



Annual Report 2022

Fiscal 2021 (Year ended March 2022)





Growth through the Power of Our People, the Power of the Group Let's Create a New Future

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The ANA Group (ANA HOLDINGS INC. and its consolidated subsidiaries) strives to create social value and economic value, leveraging the strengths we have cultivated based on the spirit of our founders. In so doing, we expect to generate sustainable growth in corporate value. This report presents an overall picture of the philosophy and value creation handed down over generations. We also address our business strategies for overcoming crises and returning to growth, as well as medium- to long-term sustainability initiatives and the management foundation that supports these corporate activities.

Editorial Policy

The ANA Group emphasizes proactive communication with stakeholders in all of our business activities. In Annual Report 2022, we aim to encourage a deeper comprehensive understanding of the social value and economic value created by the ANA Group through our management strategies, our business, and our environmental, social, and governance (ESG) activities. Further, we have published information on the activities we selected as being of particular importance to the ANA Group and society in general. For more details, please visit the ANA Group corporate website in conjunction with this report.

Scope of This Report

- This report covers business activities undertaken from April 1, 2021 to March 31, 2022 (including some activities in and after April 2022).
- In this report, "the ANA Group" and "the group" refer to ANA HOLDINGS INC. and its consolidated subsidiaries.
- "The Company" in the text refers to ANA HOLDINGS INC.
- Any use of "ANA" alone in the text refers to ALL NIPPON AIRWAYS CO., LTD.

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

To live up to our motto of “*Anshin, Attaka, Akaruku-genki!*”
(Trustworthy, Heartwarming, Energetic!), we work with:

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.

Management Message

KATANOZAKA Shinya
Chairman of the
Board of Directors



SHIBATA Koji
President &
Chief Executive Officer



To Our Stakeholders

In December of this year, our group will celebrate the historic milestone of the
70th anniversary of our founding.

Although the effects of the COVID-19 pandemic continue, we intend to pursue our
group mission statement by looking back to our founding principles and overcoming
this crisis and returning to a growth trajectory as soon as possible.

A willingness to endeavor in taking on any challenge is part of the ANA Group DNA,
which has helped us overcome many difficulties in the past. We aim to become an
airline group needed by the people of the world, while we hand our DNA onward to
the next generation.



SHIBATA Koji
President &
Chief Executive Officer

I am committed to leading the ANA Group to profitability for the first time in three years, returning to growth in the medium term.

My name is SHIBATA Koji, and I assumed the position of president & chief executive officer on April 1, 2022. First, I want to thank you, our stakeholders, for your support of the ANA Group. Safety is the foundation of ANA Group management. As we remain focused on safety, we aim to become the airline group of choice by customers around the world, based on our record of security and reliability.

During the seven years that my predecessor, Mr. Katanozaka, served as president, my role was to pursue group growth through alliances with overseas airlines and through the execution of corporate strategies. During the first four years, we achieved record-high operating income for four consecutive fiscal years by expanding our international network, attracting visitors to Japan, and merging our LCC business. During the latter three years, and in the face of the COVID-19 pandemic, we implemented decisive and unprecedented reforms, even while protecting employee jobs.

In fiscal 2022, I believe my mission is to implement *Business Structure Reform* in a consistent manner to return the Group to profitability for the first time in three fiscal years. At the same time, we will chart a growth trajectory in the post-COVID-19 era. I am committed to leading the ANA Group to a new stage, responding swiftly to change in an ever-changing business environment.

Fiscal 2021 in Review

Fiscal 2021 was the second year of the COVID-19 pandemic, and infections of the Delta and Omicron variants continued to increase. States of emergency were declared and priority preventative measures undertaken in Japan to prevent the greater spread of disease. At the same time, governments imposed severe restrictions on the movement of people to and from foreign countries, including much tighter border measures and travel restrictions. While many employees were anxious about the ongoing slump in business performance, we engaged in self-help efforts and an appropriate shared sense of urgency about the company's situation and hope for the future.

For example, we made decisions regarding whether to suspend or reduce flights on domestic flights by projecting passenger demand several months into the future based on vaccination rates and COVID-19 cases in Japan. Our projections led to greater precision in controlling supply and greater control of variable costs while seeking a recovery in sales. We reduced costs by roughly 30% compared to fiscal 2019 through cost structure reform. These reforms were mainly a reduction in depreciation and maintenance costs through early retirement of aircraft, particularly wide-body models, as well as by reducing labor costs with the cooperation of our employees.

In the process of these efforts, we returned to operating profitability in the third quarter of the year for the first time in eight quarters. Compared to the pre-COVID-19 results of

fiscal 2019, passenger volume was only 50% for domestic flights and 10% for international flights. Even so, the fact that we returned to profitability in terms of operating income gave our employees great confidence. I think this was the moment we saw a glimpse of light at the end of the long tunnel of the COVID-19 pandemic.

Demand for domestic flights slumped again in the beginning of 2022, mainly due to the expansion of Omicron variant infections. We recorded an operating loss for the second consecutive fiscal year, but thanks to various measures we implemented, we reduced the deficit to about one-third of the result in fiscal 2020. This was a year in which we realized that ANA Group resilience to the risk of declining demand improved steadily through a series of actions, including *Business Structure Reform*.

In terms of finances, we issued ¥150.0 billion in convertible bonds in December 2021 to provide funds for growth to accelerate *Business Structure Reform*, as well as to secure funds early for future debt redemptions and repayments. For the time being, we intend to continue solid financial management to prepare against unforeseen circumstances during COVID-19. But we will review the level of liquidity on hand once we see a firm recovery in passenger demand, including demand for international flights. At that point, we will shrink our balance sheet to improve asset efficiency.

A Return to Full-Year Profit for the First Time in Three Fiscal Years in Fiscal 2022

During fiscal 2022, we intend to confront the risks in our external environment, while leveraging a recovery in demand as an opportunity to grow top-line revenues in our aim to return to profitability. Many risk factors remain, including the Russia-Ukraine situation, soaring crude oil prices, depreciation of the yen, higher prices for goods, the Zero-COVID policy of the Chinese government, etc. We must be agile and flexible in responding to and assessing the impact of changes in the operating environment on our group businesses.

Meanwhile, the with-COVID-19 lifestyle is becoming more widely accepted in Japan. Restrictions on behavior by the government and local authorities are being eased, and external restrictions on airline groups are being phased out. With Japan easing border measures beginning in March 2022, passenger demand on international flights has finally started to increase. Summer demand for domestic flights has recovered to between 70% and 80% of the pre-COVID-19 levels for ANA and Peach combined passenger volume.

While other countries have resumed normal travel activities ahead of Japan, many overseas airlines are facing the challenge of recovering capacity to match demand due to labor shortages. It takes considerable time and effort to recall employees who were laid off during the pandemic and get them back to work in the field after training and other processes. Regaining employee trust once lost is another challenge not easy to overcome. In contrast, the ANA Group

has the advantage of having maintained employment consistently. Now, we will be able to expand capacity in line with the pace of demand recovery.

Further, we began to place the domestic specification Boeing 777 aircraft into service in late June. These aircraft had been suspended for 16 months due to technical problems with engines. These resources will help us capture increasing passenger demand in the summer season. Going forward, we will pursue a recovery in top-line revenues to move to the value creation stage.

The ANA Group cost structure, solidified through *Business Structure Reform*, now supports a lower break-even point in the Air Transportation Business; much lower when compared with our pre-COVID-19 performance. We intend to do everything possible to translate the recovery in revenues to profits, achieving our goals of posting bottom-line profit for the first time in three fiscal years and of securing free cash flow.

We regret to announce that, given our priority on rebuilding the financial platform damaged so severely by the pandemic, we do not intend to pay a fiscal 2022 dividend to shareholders. However, we aim to create stable profits as quickly as possible to allow payments of dividends in the future. And we are committed to achieving our medium-term financial targets of ¥2 trillion in operating revenues, ¥200 billion in operating income, and 10% in operating income margin.



Taking Over from the Previous President

The responsibility of a president is to pass the business down to the next generation. It is also important to identify what should be inherited, what should be transformed, and what should be created anew in response to the changing times. One must also keep in mind that inheriting without creativity is just form without substance. At the same time, creativity that ignores past precedent is a poor form of management. At this point, I want to explain my thoughts about inheritance and creation.

There are three main initiatives that I inherited from former President Katanozaka that I intend to continue working on.

The first is to pursue *Business Structure Reform*, formulated at the end of October 2020, in a consistent and steady manner. The three major pillars of this reform were put together when I was in charge of formulating management strategies as a means to lead us out of the COVID-19 tunnel and back to growth. The short-term target of resource reduction is already completed. We are now at the stage of showing the results of reforms in the pursuit of the group airline model and the establishment of non-air businesses looking ahead to the post-COVID-19 world. We will proceed with a sense of speed and link this momentum to the next medium-term corporate strategy. (→ P.22: Business Strategy)

The second point is to continue with cost management. During the two years of the pandemic, we reduced fixed costs substantially by retiring wide-body aircraft and by curbing personnel expenses. The next stage will be to once again expand the scale of our business. But we plan to reduce unit cost (cost of available-seat kilometer) by keeping the rate of increase in expenses below the rate of growth of capacity. Digital technology will be the key to achieving this goal. While our people will always play the leading role in supporting the Air Transportation Business, we must harness the power of rapidly evolving technology to respond to changing customer needs for contactless services. These and other applications will be how we survive fierce competition in the post-COVID-19 world. *ANA Smart Travel* is a new service model that we are expanding. This model encourages self-service and remote services through the use of digital technology, expanding the number of tasks, such as online check-in, that customers can handle themselves without airport staff. This will allow the ANA Group to focus on services best provided by people, which will enhance customer experience value. We intend

to improve customer satisfaction by pursuing quality with a sense of urgency. At the same time, we will streamline our business operations through labor savings, particularly at airport counters. We are solidifying our foundations by recruiting and training digital human resources and by strengthening digital governance. At the same time, we are pursuing business process reforms that go beyond mere IT implementations.

The third point is to strengthen employee engagement. We consistently protected employee jobs throughout the COVID-19. But in response to the rapid deterioration in business performance, we were forced to reduce monthly wages and bonuses drastically, with the understanding of the labor unions. It was extremely painful to think of the impact on our employees and their families. But we overcame this difficult period by communicating our hopes for the future, including approximately 2,700 town meetings, which provided an opportunity for management to talk directly with employees. As soon as we were able to forecast profits under the fiscal 2022 budget, we decided to return monthly wages to original levels beginning April 2022. We also resumed the payment of summer bonuses. We believe that the increase in expenses associated with these measures is not at odds with measures to improve business performance. Rather, these expenses are necessary investments for returning to profitability in fiscal 2022 and for returning to growth in the fiscal years beyond. The reason we decided against paying a dividend under the fiscal 2022 plan, which we announced at the end of April, is because we wanted to prioritize compensation for our employees first. But it is not just the compensation factor that motivates our employees. During Golden Week and the summer holiday travel season this year, airport staff were busy at work for the first time in quite a while. At the same time, they were relieved to see customers return and were happy to see the airport back to its former vibrant state. We believe that when employees feel satisfaction in their work, understand their contribution to the company and society, and find meaning in their own existence, the result is customer satisfaction and increased corporate value. Therefore, we want to enhance employee satisfaction from multiple angles, including the creation of comfortable work environments and career enrichment.

Creation and Transformation in the Post-COVID-19 World

Next, I want to address three new areas that I intend to create and transform as president, with an eye toward a return to growth over the medium term.

The first is the revitalization of the international business within our Air Transportation Business.

I was born and raised on Kakeroma Island in the Amami Islands, about 450 kilometers from Kagoshima City. There was a large, quiet bay in front of the village where my house was. I often fished in that bay as a child. As I watched the many large cargo ships and passenger boats sailing offshore, I began to dream of someday visiting a new world and having a career where I could travel overseas freely. During university, I took two years off to work as a dispatcher at the Japanese Embassy in Beijing. At that time, I saw ANA crew members on an international charter flight at Beijing Airport, and I began to think that Japanese airlines would have to expand their international flight networks if Japan were to become a more influential presence in the world. Subsequently, I applied to ANA for employment. In 1986, about four years after I joined ANA, the company began to operate regularly scheduled international flights. I had been regularly involved in operations to solidify the foundation of our international flights, including establishing branches in Washington, D.C. and Beijing. My work also involved building alliances with overseas carriers and formulating route networks, so when the international business generated a profit for the first time in fiscal 2004, I felt that my many years of hard work had paid off.

With the subsequent internationalization of Haneda Airport, the expansion of slots at airports in the Tokyo metropolitan area, and an increase in the number of inbound travelers to Japan in connection with relaxed visa requirements, the international business became a pillar of growth for the ANA Group. The number of visitors to Japan, which had increased to 31.88 million in 2019, declined sharply due to the COVID-19. But the number of passengers on international flights reached a low point in March of this year and began to recover. And although the number of passengers in the first quarter was still about 30% of the pre-COVID-19 levels, I am confident that demand for international flights will recover and expand again in the medium term. That is because I believe face-to-face interactions among people around the world and travel to new, unknown places are essential for the development of the global economy and for people to lead more abundant lives.

Looking back over history, we see several cases of global pandemic that threatened humanity. But in each crisis, people have overcome the challenges by combining their wisdom and technologies. COVID-19 may never disappear completely, but it will subside eventually. In anticipation, the ANA Group will

establish a group airline model to adapt to the post-COVID-19 world with a determination to capture every bit of recovering demand. We intend to pursue an optimal portfolio via three brands: ANA as a full service carrier, Peach Aviation, which has accumulated nearly 10 years of experience as an LCC, and the new AirJapan brand, which we announced in April. In this way, we plan to expand top-line revenues while meeting all passenger needs. ANA and Peach have already begun to produce results through joint business planning and marketing efforts. The new AirJapan is in preparations to launch service in the second half of fiscal 2023, with plans to cover the growth markets of Southeast Asia and Oceania as a new brand.

