cost reductions and by converting fixed costs to variable costs, engaging in these and other measures to transform ourselves into a resilient corporate group capable of withstanding future pandemics.





We will overcome the COVID-19 crisis and build a foundation for sustainable growth.

HIRAKO Yuji

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

Our dual missions for fiscal 2021 are to pursue every revenue opportunity and to redesign our investment and cost structures to establish a foundation for renewed growth. Based on these missions, we will respond appropriately to the ongoing COVID-19 crisis and transform our business structure for the post-COVID-19 era.

We expect passenger demand to recover gradually as vaccinations progress in Japan and overseas. We also intend to adjust capacity in a flexible and agile manner and maximize overall revenue, including cargo revenue, for which demand remains strong. At the same time, we will strive to reduce fixed costs further through measures that include reviewing our operational systems and reforming procurement costs. In addition, we will accelerate productivity improvements through operational efficiencies based on the adoption of digital technologies to reduce our workforce and save labor, as well as to accomplish work-style reform.

We intend to review and adapt our services to the changing needs of our customers caused by COVID-19. The *ANA Care Promise* is the foundation of our hygiene and cleanliness initiatives to ensure confident air travel. In light of this digital age, we will also pursue more opportunities for customer self-service and personalization. Our commitment is to evolve into an airline that places greater emphasis on the environment and universal services toward creating sustainable societies.

Since assuming the position of president in fiscal 2017, my focus has been on strengthening our frontline capabilities, and with the ongoing impact of COVID-19, we have been increasing opportunities for dialogue between management and employees more than ever. Ideas such as charter flights on the Airbus A380 *ANA FLYING HONU* and *ANA's Restaurant HANEDA* using international aircraft as a dining experience were born from these dialogues. And we will continue to build a foundation for sustainable growth by increasing our capacity for unified action through ongoing dialogues with our employees who support the front lines.

We marked record-high revenues in international cargo during fiscal 2020, despite the significant impact of COVID-19 on passenger demand. As a result, Air Transportation Business operating revenues amounted to ¥604.0 billion, a decrease of 65.2% year on year, while operating loss amounted to ¥447.8 billion, compared with operating income of ¥49.5 billion in the previous fiscal year. During fiscal 2021, we intend to capture the recovery in demand while adjusting capacity flexibly to maximize revenue.

ANA International Passenger Business

Resuming flights in stages while monitoring the latest conditions related to entry restrictions and cargo demand around the world

Fiscal 2020 in Review

We suspended or reduced flights on a large scale in response to slow demand caused by entry restrictions, as countries around the world fought the spread of COVID-19.

We exercised selectivity in choosing routes to continue and operated temporary flights based on our assessments of travel restrictions and demand trends throughout our route network. In December, we became the first Japanese airline to introduce a Narita–Shenzhen route. We also began service between Haneda–San Francisco. These new routes reflect our expectations for certain demand, mainly in cargo transportation.

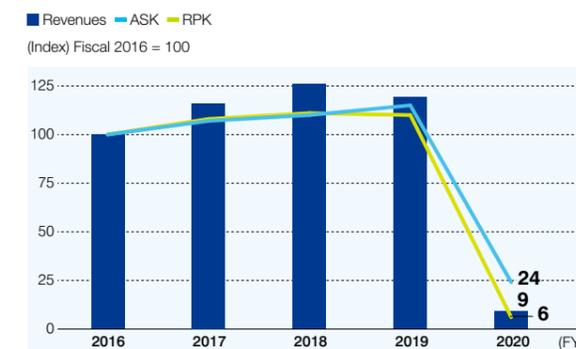
In terms of sales and services, we endeavored to capture demand related to overseas assignments, citizens returning home, study abroad, etc. In January, we launched a new *Safe Homecoming Service* website to help passengers arrange for hotels and transportation under the activity restrictions imposed upon their return to Japan.

As a result, international route passengers amounted to 0.42 million, a decrease of 95.5% year on year. Operating revenues were 92.7% lower at ¥44.7 billion.

Fiscal 2021 Business Policies

While entry restrictions will continue in various countries, we intend to control variable costs by contracting the scale of our operations. However, we will introduce flights in a flexible manner based on an assessment of profitability, including cargo demand considerations. At the same time, we will monitor vaccination trends and number of infections in the countries we serve. As policies emerge to ease entry and general restrictions, we will restore capacity appropriately.