Even in the post-COVID-19 world, international business will remain a pillar of group growth. Targeting the world's potential customer base of 8 billion people, we will become more competitive, supported by the strengths of our network and alliances, mobilizing all the international business knowledge and expertise we have accumulated to expand our global market share.

The second point is to monetize our non-air businesses.

This year marks the 10th year since our group shifted to a holding company structure in April 2013. During this period, we have achieved results in terms of awareness reform through the independent management of each group company and rapid management through the delegation of authority. Meanwhile, since fiscal 2014, we have prioritized the allocation of resources to the Air Transportation Business, as the external environment continued to be a tailwind for the international business. Positive developments included the expansion of international slots at Haneda Airport and the increase in inbound passengers to Japan. As a result, the ANA Group profit structure became dependent on the Air Transportation Business for the majority of consolidated profits. When faced with the COVID-19 pandemic, we saw passenger revenues decline, and we became acutely aware of the risks of operating an airline business with a single focus.

Moving forward, we will place the highest priority on rebuilding the Air Transportation Business as quickly as possible. At the same time, however, we intend to build a business portfolio that will ensure an unshakable management foundation, even if similar risks arise in the future. The customer data we have accumulated over the years through the Air Transportation Business is a valuable management resource unique to our company. We believe that a system for utilizing this data on a single platform will be effective in growing the earnings of our non-air businesses. We will release *Super App* in the near future, which customers can use in their everyday lives. This app will leverage reward miles as a hook to encourage the use

of various products and services within the ANA Group. This centralized point of contact with customers will encourage customers to use ANA Group services, which will, in turn, expand the ANA economic zone.

The ANA Group continues to take on the challenge of creating new value in avatars, metaverse, drones, flying cars, and other diverse business areas related to aviation, mobility, and travel. The metaverse business has been attracting a great deal of attention worldwide. Here, ANA NEO plans to launch the *ANA GranWhale* service by the end of fiscal 2022. This service will allow customers to experience travel and shopping in the virtual world. This service is intended particularly for use by overseas customers, and we expect to see an increase in the value and recognition of the ANA brand globally. We also believe *ANA GranWhale* will stimulate real air travel demand by motivating customers to visit Japan in person.

We have sown the seeds of many businesses: We intend to monetize these businesses as quickly as possible through the appropriate allocation of management resources. At the same time, we will seek the wider acceptance of non-air businesses to create synergies that expand the base of customers who use ANA Group aircraft and accelerate profit expansion in the Air Transportation Business.

At the General Meeting of Shareholders held in June, we welcomed MINEGISHI Masumi, chairman of Recruit Holdings Co., Ltd., as an outside director. We intend to leverage Mr. Minegishi's wealth of expertise and experience in the creation of new businesses and engage in deeper internal discussions. In this way and others, we will bolster resilience using non-air businesses as another pillar of earnings, aiming to create an ANA Group that is resistant to risk.

The third area is to maximize the power of our people.

Through the course of various initiatives during the COVID-19 pandemic, I have become convinced that the strength of the ANA Group is the power of our people, and that comprehensive capabilities of our group unites us across organizations. The Air Transportation Business is built on pilots, flight attendants, airport personnel, mechanics, and numerous other employees, all of whom must demonstrate a high level of expertise and skills in their respective positions. Close cooperation among different job categories is indispensable in offering high quality and services in terms of safety, on-time operations, comfort, etc. The ANA Group emphasizes the spirit of *Wakyo* (harmony and cooperation) handed down to us from the time of our founding. This spirit encourages free and open-minded communications as we foster an organizational culture of discussions and cooperation that transcend the boundaries of job description, department, or company.

The comprehensive capabilities of the ANA Group have led directly to earnings growth under COVID-19. For example, in our international business, the revenue management teams of both passenger and cargo as well as departments responsible



for our network coordinated closely to maximize marginal profit per flight. They did so by forecasting revenues by the day and by the flight, while carefully selecting aircraft type and schedules, in addition to reorganizing routes in a flexible manner. In our cargo business, which performed well during the year, the director responsible for aircraft maintenance embraced the catchphrase, "Don't stop the cargo (freighters)!" emulating the movie, "Don't Stop the Camera!" to squeeze every last bit of time out of our freighters. The group came together as one to modify maintenance plans and shorten turnaround times, contributing to the maximization of cargo business revenues. When we decided to avoid the airspace over Russia due to the conflict in Ukraine, our flight operation department immediately put a crisis management system into effect. Every department affected responded in unison, and arrangements that normally would have taken several months were completed in just a few days. The result was an operational structure that prioritized safety by rerouting flights.

In the end, the source of ANA Group comprehensive capabilities lies in our people and their individual commitment to *Anshin, Attaka, Akaruku-genki!* (Trustworthy, Heartwarming, Energetic!), as well as the organizational structure we have nurtured over time. Since fiscal 2020, the system for submitting new service proposals by the sales division has given shape to employee suggestions leading to new revenue. Suggestions have included sightseeing flights on Airbus A380s, in-flight weddings, the Wings Restaurant (in-flight meals on parked aircraft), and more. We expanded the system to the entire group in fiscal 2021, receiving many ideas from employees representing a wide cross section of jobs and age groups. Many of these suggestions became the seeds for new plans, including a wedding photo plan and a photography tour using maintenance training aircraft. Despite adversity, every member of the ANA Group continues to practice ANA's Way, consisting of Safety, Customer Orientation, Social Responsibility, Team Spirit, and Endeavor. This spirit is our unique strength that cannot be expressed in a financial statement, but is special to ANA and is undoubtedly the greatest driving force in our pushing through the pandemic.

We expanded secondments outside the group as a measure to protect employee jobs. As of July 1, more than 2,200 group employees are currently or were formerly engaged in work at outside companies and organizations. To respect the wishes of the employees themselves, we have implemented an open recruitment system and set shorter secondment periods than usual when possible. But we are very happy to hear reports of

the skills and expertise cultivated within the ANA Group being used to stimulate and influence employees and organizations outside the group in a positive way. It goes without saying that we have kept personnel expenses down thanks to the cooperation of the companies and organizations that host our seconded employees. And we are even more pleased to hear that employees who have completed their secondment apply the experience they gained outside the group to their work after returning home to ANA. These new experiences and values have had a significant secondary effect in revitalizing our own organization. We are considering a “comeback system” for fiscal 2022 to welcome former ANA Group employees as mid-career hires in a bid to utilize new human resources. In this program we will offer opportunities for professionals who left

ANA due to compensation or other considerations a path back to the group where they can contribute the skills and knowledge they have acquired elsewhere.

Without question, our employees are the most important management resource of the ANA Group. Personnel expenses are not just another cost, but an investment to achieve sustainable growth. The degree to which a company is able to utilize its people determines its competitiveness to a great extent. The ANA Group pursues human resources strategy closely linked to our corporate strategy. And we will step up our investments in people to maximize the individual and teamwork capabilities of each employee as we practice the three elements of diversity, equity (fairness and equity), and inclusion (acceptance and coexistence).

Our Vision over the Next 10 Years

The ANA Group began operations in 1952 with two helicopters. This December will mark the 70th anniversary of our founding. We plan to take this opportunity to redefine the significance of the ANA Group (our purpose) in the post-COVID-19 world, as well as to reformulate our management vision.

The widespread adoption of telework and online conferencing in the wake of COVID-19 has caused concerns about a potential decline in the number of air travelers for business purposes. But this trend would have arrived sooner or later as a result of work-style reform and advances in technology. Now, will this diminish the value that the ANA Group offers? To the contrary, I believe the value of our Air Transportation Business will only increase. Online communications provide ease and efficiency in certain cases. But I am convinced that the intrinsic value in real travel will gain a new appreciation. After all, experiencing a place in person stimulates the five senses, while the pleasure of meeting face-to-face is an essential human desire.

At the same time, there are risks in clinging solely to a conventional airline business model if we are to achieve stable growth as the ANA Group. Moving forward, we intend to leverage the brand quality, group human resources, and customer data assets we have cultivated in the Air Transportation Business to become an airline group that provides a full range of products and services related to mobility and lifetime customer value. Under our new management vision, we will create sustainable economic value through the shared values and efforts of a diverse base of human resources.

At the same time, we will confront social issues head-on. Environmental issues are a major global challenge, and we recognize the importance of addressing environmental

issues as a fundamental part of our long-term business operations. We already set decarbonization targets for 2050, and we will engage in backcasting and other measures to identify areas to overcome over the next 10 years as we work toward our targets in the next 30 years.

As part of our response to climate change, we disclosed a scenario analysis in line with task force on climate-related financial disclosure (TCFD) recommendations on our website in April 2022. Based on this analysis, we will continue to engage in dialogue with stakeholders, delving deeper into analyses to respond appropriately to risks and opportunities that may arise in the future.

In August, we formulated a transition scenario for achieving carbon neutrality by 2050. One of the most important elements of this plan is the use of Sustainable Aviation Fuel (SAF), which is expected to have a significant effect on CO₂ reduction. At present, the global production of SAF is limited, and production costs are high. However, in June 2022, the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism launched a joint public-private sector council to encourage the development and production of SAF in Japan. Certain Japanese companies have announced that they will consider the commercialization of SAF, and we are seeing a growing movement toward the early adoption of SAF in air transportation.

The ANA Group is stepping up specific activities in collaboration not only with the airline industry but also with other non-airline industries. And while we do not have the expertise to produce SAF on our own, we intend to lead cross-industry efforts in recognition of our significant role and responsibility as an airline group in decarbonizing the skies.

In Closing

Since our very first days, the ANA Group has faced numerous challenges. Looking back at our history, we have overcome many risk events, including the Tiananmen Square incident in China in 1989, the 9/11 terrorist attacks in the United States, the Iraq War and SARS in 2003, the Lehman Shock in 2008, and the Great East Japan Earthquake in 2011. But it has always been in times of crisis that we have pulled together to overcome every crisis and challenge. The driving force behind our success has been an indomitable spirit and passionate belief that we can create a new era. This spirit is embodied in the phrase, *Hardship Now, Yet Hope for the Future*, which has been passed down to us since the company's founding. Finding solutions through wisdom and ingenuity in times of hardship is a part of our DNA, inherited over our 70-year history. We of the current generation keep in mind the unceasing efforts of our predecessors who have created the history of the ANA Group, a group that is resilient in the face of adversity. And now, we strive with hope and pride to add another footprint to our history, that of overcoming the COVID-19 pandemic.

One of my core principles is *Goson*, which means mutual respect. I trace this feeling back to my childhood experience of living on an island, where residents had to live together in close proximity. I try to always keep in mind that as the top manager, I must never forget to respect the opinions and thoughts of each employee. Immediately after assuming the position of president, I visited the front lines

of our businesses, holding dialogues with employees about the kind of corporate group we should aim to become. During these discussions, I heard each employee's vision of the ANA Group. We exchanged opinions in a frank and open manner regarding what to change and what to protect to achieve this ideal. The next ANA Group medium-term corporate strategy will reflect the collective thoughts of 42,000 group employees. And as we define concrete measures to reach this vision, we will also present to our stakeholders a roadmap for a return to growth. Under this strategy, we will not only pursue profits but also pursue ESG management that considers non-financial factors such as the global environment and social issues. We will aim to grow as we create both social value and economic value. As the top manager of the group, I will stand at the forefront and pave the way to the future, making the ANA Group an indispensable presence for all stakeholders. We will connect innumerable people, goods, and services, exercising the wings within ourselves as espoused in our Mission Statement.

I ask for your continued support and encouragement of the ANA Group.

August 2022

SHIBATA Koji

President & Chief Executive Officer



The ANA Group DNA Inherited from Our Founder

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未育望
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"Hardship Now,
Yet Hope for the Future"

和
協

信はたていと
愛ほよこ糸
織り成す世の美し
"Trust and love are the
threads that weave a
beautiful world"

高潔な企業
權威に屈する
ことのない、
主体性を持つ企業
独立独歩
できる企業

A Business with Integrity
A Resolute and Independent Business
A Self-Reliant Business

Core Beliefs

In 1952, two years after the ban on aircraft operations was lifted, we became the first purely private airline company in Japan to begin operations. And we did so with only two helicopters. From humble beginnings, our employees pooled their wisdom, and through small jobs that included pesticide spraying and aerial photography, these pioneers pursued the dream of opening up new skies with their own hands. The words of our founder, *Hardship Now, Yet Hope for the Future*, expressed his belief that no matter how severe the hardship, one must not shrink, but rather believe in a brighter future, striving, growing, and hoping for a time when prosperity comes in leaps and bounds.

Our Stance as Professionals

The phrase *Wakyo* means the belief in harmonizing without necessarily agreeing. We reach *Wakyo* through genuine discussions and by working together to achieve our goals. In line with the words of MIDORO Masuichi, our first president, we have made the most of diverse personalities to exchange ideas openly. And we have built collective strength as a group through the process of overcoming many adversities. Our second president, OKAZAKI Kaheita, said, "Trust and love are the threads that weave a beautiful world." The aspiration behind this saying was to create a beautiful world by spreading global harmony woven with trust and love.

Our Corporate Vision

Even in the midst of postwar reconstruction, the founders of our company made it their mission to contribute to the nation and to their community through their business. They began to take on new challenges, believing in a future in which the aviation industry would be in high demand. *A Business with Integrity. A Resolute and Independent Business. A Self-Reliant Business.* These are the values of a company responsible for public infrastructure and for contributing to the development of the Japanese aviation industry through our own efforts, without bias to profit or deference to authority. This value of desire to contribute to society is still alive in the hearts of our employees today through the spirit of endeavor in our Group DNA.