ANA International Passenger Business Results



Launch of Haneda–San Francisco Service

Digital Certificates Aid in Safe Travel



In March 2021, we began testing *Common Pass*, a technology promoted by the Commons Project. In May, we began tests of the *IATA Travel Pass*, developed by the International Air Transport Association (IATA). These digital certificates provide proof of COVID-19 test results and vaccinations. Showing the app screen to an immigration officer upon entry or exit allows for smooth, contactless processing, while the app also provides the latest information regarding entry requirements and quarantine standards. We believe the practical implementation of digital certificates will create systems that facilitate traveler confidence during cross-border travel.

ANA Domestic Passenger Business

Strengthening our revenue platform by resuming capacity in line with vaccinations and the resulting increase in travel

Fiscal 2020 in Review

After the lifting of the state of emergency declaration in May, demand began to recover, partly due to the effects of the *GoTo Travel Campaign*. However, demand took another downturn with the reemergence of infections in December, and we adjusted flight operations while keeping a close eye on developments.

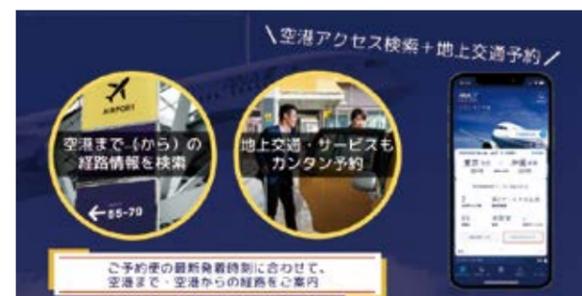
In terms of sales and services, we launched our *Free and Easy Changes Campaign*, which allowed changes in dates and destinations with no extra fees. We also launched our original navigation service named *Airport Access Navi* that supports Mobility as a Service (MaaS). This service provides information to customers regarding rail, buses, taxis, etc., linked to flight operation information. In addition, customers can make reservations and pay for tickets in a single step. Through these services and by other means, we took measures to ensure seamless travel for passengers from start to finish.

As a result, domestic route passengers amounted to 12.66 million, a decrease of 70.5% year on year. Operating revenues were 70.1% lower at ¥203.1 billion.

Fiscal 2021 Business Policies

Vaccinations in Japan began in February 2021. With the increase in vaccination rates, demand has entered a recovery phase, mainly in leisure travel. While the situation is subject to rapidly changing trends, we intend to recover profitability as quickly as possible by adjusting capacity in a flexible manner (e.g., resuming flights when appropriate) and by capturing demand proactively. In addition, we will contribute to the revitalization of local economies.

ANA Domestic Passenger Business Results



Airport Access Navi

Automated Flapper Gates at Domestic Security at Haneda Airport



In May 2021, we introduced automated gates with flappers at certain domestic security checkpoints at Haneda Airport. By automating the formerly manual boarding pass verification process, we are striving to meet customer needs for non-contact, non-face-to-face interactions and greater staff work efficiency. We developed this system at low cost and with quick turnaround (about six months) by combining image analysis technology and flapper gates, without modifying the existing host system. As behavior changes dramatically in the wake of COVID-19, we are making a strong push toward digital transformation, responding to customer needs in a prompt and appropriate manner.

ANA Cargo and Mail Business

Maximizing profits by increasing transport capacity, while monitoring the balance between supply and demand

Fiscal 2020 in Review

The emergence of COVID-19 caused suspensions and reductions in flights, as well as reduced cargo loading space on a global basis. Our International Cargo Business saw increase in demand for emergency supplies (masks, pharmaceuticals, etc.) during the first quarter of the fiscal year in response to the spread of infection. In August, we began to see a recovery in demand for automobile-related components, semiconductors, electronic devices, another mainstay commercial products. In the international cargo market, we saw a tightening in the balance of supply and demand in the second half of the fiscal year in particular, driven by congestion in ocean cargo transport. In response, we maximized the use of cargo freighters, capturing demand by increasing the number of extra cargo flights significantly using passenger aircraft.