DNA Inherited from Our Forebears

Not only seriously, but with passion and sincerity.

Anshin, Attaka, Akaruku-genki!

(Trustworthy, Heartwarming, Energetic!)

—ANA's Way—

An unwavering commitment to safety as an airline group

Safety

Address each customer individually and identify the role we must play to meet their needs

Customer Orientation

As a company responsible for public infrastructure, we must choose what is right for society, and not simply what is right for our own interests

Social Responsibility

Respect each individual as a professional, and work together to operate every flight flawlessly

Team Spirit

Believe in a brighter future, take on challenges, even in the face of high odds, and continue to work hard and honestly

Endeavor



The Source of Value Creation: Living Our Code of Conduct and Maximizing Our Strengths

Building a corporate culture in which the source of value creation is reaching higher to live our Code of Conduct and maximize our strengths

ANA's Way is the ANA Group Code of Conduct. This code contains a philosophy that has been passed down over the 70 years since our founding. This philosophy is deeply ingrained in the hearts of every employee. Our diverse human resources put ANA's Way into practice and create value through their unique strengths, which they continue to hone under frontline experience. The confidence and conviction gained in the process amplifies their mindset for their next actions. This corporate culture repeats a virtuous cycle that is the powerful driving force moving our strategy forward.

Anshin, Attaka, Akaruku-genki!

(Trustworthy, Heartwarming, Energetic!)

—ANA's Way—

Safety

Customer Orientation

Social Responsibility

Team Spirit

Endeavor

Putting the Code of Conduct into Practice

Expanding Mindsets

These Four Strengths Function in a Cycle, Driving Value Creation

Building a System to Support Earnings (Employee Business Proposal System)

- New business proposals by employees: *Da Vinci Camp*
- New service proposal system: *Gattsuri Hiroba*

Productivity Improvement / Efficiency Initiatives

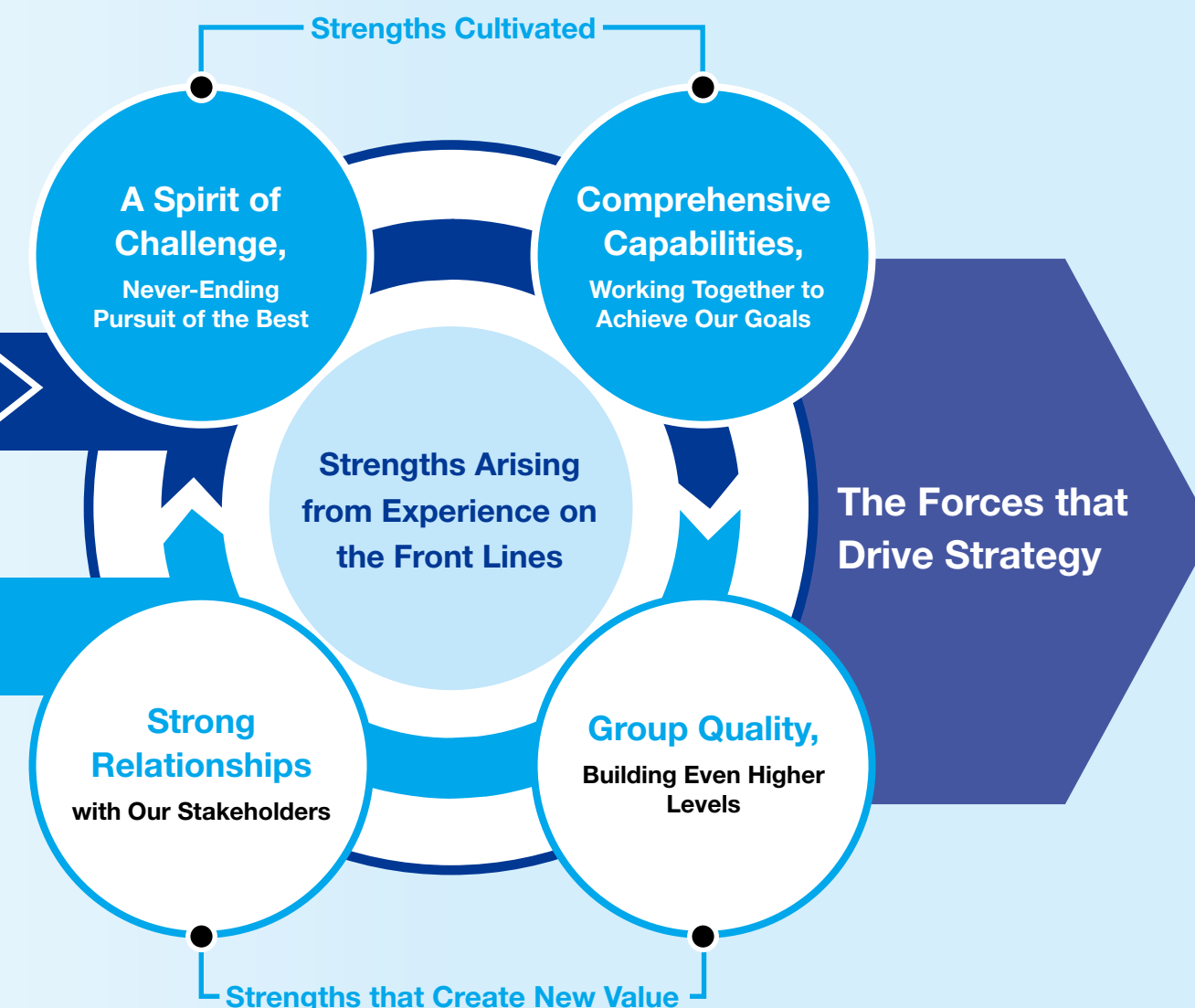
- KAIZEN Activities

Maximizing the Power of People

- Recruit internally for external secondments and intra-group transfers
- *The Future Creation Project*: A project to foster change for employees on the occasion of our 70th anniversary

Cross-Organizational Collaboration

- Vaccine transportation
- Establishment of flight paths to bypass Russian airspace
- Initiatives to reduce CO₂



Relationships with Local Communities and Partners

- Number of airports served: 103 (50 domestic, 53 overseas)
- Cooperative agreements with local governments in 12 prefectures (as of June 2022)
- SAF Flight Initiative corporate program
- Cooperative educational agreements with schools

Relationships with Our Customers

- ANA Mileage Club members: Approximately 38 million (as of March 2022)

Air Transportation Business Quality

- SKYTRAX 5-Star rating
- CIRIUM ranked global No. 1 in on-time arrival rate (ANA Group, domestic and international routes, 2021)

Human Resources Quality

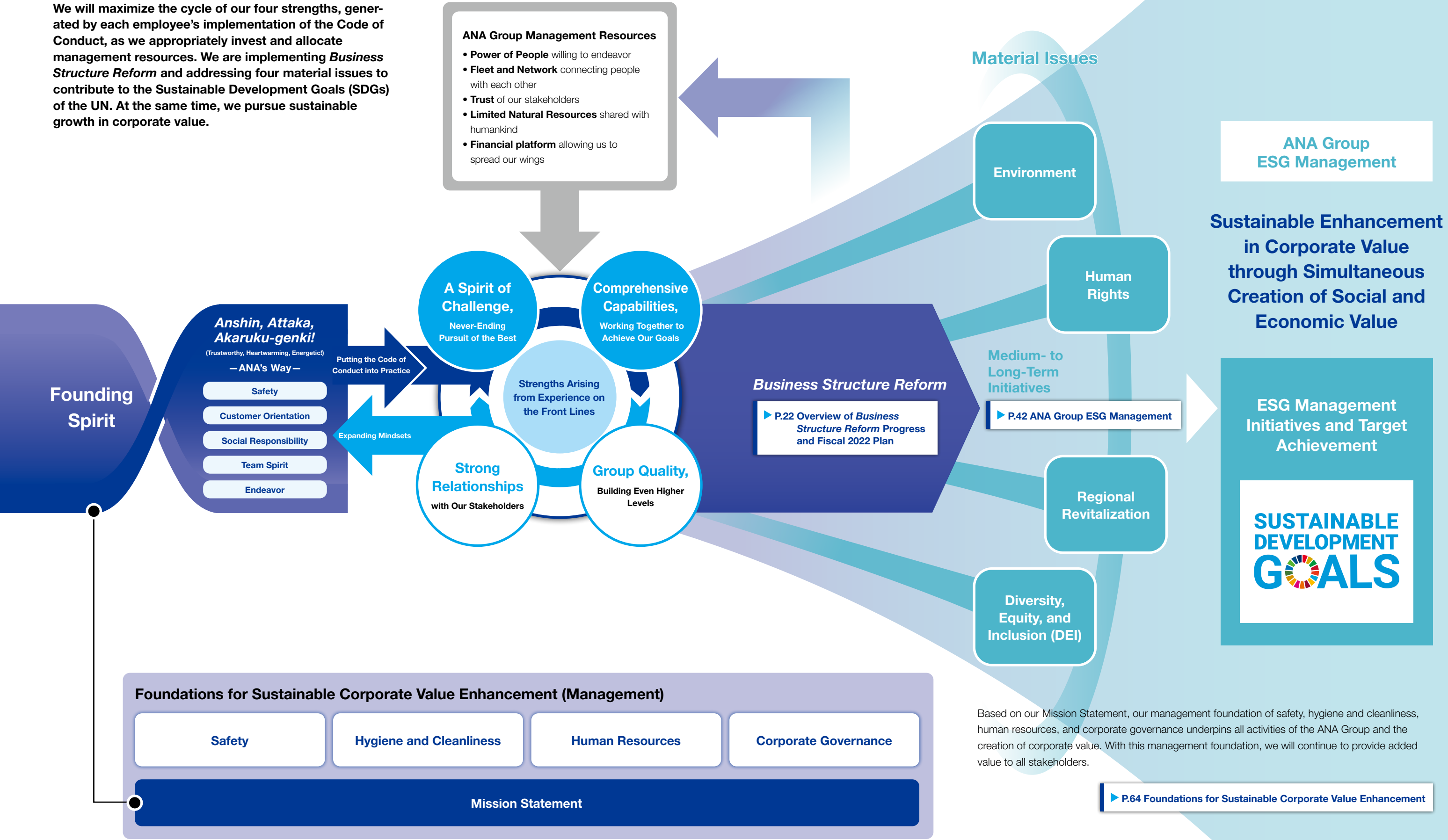
- Certified Health and Productivity Management Organization Program: Oricon, Corporate Training Lecturer

ESG Quality

- Certified as an Eco-First Business (ANA)
- Included in ESG indexes, etc.

The Value Creation Process

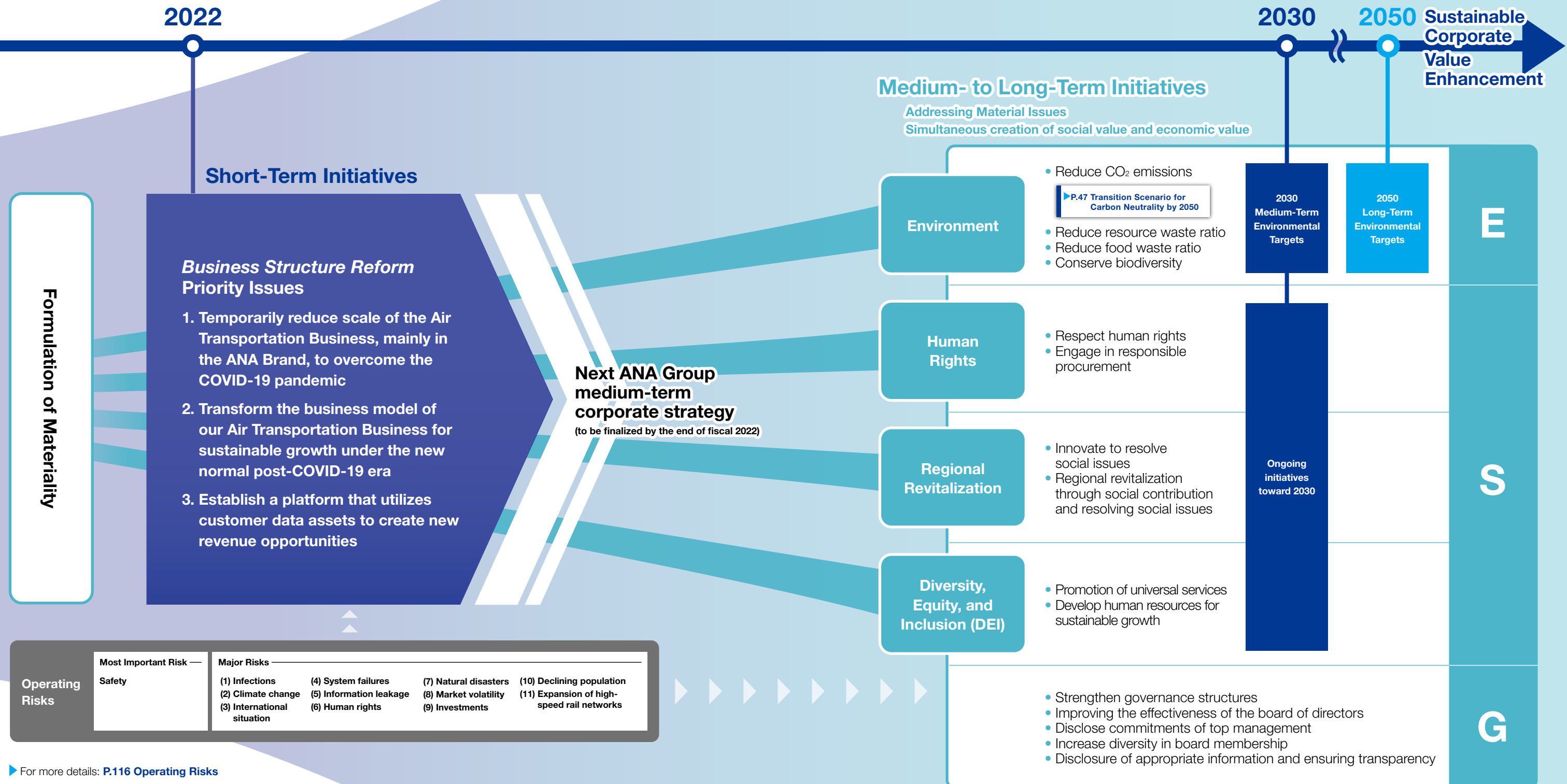
We will maximize the cycle of our four strengths, generated by each employee's implementation of the Code of Conduct, as we appropriately invest and allocate management resources. We are implementing *Business Structure Reform* and addressing four material issues to contribute to the Sustainable Development Goals (SDGs) of the UN. At the same time, we pursue sustainable growth in corporate value.