In terms of our route network, we expanded our freighter network by introducing the Boeing 777F wide-body cargo aircraft on the Narita–Frankfurt route in October and the Narita–Bangkok route in December. In addition, we consolidated freighter flights to Narita Airport to increase our fleet efficiency, while at the same time we captured a wide range of demand between Asia, China, Europe, and the United States through Narita Airport.

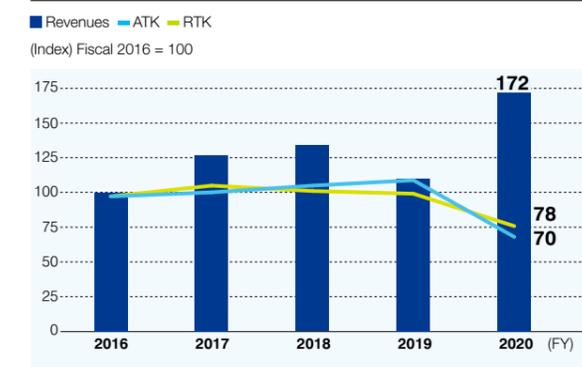
As a result, international cargo volume for fiscal 2020 amounted to 655,000 tons (down 24.4% year on year), while operating revenues amounted to a record-high ¥160.5 billion (up 56.3%).

Fiscal 2021 Business Policies

Amid an ongoing shortage of space for international cargo due to the suspensions and reductions of passenger flights, we have been expanding our freighter network. We introduced the Boeing 777F on our Narita–Los Angeles route in April. In June and July, we introduced the Boeing 767F on our Narita–Hangzhou and Narita–Beijing routes, respectively. We also aim to expand revenues further by operating extra cargo flights using passenger aircraft as appropriate in light of demand trends.

Since February 2021, the ANA Group has been responsible for the transport of COVID-19 vaccines manufactured by Pfizer. We transport these vaccines under the strictest of temperature controls to contribute to a society in which people can live with peace of mind through the wider adoption of vaccines.

ANA International Cargo Business Results



Boeing 777F Aircraft



Transporting Vaccines via Passenger Aircraft

LCC Business (Peach Aviation)

Capturing the recovering demand for leisure and VFR* through expanded domestic routes

Fiscal 2020 in Review

Peach began resuming flights in line with the recovery in passenger demand following the lifting of the state of emergency declaration in May. Peach opened 10 new domestic routes, including the Narita–Kushiro and Narita–Miyazaki routes in August, and the Nagoya (Chubu–Sapporo (New Chitose) and Nagoya (Chubu)–Sendai routes in December. When demand declined due to the spread of infections, Peach adjusted capacity by responding flexibly and suspending operations and reducing flights as needed.

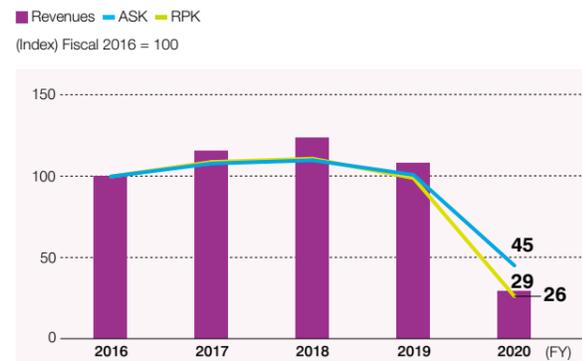
In terms of sales and service, Peach implemented a service allowing customers to book flight tickets and apply for a COVID-19 test at the same time on some domestic routes, leading to greater confidence. In February, Peach began selling the Simple Peach Plus Fare, which allows customers to change flights and dates. In this way, we are providing passengers with more flexible travel options reflecting weather conditions at the origin and destination, the status of COVID-19 infections, and other factors.

As a result, passengers amounted to 2.08 million, a decrease of 71.4% year on year. Operating revenues were 73.1% lower at ¥22.0 billion.

Fiscal 2021 Business Policies

For the time being, we will prioritize the allocation of management resources to domestic routes where demand is expected to recover as vaccinations progress. We intend to expand our network further with a new route between Osaka (Kansai)–Memambetsu beginning in July. We will also increase the number of flights on some routes to/from Osaka (Kansai) and Narita, thereby strengthening our ability to capture demand—leisure demand in particular—during the recovery phase.

LCC Business Results



Notes: 1. The above graph represents the combined total of Peach and Vanilla Air results (fiscal 2016 includes Peach results before consolidation).
2. Revenues of LCC Operations include ancillary income.



Using Masks and Gloves to Combat Infections

* VFR: Visiting Friends and Relatives

Code-Sharing and Mileage Alliance with ANA



In August 2021, ANA and Peach began code-sharing (joint operation) some routes operated by Peach. The airlines selected certain routes to/from Narita, matching the Peach route network, as well as routes to/from Nagoya (Chubu), where Peach has recently entered the market. In this way, we aim to expand code-share routes, while pursuing the benefits of code-share arrangements. Customers can accumulate ANA Mileage Club miles when booking and purchasing tickets for flights under the ANA name. Customers also have the option to convert ANA miles to Peach Points for greater convenience. This alliance will capitalize on the strengths and advantages of the ANA and Peach brands, effectively leveraging the resources of both.

Non-Air Business

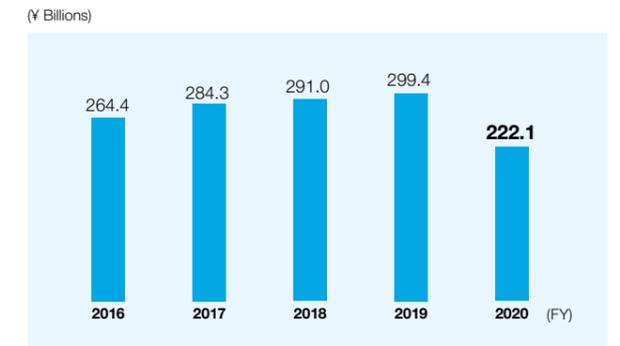
Strengthening efforts to recover profitability in establishing a new revenue pillar to stand next to our Air Transportation Business

Airline Related

Operating revenues decreased 25.8% year on year to ¥222.1 billion, while operating income decreased 79.7% to ¥3.6 billion. These decreases reflected the ongoing impact of fewer contracts for passenger check-in services and baggage loading due to COVID-19, despite our efforts to increase revenues, including online sales of international route in-flight meals.

As vaccinations progress worldwide throughout fiscal 2021, we expect both Japanese and overseas airlines to resume flights in stages. During this time, we will endeavor to recover and strengthen profitability by focusing on contracts for ground handling and other services.

Airline Related Business: Operating Revenues

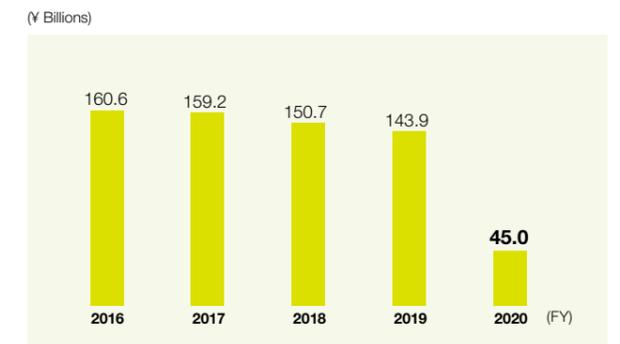


Travel Services

Due to entry restrictions across numerous countries during fiscal 2020, we canceled all overseas travel packages organized by the ANA Group. The *GoTo Travel Campaign* kick-started domestic travel, and in the third quarter, online transaction volume for our dynamic packaged products outperformed the same period in the previous fiscal year. However, travel demand began to decline again in December due to a reemergence of infections. As a result, Travel Services operating revenues amounted to ¥45.0 billion, down 68.7% year on year, while operating loss amounted to ¥5.0 billion, compared to operating income of ¥1.3 billion in the previous fiscal year.

During fiscal 2021, we intend to capture domestic travel demand, which we expect to recover, in a steady fashion, while we strengthen the competitiveness of our internet-based products.