Value Creation Approach: ESG Management

To achieve sustainable enhancement of corporate value, the ANA Group implements short-term initiatives (business strategies) in response to changes in the business environment and in social conditions. We also engage in medium- to long-term initiatives (response to materialities) that define the ideal we hold for ourselves, maintaining an awareness of both time horizons. In this way, we pursue social and economic value simultaneously. In the midst of the COVID-19 pandemic, we continue to implement initiatives under *Business Structure Reform*, and we plan to create our next ANA Group medium-term corporate strategy by the end of fiscal 2022. We intend to move to a stage of further value creation by implementing key measures that reflect our strategies related to the environment (E), society (S), and governance (G).

ANA Group Value Creation (Examples)





Business Strategy

The environment surrounding the ANA Group has changed dramatically due to the impact of COVID-19.

To respond to a post-COVID-19 world, we intend to pursue further **Business Structure Reform** to transform ourselves into a resilient airline group and chart a growth trajectory that ties our efforts to value creation.

Recommendation of ANA FLYING HONU

ANA FLYING HONU, an Airbus A380, returned to scheduled service for the first time in two years in July 2022. Group employees will work in concert to refine the wings within ourselves, connecting the world through secure and safe travel.

Overview of *Business Structure Reform* Progress and Fiscal 2022 Plan

▼ For the latest information, please refer to the following.
Financial Results Presentation:
<https://www.ana.co.jp/group/en/investors/irdata/supplement/>

Business Environment Surrounding the ANA Group

The management environment surrounding the airline industry has changed dramatically due to the impact of COVID-19.

The sharp decline in passenger demand affected group business performance significantly. However, we have seen signs of recovery worldwide since the beginning of 2022 owing to the spread of vaccines and acceptance of the new normal. In the medium term, we expect demand to recover gradually to pre-COVID-19 levels as economic activity resumes and other factors lead to further globalization.

At the same time, we assume that passenger demand and needs for air travel will change drastically in the wake of the COVID-19 pandemic. The composition of high unit price demand is likely to contract. This demand, including business travel from Japan, etc., had been the main target of the ANA Brand. On the other hand, we expect the composition of low unit price demand, such as leisure and VFR*, to expand. Customer preferences and needs will break from the past, with more emphasis on non-personal / non-contact, hygiene, and simplicity.

To respond to these changes, the ANA Group created *Business Structure Reform* in October 2020, under which we have pursued various reforms. We continue to pursue a variety of measures such as aircraft and human resources. These ongoing efforts include optimizing the Air Transportation Business portfolio and introducing new service models tailored to the new normal.

Amid these circumstances, we plan to accelerate our response toward the post-COVID-19 era in fiscal 2022. At the same time, we aim to increase top-line revenues in our passenger businesses, striving to deliver bottom-line profit and generate free cash flow for the first time in three years. Based

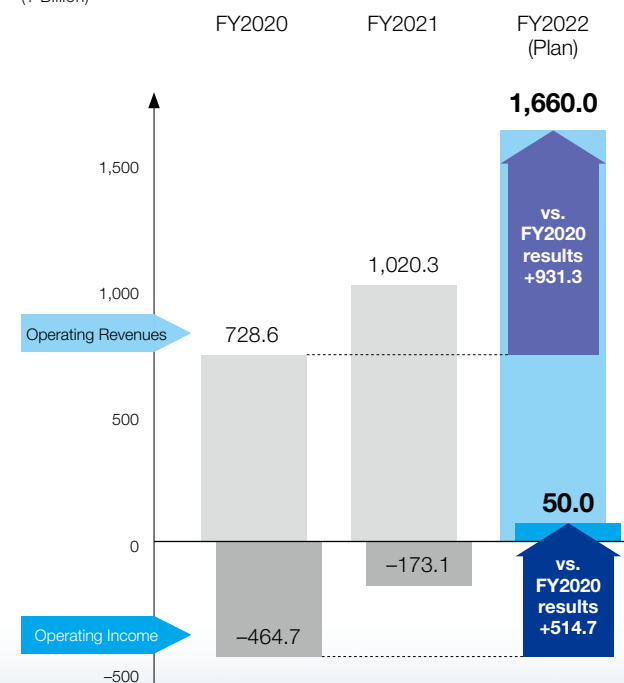
on a review of the ANA Group revenue and profit structure, which is dependent on the Air Transportation Business, we intend to formulate a new medium-term corporate strategy with a view to returning to growth and transforming ourselves into a more resilient airline group.

In this section, we will explain the progress of *Business Structure Reform* and provide an overview of our plan for fiscal 2022.

* VFR: Visiting Friends and Relatives

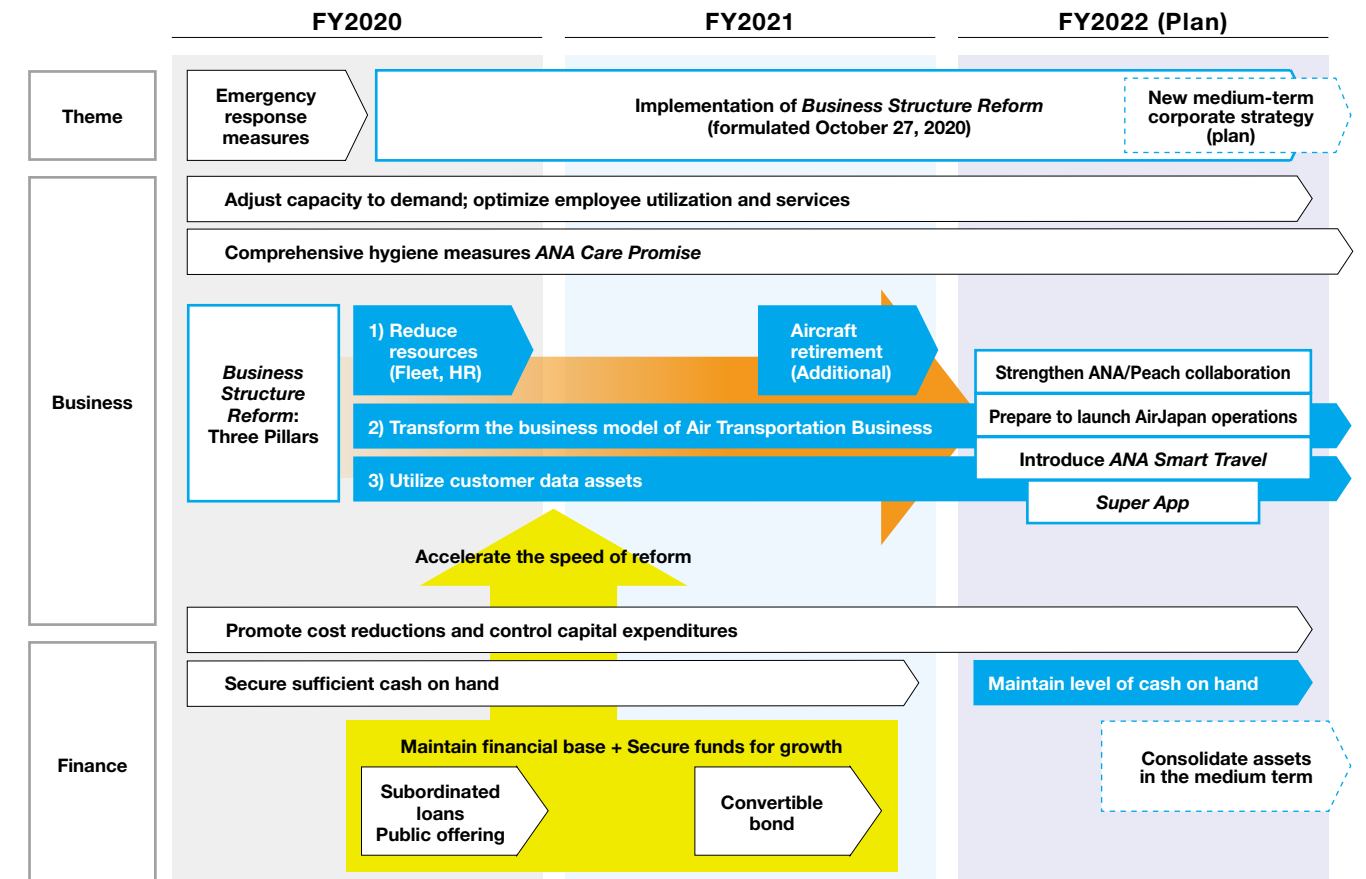
Operating Revenues and Operating Income (Consolidated)

(¥ Billion)



Medium-Term Response to the Post-COVID-19 Era

We continue to pursue our *Business Structure Reform* looking ahead to the post-COVID-19 world. In fiscal 2021, we undertook various reforms from both business and financial perspectives, intent on returning to growth in the future.



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 that utilizes customer data assets to create new revenue opportunities |

With the impact of the COVID-19 pandemic, we began emergency response measures in early 2020. These measures included flexible adjustments of capacity in line with demand trends, optimized personnel utilization, and comprehensive hygiene measures. In October 2020, we created the *Business Structure Reform* plan to reform our group business structure looking ahead to post-COVID-19 growth.

Our business-related reforms focused on addressing costs based on the Three Pillars. Having improved the ANA Group cost structure, we intend to link a fiscal 2022 top-line recovery to the creation of new value as quickly as possible.

In terms of finances, we strengthened our financial base through funds procurement from both financing and equity sources. Our policy is to overcome the COVID-19 pandemic while securing sufficient cash on hand. And our ability to generate cash flow has been improving steadily, evidenced by our return to profitability in the third quarter of fiscal 2021. We will maintain an accurate assessment of our business environment, pursuing a plan to reduce total assets over the medium term and shift to more efficient financial management.



Progress in Business Structural Reform

1

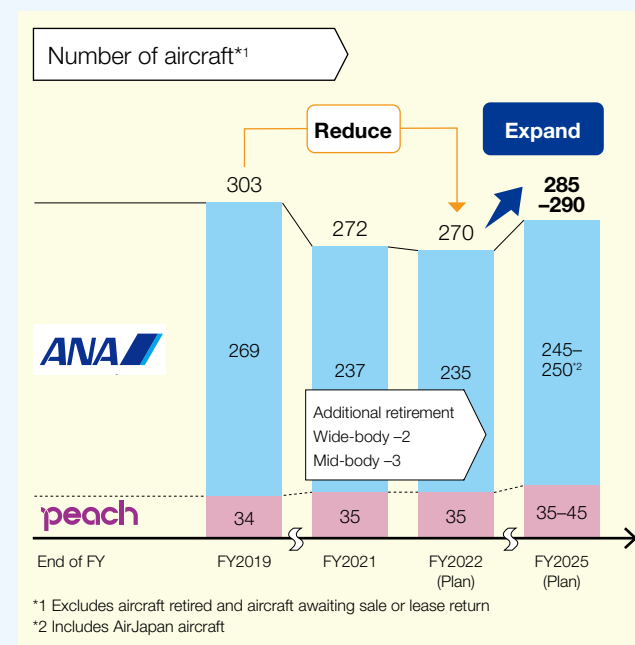
Resource Strategy

This section provides an overview of the progress in reforms targeting the airline's key resources: aircraft and human resources.

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

1. Aircraft

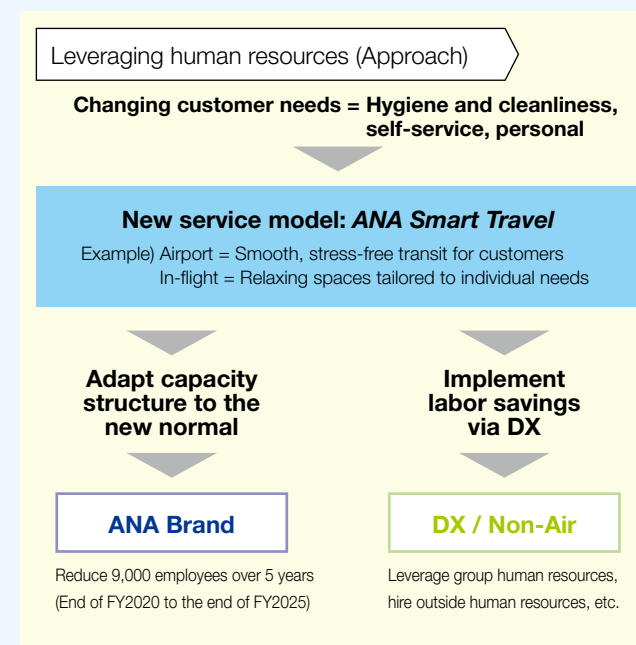
→ Execute a flexible fleet strategy looking at demand trends



Implement a flexible fleet strategy while monitoring passenger demand and class composition

2. Human Resources

→ Pursue personnel systems in line with changes in the business environment



Improve the competitiveness of group human resources capabilities to meet post-COVID-19 customer needs

1. Aircraft

In response to the sharp decline in passenger demand, we determined to overcome the COVID-19 pandemic by temporarily reducing the scale of the Air Transportation Business. We already retired aircraft, mainly wide-body models for international business specifications, by the end of fiscal 2020. We plan to have 270 aircraft across the entire group at the end of fiscal 2022, which will represent a reduction of approximately 10% from our pre-COVID-19 fleet.