Travel Services: Operating Revenues

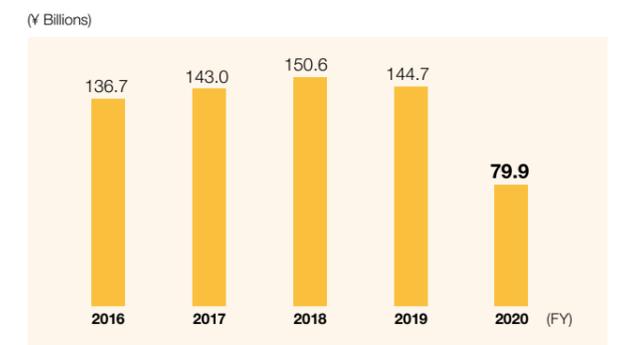


Trade and Retail

The e-commerce and other businesses of our digital marketing division performed solidly throughout fiscal 2020. However, ANA DUTY FREE SHOP and in-flight sales declined significantly due to COVID-19. As a result, Trade and Retail recorded operating revenues of ¥79.9 billion, down 44.8% year on year, and an operating loss of ¥4.2 billion, compared to operating income of ¥2.9 billion in the previous fiscal year.

As vaccines progress, we expect passenger demand to recover gradually throughout fiscal 2021, mainly for domestic routes. We will strive to restore profitability in our retail businesses, including ANA FESTA airport shops, and grow our online sales.

Trade and Retail: Operating Revenues



Establishing a New Platform Business



One of the three pillars of the ANA Group *Business Structure Reform* is to establish a platform business that utilizes customer data assets to create new revenue opportunities.

To this end, we transferred the Travel Services business of ANA Sales Co., Ltd. to ANA X Inc. on April 1, 2021. At the same time, we changed the corporate name of ANA Sales to ANA Akindo Co., Ltd., signaling a fresh start for the organization.

ANA X and ANA Akindo will work together as a platform business and regional revitalization company, respectively, aiming to expand non-airline revenues for the ANA Group over the medium term.



Business Overview

1. Travel services (planning and sales of travel products and services)
2. Airline sales promotion business (sales of airline tickets through digital channels)
3. Life services business
 - E-commerce business (A-style, Furusato Tax, Mileage Mall, etc.)
 - Finance and settlements business (ANA Pay, bank agency, insurance, etc.)
 - Mileage alliances (mileage merchants, ANA Pay merchants)
4. BtoB solutions business (services for corporate customers using the ANA marketing platform)



Business Overview

1. Utilization of projects solicited by ministries, agencies, and local governments
2. Sales activities for ANA Group products
3. Identification, development, and sales support for locally produced goods and materials
4. Development of new businesses (solutions to various issues faced by communities)
5. Activities to attract people to outlying regions (Expand flow of non-resident populations: domestic promotions, inbound visitors; Create directly related populations: multi-location living, workations)
6. ANA airline ticket sales, etc.

Messages from the Presidents of ANA X and ANA Akindo



INOUE Shinichi
President & Chief Executive Officer

ANA X Inc. was established in October 2016 for the purpose of strengthening ANA Group marketing capabilities. We have endeavored to expand revenues from external sources through an ANA economic sphere model, leveraging the ANA customer base, the ANA brand power, and other assets cultivated to date.

In April 2021, we took over the Travel Services business of the former ANA Sales Co., Ltd., giving it new life under a modified role. One of the major goals under *Business Structure Reform* is to create new revenue opportunities in the non-airlines business. To achieve this goal, ANA X is building systems in the important digital domain.

As the main method in generating new revenues, we plan to develop businesses that leverage the membership base of the ANA Mileage Program and the settlements function of ANA Pay, making use of the great strength of miles incentives.

ANA Mileage Club, launched in 1997, was preceded by the international route mileage service *Program A*, which started in 1993. Today, with the support of approximately 37 million members, ANA Mileage Club has grown into a

membership program that is enjoyed across a variety of ANA Group services, including air travel and shopping.

The ANA Pay service was launched in December 2020. We plan to improve convenience further for our customers and position ANA Pay as a general term for all ANA payment services.

Digital channels will serve as the foundation for establishing our competitive advantage. In addition to the ANA SKY WEB and ANA Mileage Club app, which have a collective 3.5 billion page views annually, we believe digital communications via email and social media will be another way in which we demonstrate our capabilities.

Using these programs and channels, we will work with external partners to create commercial products not only for the non-everyday experience of air and travel, which have been our core businesses to date, but also in the everyday lives of our customers. We will establish systems that allow customers to earn and use miles across a wide range of services. Our goal is to create a world in which consumers can conduct their lives via miles rewards. Expect exciting things from ANA X in the future.



TAKAHASHI Seiichi
President & Chief Executive Officer

Taking over from the former ANA Sales Co., Ltd., ANA Akindo Co., Ltd. marked a new corporate name and a fresh start on April 1, 2021. While the Travel Services business has been reorganized under ANA X Inc., regional revitalization will become a new pillar of our business. Together with the existing airline sales business, we will endeavor for business growth and company expansion.

The new company name, ANA Akindo, is based on the concept of *sampo yoshi*, which means *good for the seller, good for the buyer, and good for the world*. This was the motto of Japan's famous Ohmi merchants of old. This corporate name reflects our desire to foster relationships that offer sustainable benefits for local communities, for our customers, and for the ANA Group.

Contributing to local communities in a sustainable manner and sharing benefits with stakeholders align with the SDGs, ESG management, and other modern values. And while the word *Akindo* itself has been around for a long time, I believe the spirit still shines through today. I hope that the word *Akindo* becomes synonymous with the

ANA Group name in the near future, as recognizable as many other Japanese words that have become part of the global vocabulary.

The mission of ANA Akindo is to create the future of Japan together with local communities, serving as the wings that connect local communities with the world. ANA Akindo has 33 branches nationwide, and about 120 employees who live and work together with local communities. Our employees share the real-world concerns and issues of these communities, working together to find solutions. This is exactly what ANA Akindo aspires to be: ANA Group concierges working in step with outlying communities.

In response to various community issues, we plan to make full use of ANA Group solutions, including mobility, logistics, e-commerce, airport shops, payment settlements, and digital communication channels. With the cooperation of our partners, we will assist in resolving community issues and create the future together.

ANA X and ANA Akindo have been working together to integrate digital and real-world resources. The companies are striving to accelerate profit growth in our platform business by leveraging the strengths and features of the ANA Group as an airline group responsible for mobility and logistics.



ANA X Digital

ANA X is committed to creating a digital platform strategy, beginning with a focus on platform functionality and business reform. In terms of functionality, the company is developing the ANA Super app (scheduled for a launch after fiscal 2022) to offer travel destination activities, dining, tourism, and other information in a single app. The company has already introduced ANA Pay to provide payment settlement functions required in the digital market. In the future, ANA Pay will see further upgrades to convenience and usability.

In terms of business, ANA X is redesigning the travel and e-commerce businesses. The company is introducing more non-everyday business services related to air and travel. At the same time, ANA X is adding functions for everyday services, including real estate, finance, insurance, and more, in pursuit of the goal to create a world in which consumers can conduct their lives via miles rewards.

Furthermore, ANA X will strengthen cooperation with the regional revitalization business that ANA Akindo is building in the real world. We are leveraging our platform to communicate the attraction of outlying communities, offering regional products and services available exclusively through ANA e-commerce.