Beginning fiscal 2023 onward, we plan to increase the number of aircraft again, having between 285 and 290 aircraft across the group by the end of fiscal 2025. We intend to implement a flexible fleet strategy while monitoring future developments, including passenger demands and needs.

2. Human Resources

To respond to changing customer needs, we plan to introduce *ANA Smart Travel* as a new service model, adapting airport and in-flight services to the new normal. The number of employees in ANA Brand will decrease over the medium term. However, we plan to use group human resources and hire from outside the group for digital transformation (DX) and non-air businesses.

We will improve the competitiveness of group human resources to meet customer needs in the post-COVID-19 era.

2

Group Airline Model

We are optimizing the Air Transportation Business portfolio and reforming service models across the ANA Group.

Theme 2 Transform the business model of our Air Transportation Business for sustainable growth under the new normal of the post-COVID-19 era

1. Domestic Passenger Business

- Strengthen collaboration between ANA and Peach
Create joint flight schedules **A**
Cooperative marketing and sales

2. International Passenger Business

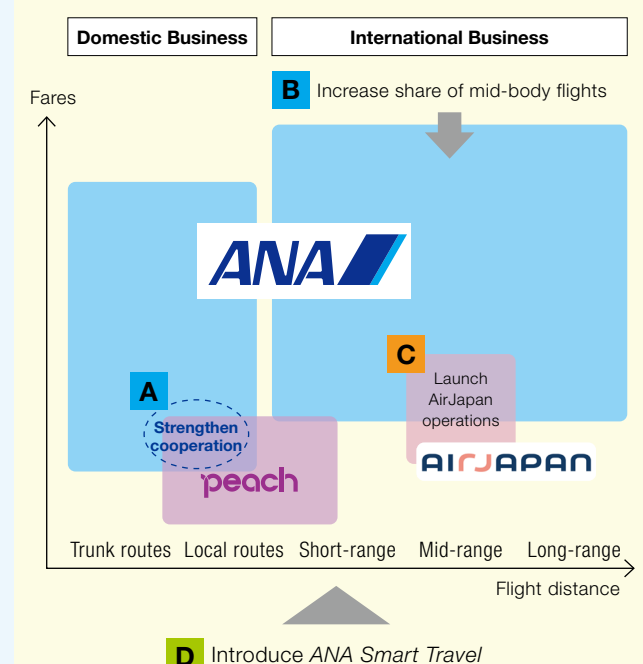
- Fleet strategy to respond to passenger mixture **B**
 - Increase share of mid-body aircraft
- Capture new demand on mid-range routes **C**
 - Launch AirJapan service in the second half of fiscal 2023

3. Introduce ANA Smart Travel **D**

- Implement contactless services
 - Improve online check-in procedures for domestic flights
- Meet individual needs
 - Pre-order of in-flight meals for international flights (to reduce food loss)

Enhance Customer Experience Value
Strengthen Competitiveness and Increase
Business Efficiency at the Same Time

Overall Concept of the Group Airline Model (Passenger Business)



Our Domestic Passenger Business will strengthen cooperation between ANA and Peach. At the beginning of fiscal 2022, we began flights based on a joint schedule between ANA and Peach. We will also collaborate in sales campaigns, fares, and other sales-related strategies.

The International Passenger Business will pursue a fleet strategy to respond to changes in passenger mixture. We intend to increase the flight share of mid-body aircraft based on the assumption that it will take time for high unit price demand, mainly business travel, to return to pre-COVID-19 levels. In addition, to capture new demand on mid-range routes in Asia and Oceania, AirJapan will begin service as a new brand in the second half of fiscal 2023.

We have also released *ANA Smart Travel*, a new service model under the ANA Brand. Here, we will improve online check-in procedures on ANA domestic flights to improve convenience, while also promoting contactless services. Meanwhile, we will strengthen our response to individual needs, including the pre-order of in-flight meals on ANA international flights.

Through these efforts, we aim to improve customer experience value, while strengthening the competitiveness for airline business and pursuing business efficiencies at the same time.

Progress in Business Structural Reform

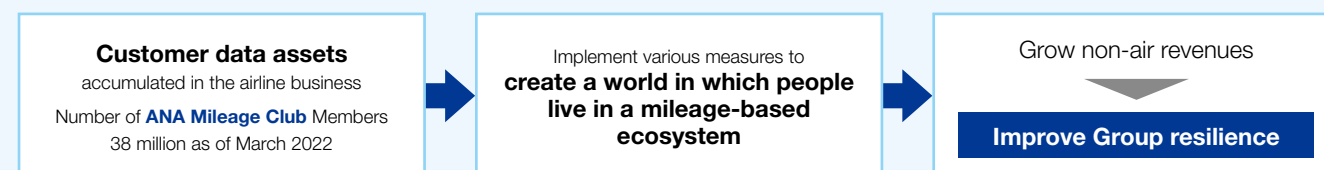
3

Non-Air Businesses

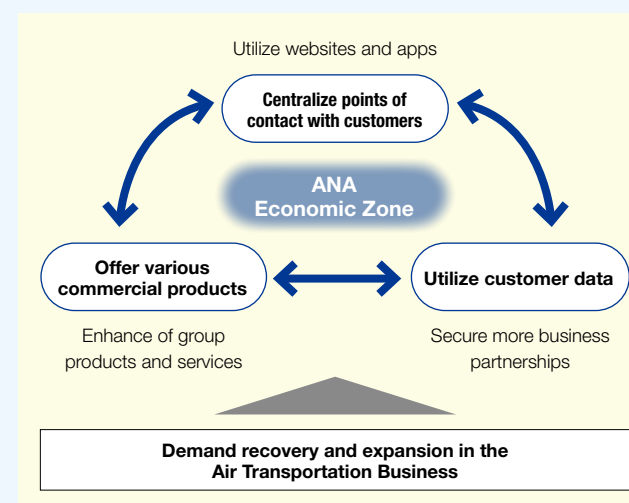
We are currently engaged in strengthening e-commerce sales and expanding services to create a world in which people live in a mileage-based ecosystem.

Theme 3 Establish a platform that utilizes customer data assets to create new revenue opportunities

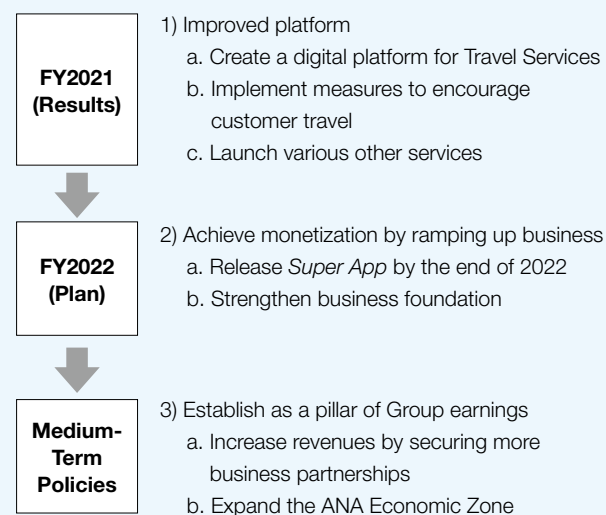
1. Basic Approach



2. Monetization Process (Overall Concept)



3. Progress in Initiatives



We intend to expand revenues of non-air businesses by leveraging existing customer data assets to create a world in which people live in a mileage-based ecosystem. The ANA Mileage Club has approximately 38 million members worldwide, and our objective is to expand revenues of non-air businesses by utilizing this customer data to enhance group resilience.

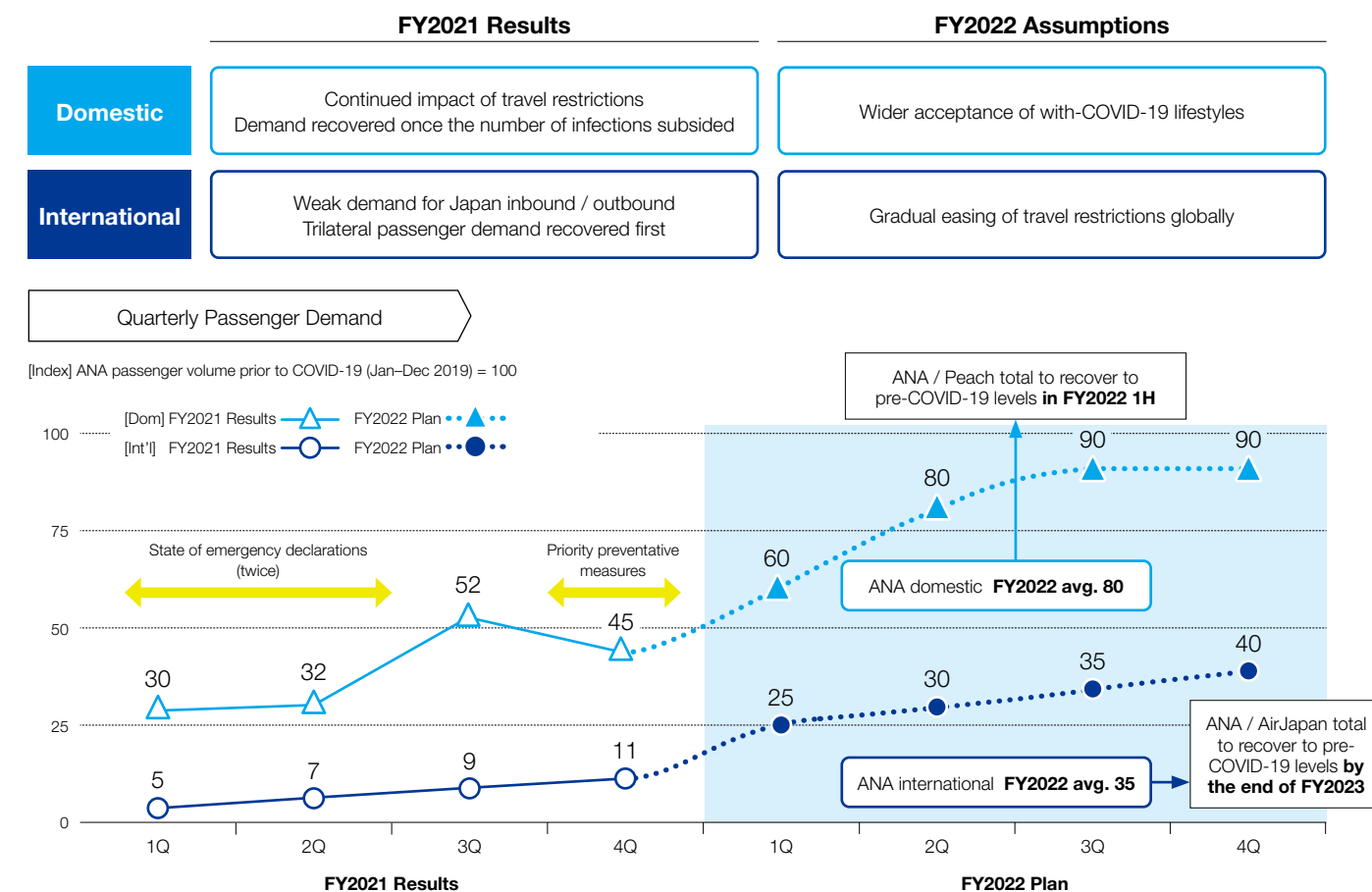
The process for achieving monetization consists of creating interactive customer hubs through websites and apps, and then offering a variety of products and services. The ANA Group intends to acquire business partners from outside the group by strategically utilizing customer data in this process.

We made progress in the development of the platform during fiscal 2021, laying the groundwork for monetization. During fiscal 2022, we intend to monetize by ramping up business, including the release of *Super App*.

Underpinned by the recovery and expansion of airline demand, we will encourage customer migration through and expansion of the ANA Economic Zone. In the medium term, we plan to establish the non-air businesses as a pillar of group earnings.

Assumptions for Passenger Demand in the Fiscal 2022 Plan (Announced April 28, 2022)

We have developed and are executing a business plan based on the following assumptions regarding passenger demand.



*1 Figures represent ANA Brand only, not including Peach results and plans

*2 FY2022 plans are calculated based on Jan-Dec 2019 results under the same standards as the new revenue recognition

1. Fiscal 2022 Plan

On domestic flights, we project ANA Brand passenger volume to average 80% of the pre-COVID-19 levels for the fiscal year. This projection is based on the assumption that demand will increase beginning in summer with the wider acceptance of with-COVID-19 lifestyles. With the recovery in leisure demand, which has been slow, we expect the number of passengers on domestic flights, including Peach, to recover to pre-COVID-19 levels in the first half of the fiscal year.

For international flights, we expect travel restrictions and entry restrictions to ease in stages around the world. We plan for ANA demand to recover for the full year, averaging 35% of pre-COVID-19 levels over the fiscal year. We assume that leisure demand will recover for certain routes; however, we expect international passenger volume, including AirJapan, to recover to pre-COVID-19 levels by the end of fiscal 2023.