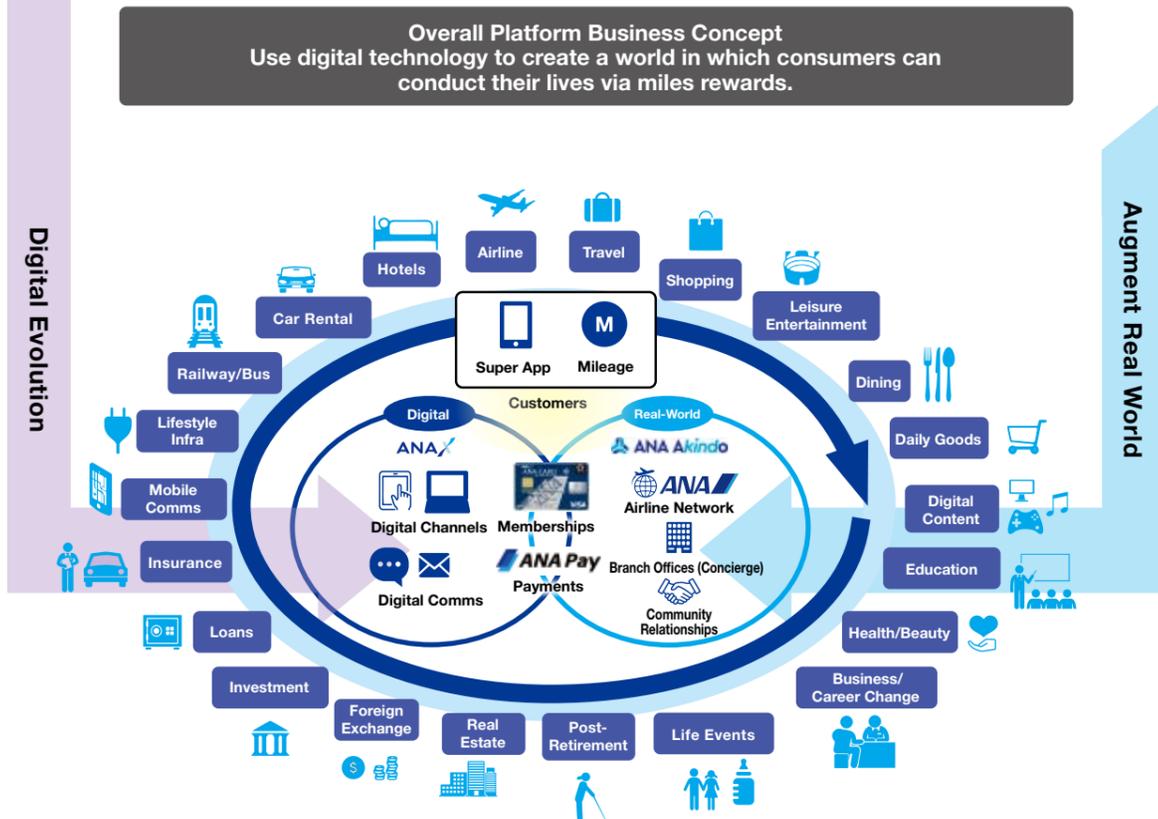
The ANA Group aims to build its customer base and airline network to the greatest extent possible, forming a digital market specialized in mobility and communications. ANA X has set a target of ¥400 billion in consolidated operating revenues by fiscal 2025 for this digital platform business.

ANA Akindo Real

ANA Akindo is focused on the business of regional revitalization. The company endeavors to strengthen existing programs, such as ANA Furusato Tax Payment and workations based on the ANA Furusato Discovery Program. At the same time, the company collects information on real-world issues from concierges working and living in communities throughout Japan offering new products and services only available through an entity like ANA Akindo.

As an example, when considering how to use the land of abandoned farms for business, the single largest issue is where to find laborers during busy times such as the harvest season. ANA Akindo has proposed a variety of solutions using the ANA airline network to cover travel and lodging expenses for volunteers, to design workations, to encourage two-location lifestyles, and more. With respect to commercializing agricultural products, ANA Akindo is working with ANA Cargo Inc. to create a brand called *Flying OO*, planning to sell farm goods in ANA FESTA airport shops. Other ideas include leveraging the strong ANA X digital market to expand sales channels in Japan and overseas. ANA Akindo intends to work together with other companies to encourage not only the revitalization of tourism but also the revitalization of industry. In this way and others, the company will maximize the latent appeal of outlying regions and Japan.

ANA Akindo will contribute to the creation of Japan's future through the unique ANA Group value proposition, leveraging ties with Japan's outlying regions built on the group's extensive airline network.



Medium-Term Revenue Strategies

ANA Group Strengths

- Comprehensive and complete transportation and logistics through our international and domestic airline network
- Customer data assets of approximately 37 million mileage members
- Group companies that operate a variety of businesses and services

ANA X and ANA Akindo Structure, Strengths

- | | |
|---|--|
| ANA X <ul style="list-style-type: none"> • ANA Mileage Program • Digital marketing • Non-airline services (credit cards, payment settlements, financial services, lifestyle services) | ANA Akindo <ul style="list-style-type: none"> • Strong ties with local communities developed through branch airline sales offices (33 branches in Japan with approximately 120 concierges) |
|---|--|

For the Future

Strengthen platform functions

- Use digital technology for improved convenience, as well as to encourage customer retention and travel
- Develop the ANA Super app
 - Expand payment settlement functions
 - Pursue digitalization in Travel Services
 - Redesign the e-commerce business

Expand the economic sphere

- In addition to the Air Transportation Business, strengthen connections between ANA and the daily lives of our customers
- Expand sales of existing products and services
 - Increase e-commerce merchandise offerings
 - Build regional businesses

Vision

Improve engagement with customers
→ Increase revenues and profit by maximizing customer lifetime value