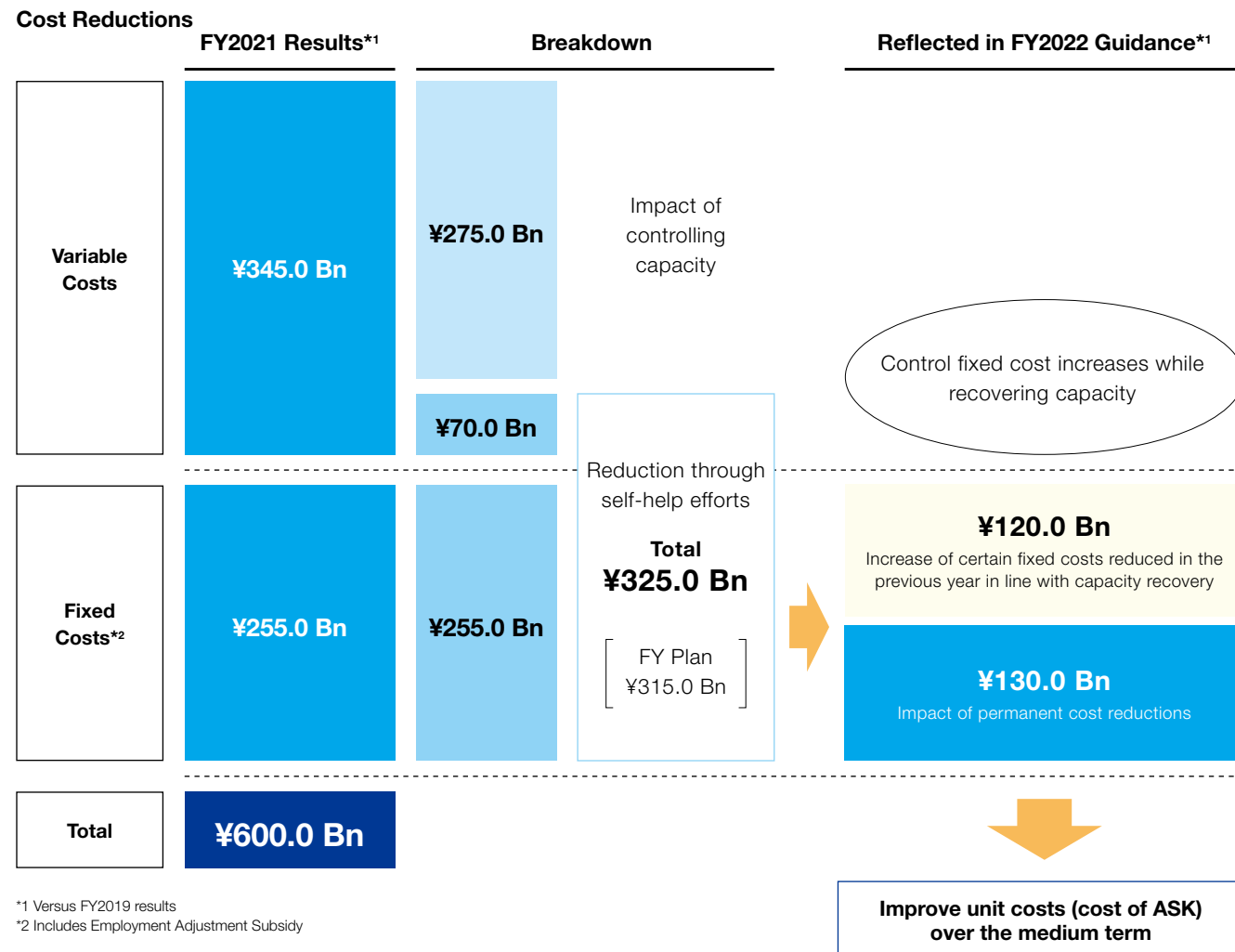
2. First-Quarter Status and Second-Quarter Outlook

Demand for domestic flights steadily increased over the first quarter, mainly for leisure and return trips home. On international flights, demand to and from Japan increased due to the relaxation of border measures by the government, as well as firm trilateral passenger demand between Asia and North America.

In the second quarter, we aim to boost demand further, while closely monitoring trends in the number of infections. We expect to resume operations of wide-body Boeing 777 aircraft on domestic flights in phases. We plan to strengthen efforts on international flights to capture demand for business travel originating from Japan and for inbound travel to Japan originating from overseas.

Cost Management

The ANA Group implements consistent and comprehensive cost management to be cost-competitive in the post-COVID-19 era.



We have stepped up cost management since the impact of the COVID-19 pandemic first began to emerge, implementing measures throughout the group.

During fiscal 2020, we reduced costs by a total of ¥590.0 billion compared to fiscal 2019 results. In fiscal 2021, we reduced costs by ¥600.0 billion compared to the previous year. Of this amount, we reduced ¥325.0 billion through self-help efforts, exceeding our fiscal year plan.

We reduced variable costs tied to revenues and operations through consistent and comprehensive management of revenues and expenses per flight in accordance with trends in passenger and cargo demand. We reduced fixed costs, mainly in depreciation and amortization and maintenance

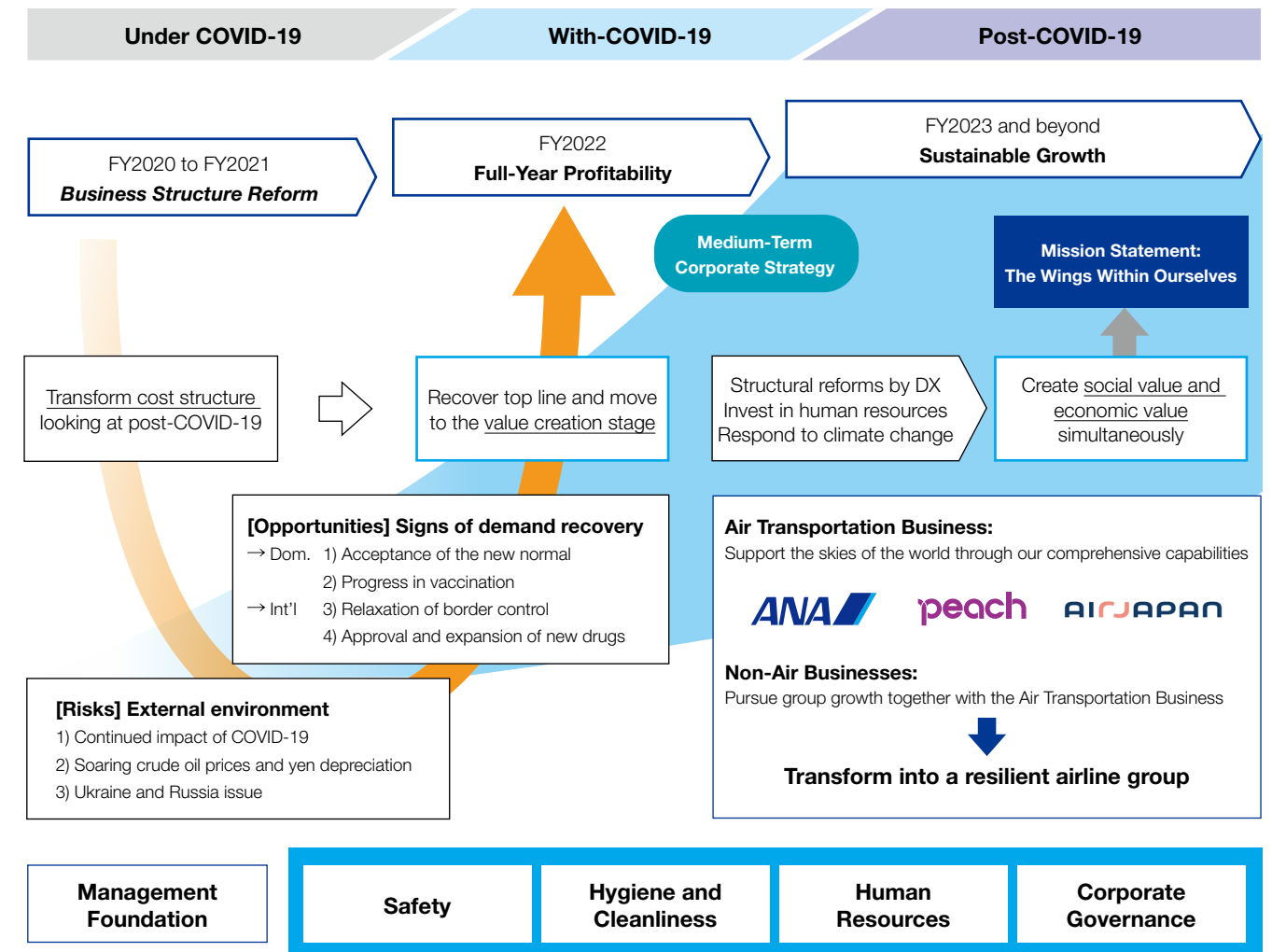
expenses, as we accelerated aircraft retirements in wide-body and other models through the end of fiscal 2020.

Expenses tied to revenues and operations, etc., will increase in fiscal 2022 compared with the previous year as we restore capacity in line with passenger demand. However, of the ¥255.0 billion in fixed costs reduced in fiscal 2021, approximately ¥130.0 billion are reductions we plan to sustain permanently.

Even when we return to a growth trajectory in the future, we plan to curb increases in fixed costs by utilizing external resources and other means. We will continue to improve unit cost steadily through thorough cost management.

Present Measures Anticipating a Return to Growth

After achieving profitability in fiscal 2022, we aim to return to growth while implementing the ANA Group Mission Statement.



The past two years during the COVID-19 pandemic were a phase of cost reforms. During fiscal 2022, we will move to a stage of value creation. The current external environment remains uncertain given soaring crude oil prices and the Ukraine–Russia conflict. But we will face these risks and leverage the recovery in demand as an opportunity to achieve profitability for the full year.

By the end of fiscal 2022, we expect to formulate our next medium-term corporate strategy. This strategy will reflect responses to key ESG topics such as digital transformation,

human resources, and climate change, as we aim to create social value and economic value simultaneously. We intend to transform ourselves into a resilient airline group with both airline and non-air businesses on growth trajectories.

In December 2022, the ANA Group will celebrate our 70th anniversary. On our way toward this historical milestone, we plan to formulate a new management vision for the post-COVID-19 era. And as we aim to achieve sustainable growth, we will also put the ANA Group Mission Statement into practice.

Air Transportation Business

Modern Samurai: Speeding efforts toward net profits and medium-term profit growth

INOUE Shinichi

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

In fiscal 2022, the ANA Group will work with undaunted determination, pursuing our mission to return to full-year profitability and accelerating efforts to establish a business structure capable of generating sustainable and stable profits. Based on a firm platform of safe flight operations, we will assess insights from customers and maximize revenues, continuing unrelenting cost controls. This year also happens to be the 70th anniversary of ANA, and we are engaged in efforts to establish a sustainable business structure with a view to the next 70 to 100 years.

In fiscal 2022, the third year of the COVID-19 pandemic, travel sentiment on domestic flights has shown signs of recovery following the lifting of priority preventative measures. At the same time, demand on international flights is recovering rapidly in the wake of easing border measures and increased trilateral passenger demand. Our multi-brand strategy through ANA and Peach will maximize earnings through an optimized sharing of roles. Air cargo demand remains stable due to the impact of ocean transportation congestion and other factors. We aim to strengthen profitability through the best mix of passenger and cargo businesses.

In services, we plan to deepen marketing strategy based in customer experience value, responding to customer needs from a customer-in mindset built on synergies between *self-service and digitalization* and *enhanced human services*. And we will continue to reduce fixed costs and improve productivity through the use of digital technologies, all while we maintain cost structure reforms at current speeds. Our response to ESG management, particularly with regard to decarbonization, encompasses national and inter-industry cooperation as we aim to achieve our medium-term targets.

The title of this section includes the phrase *Modern Samurai*. This company, which began with only two helicopters 70 years ago, has always taken on challenges by being *A Business with Integrity, A Resolute and Independent Business*, and *A Self-Reliant Business*. In today's terms, we are a group that embodies diversity, equity, and inclusion (DEI), embracing diverse ways of thinking to work together to achieve a single direction in contributing to the world through engagement, passion, and determination. In this 70th anniversary year, we will return to the foundations of ANA, striving as one to work through this difficult situation.



Although the impact of the COVID-19 pandemic continued throughout fiscal 2021, we captured the phased recovery in passenger demand and robust cargo demand to the greatest extent possible. As a result, Air Transportation Business operating revenues amounted to ¥885.0 billion, an increase of 46.5% year on year, while operating loss amounted to ¥162.9 billion, compared with operating loss of ¥447.8 billion in the previous fiscal year. Our fiscal 2022 plan for the Air Transportation Business calls for operating revenues of ¥1,470.0 billion and operating income of ¥52.0 billion. We aim to grow our top line, expanding capacity in a flexible manner as demand recovers.

ANA International Passenger Business

Recovering capacity in a flexible manner in conjunction with easing travel restrictions in Japan and around the world

Fiscal 2021 in Review

Passenger demand remained significantly weak due to the reemergence of COVID-19 infections and the outbreak of mutant variants. However, business demand, mainly related to overseas assignments, return trips to Japan, and a recovery in demand in connections from Asia to North America resulted in the shift of certain North American routes from Haneda to Narita Airport in July. In this way, we made efforts to select flexible routes and establish extra flights. In March 2022, we suspended operations on the Haneda–London and Paris routes due to the Russia–Ukraine crisis. We continued operations on the Haneda–Frankfurt and Narita–Brussels routes, bypassing the airspace over Russia.

In terms of sales and services, we launched *Face Express* on certain routes to and from Narita Airport in July. Face Express is a new boarding procedure based on facial recognition technology. In February 2022, for certain routes departing from Japan, we introduced *ANA Travel Ready*, a service that facilitates boarding by allowing passengers to register and confirm their travel documents online in advance. These are just a few examples of our efforts to improve convenience that will continue into the future.

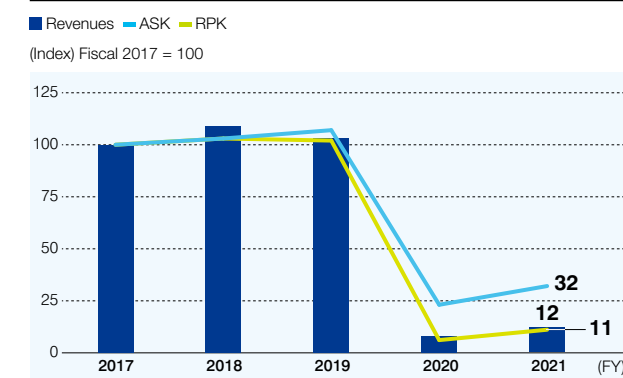
As a result, passenger numbers for the ANA International Passenger Business in fiscal 2021 was 0.82 million (up 93.2% year on year), and operating revenues amounted to ¥70.1 billion (up 56.8%).

Fiscal 2022 Business Policies

As travel restrictions ease around the world and transition to a with-COVID-19 era, passenger demand in Japan is shifting into a recovery phase in the wake of the gradual relaxation of entry restrictions beginning in March 2022. We will closely monitor the status of border control measures in each country and capture business demand, which is recovering ahead of other types of demand, as aggressively as possible. We will also capture demand for connections between Asia and North America. At the same time, we will strengthen efforts to gain leisure demand on Hawaii routes and for passengers visiting Japan.

We plan to recover capacity through a flexible approach to resuming or adding flight operations, while holding down increases in operating costs. These measures will include switching cargo flights operated using passenger aircraft to passenger flights according to passenger demand trends.

ANA International Passenger Business Results



Resumption of Airbus A380 FLYING HONU Service (Narita–Honolulu)

ANA Domestic Passenger Business

Maximizing revenues by utilizing wide-body aircraft to increase ASK and capture steadily recovering demand

Fiscal 2021 in Review

Passenger demand on domestic flights was sluggish over the first half of the year due to repeated state of emergency declarations. After the lifting of the declarations in the third quarter, we saw a trend toward recovery. However, demand declined again in the fourth quarter due to the emergence of the Omicron variant. As demand fluctuated depending on the number of infections, we endeavored to maximize marginal profit by adjusting the scale of operations flexibly, while adding extra flights on weekends, during the year-end and New Year holidays, and during spring break to capture recovering demand. During the winter schedule beginning October 31, we transferred some flights to Peach to optimize the route network for the entire Group.

In terms of sales and services, we improved comfort by introducing Boeing 787-9 aircraft for domestic routes in December, featuring an upgraded specification that included new seats with personal monitors. In addition, we captured demand through a boarding campaign and in-flight services tied to the animated TV series *Demon Slayer: Kimetsu no Yaiba*. We also introduced two special-livery aircraft featuring characters from the anime.

As a result, passenger numbers for the ANA Domestic Passenger Business in fiscal 2021 amounted to 17.95 million (up 41.9% year on year), and operating revenues amounted to ¥279.8 billion (up 37.8%).

Fiscal 2022 Business Policies

Since March 2022 and the lifting of priority preventative measures, demand has been recovering for both business and leisure travel. We began using the domestic-specification Boeing 777 aircraft, which had been out of service since February 2021, in late June 2022 after conducting the necessary repair work to ensure safety. As with-COVID-19 is becoming a part of daily life, we will capture as much demand as possible for leisure travel and return trips that will increase during the summer season.

ANA Domestic Passenger Business Results



Boeing 787-9 Aircraft Seat with Personal Monitor



The First Aircraft with *Demon Slayer: Kimetsu no Yaiba* livery
©Koyoharu Gotoge / SHUEISHA, Aniplex, ufotable

ANA Cargo and Mail Business

Maximizing the use of freighters and passenger aircraft (belly), strengthening efforts to improve profitability

Fiscal 2021 in Review

In addition to the active demand for cargo due to the recovery of the economy, the shift to air due to congestion in ocean freight resulted in strong air cargo demand. We captured this demand for the transportation of automobile-related components, semiconductors, electronic devices, and vaccines and other pharmaceuticals.

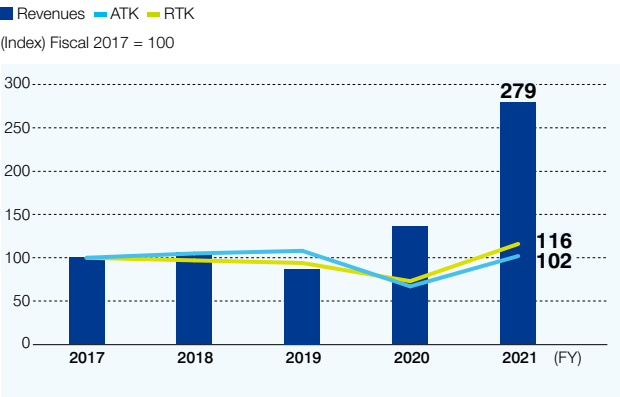
We introduced the Narita–Los Angeles route to our network in April, the Narita–Hong Kong and Narita–Taipei routes in October, and the Narita–Qingdao route in November. These routes made the most of the Boeing 777F and other cargo-only aircraft (freighters). In addition, we endeavored to capture strong demand by using passenger aircraft for cargo flights when needed.

As a result, ANA International Cargo volume in fiscal 2021 was 0.976 million tons (up 49.1% year on year), and operating revenues amounted to a record high ¥328.7 billion (up 104.8%).

Fiscal 2022 Business Policies

Our plan assumes that the supply–demand balance will gradually ease over the second half of the year and beyond. This trend will reflect the resumption of passenger flights and an easing in ocean transport congestion. We plan to maintain and improve profitability by continuing to make maximum use of freighters while also establishing extra cargo flights using passenger aircraft to secure capacity. We also plan to strengthen sales initiatives to capture high-unit-price products and large-lot demand.

ANA International Cargo Business Results



Boeing 777F Aircraft

Cooperating in the Transport of COVID-19 Vaccines

Beginning in February 2021, ANA began transporting Pfizer's COVID-19 vaccine on the international route from Belgium in Europe to Japan via DHL Global Forwarding Japan K.K. Existing guidelines were upgraded for transportation at –70°C, and we increased dry ice loading to ensure transport volume and guarantee quality. Since June 2021, we have been cooperating in the international transportation of COVID-19 vaccines from Japan to various parts of Asia. In addition to international transportation, we also provided air transportation for vaccines within Japan, mainly to remote islands.

We will continue to cooperate in the transport and supply of COVID-19 vaccines, taking all possible measures to contribute to the rapid abatement of infections and to help create a society in which people live with peace of mind.



LCC (Peach Aviation)

Aggressively expanding domestic route network to capture more leisure and VFR* demand

Fiscal 2021 in Review

We opened the Kansai–Memanbetsu route in our network in July and the Fukuoka–Ishigaki route in October. We continued to monitor the impact of the state of emergency declarations and priority preventative measures. In August, we began code-sharing and mileage partnership between Peach and ANA on certain routes out of Narita and Chubu airports, expanding options for ANA Brand customers and improving convenience. Beginning with the winter schedule, we transferred certain routes from ANA to Peach. In this way, we worked to improve profitability while pursuing an optimal Air Transportation Business portfolio for the Group as a whole.

In terms of sales and services, we conducted several campaigns to commemorate the 10th anniversary of Peach flight service on March 1, 2022. These campaigns included sales, limited-edition goods, and special events with collaborating companies. We also introduced the *Tabi Kuji* ticket, which offers travelers a random destination available via in-flight sales and special vending machines. The *Tabi Kuji* ticket incorporates Peach points to be used for airline tickets purchases to designated destinations, special missions at destinations, etc. With this new tool, we endeavored to build demand through new travel experiences that introduce an element of chance in destinations.

As a result, LCC passenger numbers in fiscal 2021 amounted to 4.26 million (up 105.1% year on year), and operating revenues totaled to ¥37.8 billion (up 71.3%).

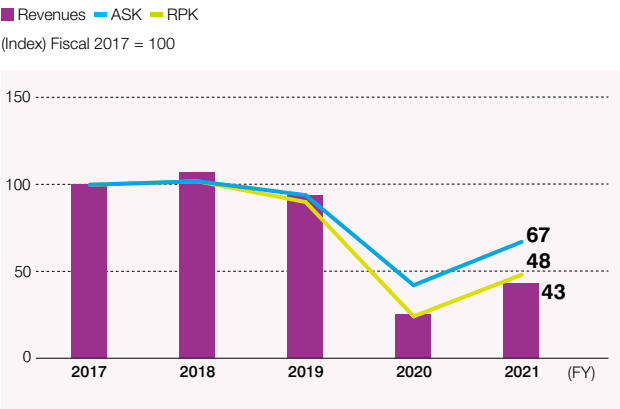
Fiscal 2022 Business Policies

We will improve aircraft utilization and expand our domestic route network by increasing flights during early morning and late-night time slots. In addition, we intend to improve convenience through a redesign of the Peach app, strengthening our efforts to capture leisure and VFR demand by leveraging the effects of flight schedules formulated jointly with ANA.

Meanwhile, international flights have been suspended since April 2021. Operations on the Kansai–Incheon route are resumed at the end of August 2022.

Going forward, we will resume flights gradually on routes where we anticipate demand recovery, taking into account the regulatory situation in each country.

LCC Results



Notes: 1. The graph above includes ancillary revenues.
2. Figures prior to fiscal 2019 include Vanilla Air results.



A New Form of Travel via Tabi Kuji

* VFR: Visiting Friends and Relatives

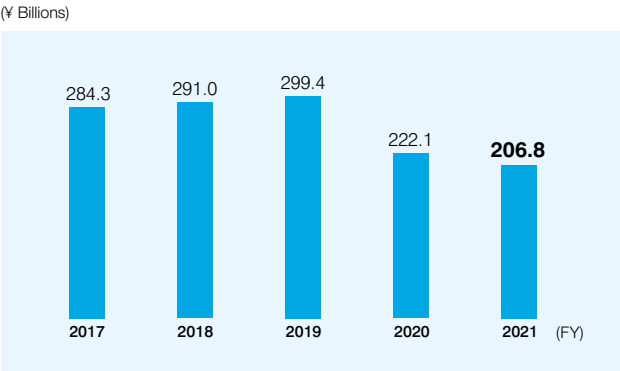
Non-Air Businesses

Stepping up efforts to establish a new earnings pillar next to the Air Transportation Business, focusing on leveraging customer data assets

Airline Related

We endeavored to increase revenues in fiscal 2021 by expanding our product lineup for online sales of in-flight meals and other products and services. However, the decline in transaction volume for systems development work due to investment restraints within the group resulted in operating revenues of ¥206.8 billion (down 6.9% year on year) and an operating loss of ¥0.6 billion (compared with operating income of ¥3.6 billion in the previous fiscal year).
With the easing of travel restrictions in Japan and other countries in fiscal 2022, we expect a gradual recovery in the number of flights operated, including those by overseas airlines. We plan to pursue efforts to recover and strengthen profitability, mainly through contracts for ground handling and other services.

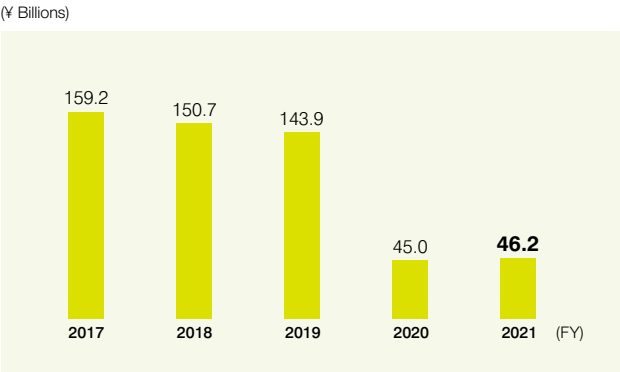
Airline Related: Operating Revenues



Travel Services

All overseas travel projects of the ANA Group were canceled in fiscal 2021. In addition, domestic travel volume declined compared to the previous fiscal year, when the *Go To Travel Campaign* was in place and had a positive impact on performance.
On the other hand, the transfer of digital marketing and other functions from within the group led to an increase in contract revenues, resulting in operating revenues of ¥46.2 billion (up 2.7% year on year) and an operating loss of ¥2.1 billion (compared with an operating loss of ¥5.0 billion in the previous fiscal year).
We will strengthen our efforts in fiscal 2022 to generate businesses that leverage customer data, driven by ANA X Inc. Here, our aim is to create a world in which people live in a mileage-based ecosystem.

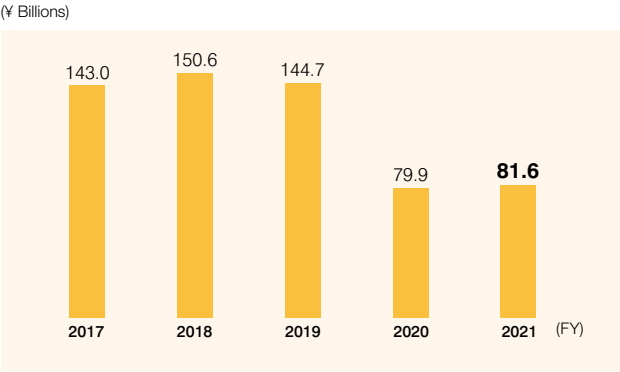
Travel Services: Operating Revenues



Trade and Retail

In fiscal 2021, the gradual recovery in passenger demand led to sales increases at *ANA FESTA*, airport retail stores. In addition, we saw an increase in transaction volume in our electronics business in response to strong demand in the semiconductor market. As a result, operating revenues amounted to ¥81.6 billion (up 2.2% year on year), while operating income came to ¥549 million (compared with an operating loss of ¥4.2 billion in the previous fiscal year).
Passenger demand in fiscal 2022 is recovering on domestic routes in response to the easing of travel restrictions and other factors.
We will work to improve profitability further, focusing on the airport retail business.

Trade and Retail: Operating Revenues





Enhancing Cargo Business Profitability

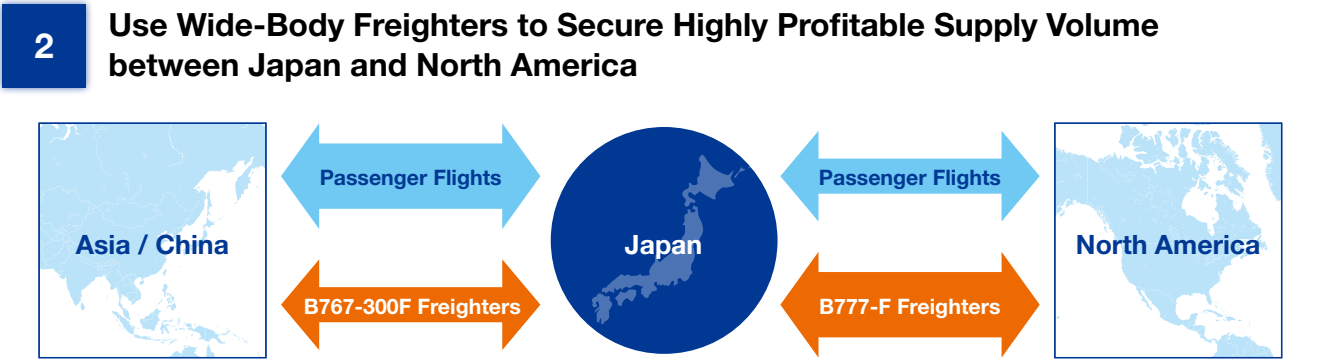
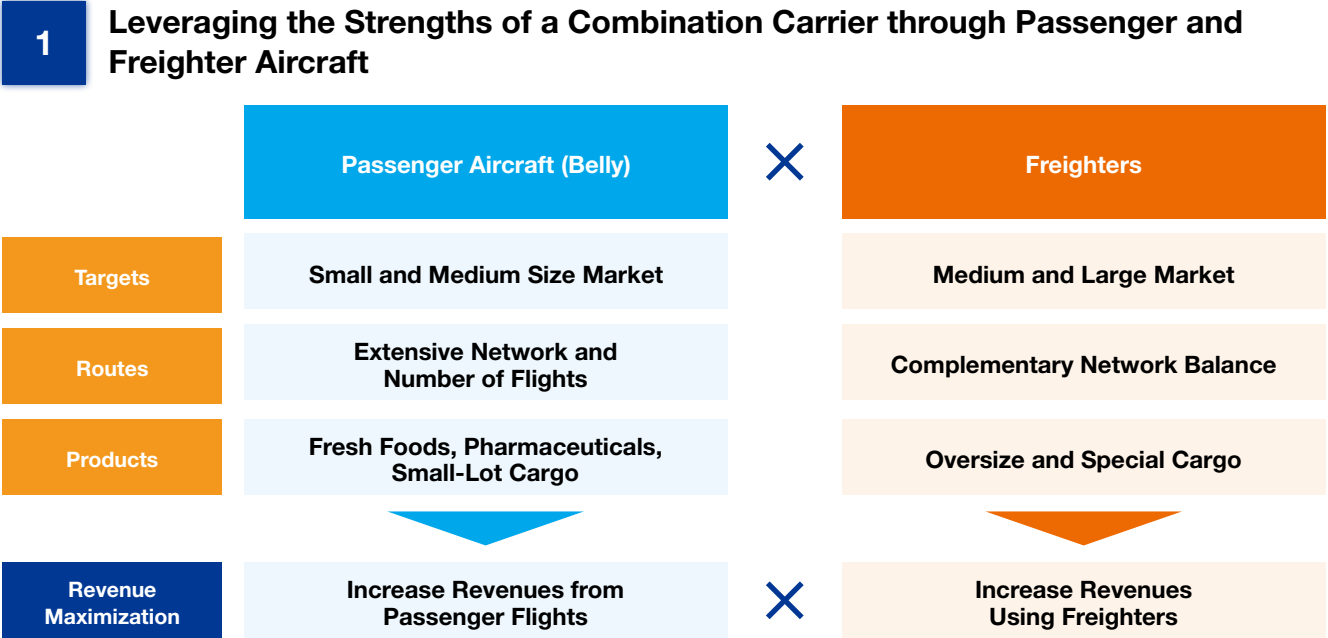
Demand for air freight forwarding has been strong amid supply chain disruptions caused by marine transportation congestion and growing in-home consumption. We began transporting medical supplies (masks, protective clothing, hygiene products, and pharmaceuticals) in early fiscal 2020. Thereafter, we loaded cargo in passenger aircraft and expanded freighter operations (cargo-only flights) to meet supply chain needs of customers, particularly in the automotive, semiconductor, e-commerce, and pharmaceutical industries, where cargo movement is very active.

By maximizing capacity using the ANA Group fleet of 11 freighters (two B777-F and nine B767-300F) and capturing strong cargo demand, we posted a record high for international cargo operating revenues in fiscal 2021. We expect cargo demand to continue to be strong, particularly for automobiles and semiconductors. And we also assume that the supply—demand balance will remain tight for the foreseeable future.

In this way, the ANA Group contributes to society, supporting daily lives and corporate activities by maintaining supply chains for various industries, including emergency transportation of COVID-19 vaccines and other pharmaceuticals and medical equipment.

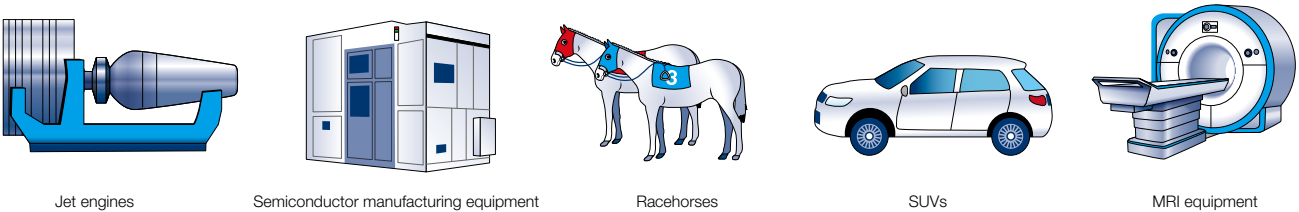
The ANA Group Cargo Business Model: Strengths of a Combination Carrier

The ANA Group is the only combination carrier in Japan that owns both passenger and freighter aircraft. We seek to improve profits by taking advantage of our strengths in transporting oversize cargo using our 11-freighter fleet and our extensive network of passenger flights to schedule flight routes flexibly and adjust supply in response to demand trends.



While we secure supply between Japan and Asia using abundant belly space on passenger flights and B767-300F, we supplement routes between Japan and North America, where supply is short on passenger belly space alone, using B777-F. During the COVID-19 pandemic, we have scheduled more flights than before the pandemic since demand is particularly strong on North American routes.

(Reference) Special cargo that can only be carried by wide-body freighters



Initiatives for Sustainable Cargo Business Growth

To compensate for the decline in passenger revenues due to COVID-19, we introduced several measures to increase profits in the cargo business. In addition, we are pursuing initiatives to secure stable revenues over the medium term in anticipation of a future easing in supply–demand balance.

1 Measures to Increase Revenues during the COVID-19 Pandemic

1. Consolidate Freighters in Narita

Improve operational efficiency by having freighters operate to/from Narita Airport (the Okinawa hub is transitioning to a new model utilizing cargo space on passenger flights)

2. Expand the Number of Destinations Served by Freighters

Expand the number of destinations served by freighters and increase choices for flight routes, to schedule flights flexibly in meeting demand and to secure greater revenues

New Routes

B767-300F (Nine aircraft) Fiscal 2020: Wuhan / Manila; Fiscal 2021: Beijing / Hangzhou
B777-F (Two aircraft) Fiscal 2020: Frankfurt / Bangkok; Fiscal 2021: Los Angeles / Hong Kong / Taipei / Qingdao

3. Change Departure / Arrival Airports for Certain Passenger Flights

Change certain passenger flights on North American routes from Haneda to Narita to capture strong North America-Asia trilateral cargo traffic (Washington, D.C., Houston, Vancouver, and Seattle routes)

4. Operate Cargo Flights Actively Utilizing Passenger Aircraft

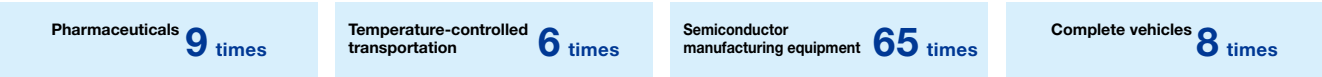
Maximize robust cargo demand by operating extra cargo-only flights using belly space on passenger aircraft

2 Initiatives to Secure Stable Earnings over the Medium Term

1. Capture High-Unit-Price Commercial Goods through More Competitive Products

(Figures represent percentage increases in revenues from FY2019 to FY2021)

Strengthen sales of *PRIO products* (quick, reliable transport of special commercial goods), and expand the ratio of high-value-added, high-unit-price cargo



2. Expand Long-Term Contracts

Acquire long-term purchase contracts for freighter-operated flights coordinated with shipper supply chains

3. Improve Cost Competitiveness

Secure labor and worker savings by reviewing work flows associated with the consolidation of shed facilities at Narita Airport
Secure labor savings by using an AI-based revenue management system to maximize revenues by route

Introduce Boeing 777-8F



© Boeing

We decided to replace two of the 20 B777-9 aircraft we originally announced for introduction in 2014 with two B777-8F aircraft to secure resources for future growth in the cargo business. The introduction is scheduled for fiscal 2028 or later.
The B777-8F is a state-of-the-art wide-body freighter that boasts the largest cargo capacity of any twin-engine aircraft. At the same time, this aircraft features reduced fuel consumption, CO₂ emissions, and operating costs per ton compared to conventional aircraft.



TOYAMA Toshiaki
President
ANA Cargo Inc.

Message from the President of ANA Cargo Inc.

ANA Cargo Inc. began operations in April 2014. As the core company of the ANA Group cargo business, ANA Cargo is responsible for cargo business strategy planning, development of transportation products and solutions, sales, and airport operations.
Amid the prolonged spread of COVID-19, demand for air cargo transport increased in response to disruptions in the supply chain caused by ocean shipping congestion. At the same time, semiconductor and automobile-related cargo movement was robust, as was demand for PCs and e-commerce freight related to rising in-home consumption. Under these circumstances, and as the only Japanese combination carrier owning both 11 freighters and passenger aircraft, we are playing a part in maintaining the supply chains of nearly every industry by maximizing our resources. We have scheduled numerous cargo flights and charter flights using freighters, as well as extra cargo flights using passenger aircraft cargo space.
Over the most recent two years of the pandemic, we fulfilled our social mission as indispensable infrastructure by transporting masks, protective clothing, and vaccines to halt the spread of infection.

In addition, we are expanding our handling of new transport products. Besides the transport of semiconductor

manufacturing equipment and complete vehicles, we now transport more special cargo than in the past, including racehorses. Our aim is to provide services in which customers feel confident in entrusting their cargo to ANA Cargo for transport around the world.
Currently, we are working on *Business Structure Reform* in anticipation of the post-COVID-19 competitive environment. Measures include streamlining operations further through facilities reorganization, improving transportation quality, and strengthening our product lineup. We are also conducting business process reform by utilizing the latest digital technologies, and we will pursue digital transformation by redesigning our systems in 2023 to improve customer convenience and operating efficiencies. ANA Cargo is contributing to the SDGs, including efforts to decarbonize cargo transportation through the use of sustainable aviation fuel (SAF).
We will continue to refine our strengths as Japan's only combination carrier with both cargo and passenger aircraft, and we will strive for a stable and growing business, even in the post-COVID-19 world. We look forward to your continued support.

Customer Testimonials

International Cargo Agent, Tokyo Area

We have enjoyed a long relationship with ANA Cargo, and over the past two years of the pandemic, we have become even stronger cooperative partners. The number of international cargo flights, flexible aircraft operations, network, and service quality remained stable throughout the pandemic, and ANA has been indispensable in maintaining supply chains while meeting shipper demands. The outlook for materials procurement, packaging, production, etc., has been uncertain, and the volume of cargo being shipped remains unstable. However, ANA Cargo, which operates both freighter and passenger flights over a large network of direct flights from Japan, has been very convenient for us. The manager we work with offers proposals tailored to our specific situation, which I find very reassuring. And while instabilities, such as the situation in Ukraine and the port strike on the west coast of the U.S., are likely to continue, we believe ANA Cargo will be an indispensable and important partner in maintaining supply chains across every industry.



Medium- to Long-Term Value Creation

The ANA Group strives to resolve social issues through our business activities to continue to grow together with society.

We pursue our ideal future from a medium- to long-term perspective, aiming to create sustainable societies and enhance corporate value as we implement our strategies steadily and from a global viewpoint.



Toward Carbon Neutrality

ANA is building a foundation for Sustainable Aviation Fuel (SAF) procurement as we serve as a model of decarbonization to society. In 2021, we launched the SAF Flight Initiative, and in 2022, we established ACT FOR SKY to accelerate our efforts toward net zero CO₂ emissions by fiscal 2050.

ANA Group ESG Management

The ANA Group pursues ESG management that considers the environment, society, and governance from a global and long-term perspective transcending the boundaries of the group. In this way, we contribute to resolving environmental and social issues through our businesses and continue to create value that will be an indispensable part of society in the future. Through ESG-conscious business strategies, we create social value and economic value simultaneously, and we embody the ANA Group 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.”

Creating Social Value and Economic Value in Parallel

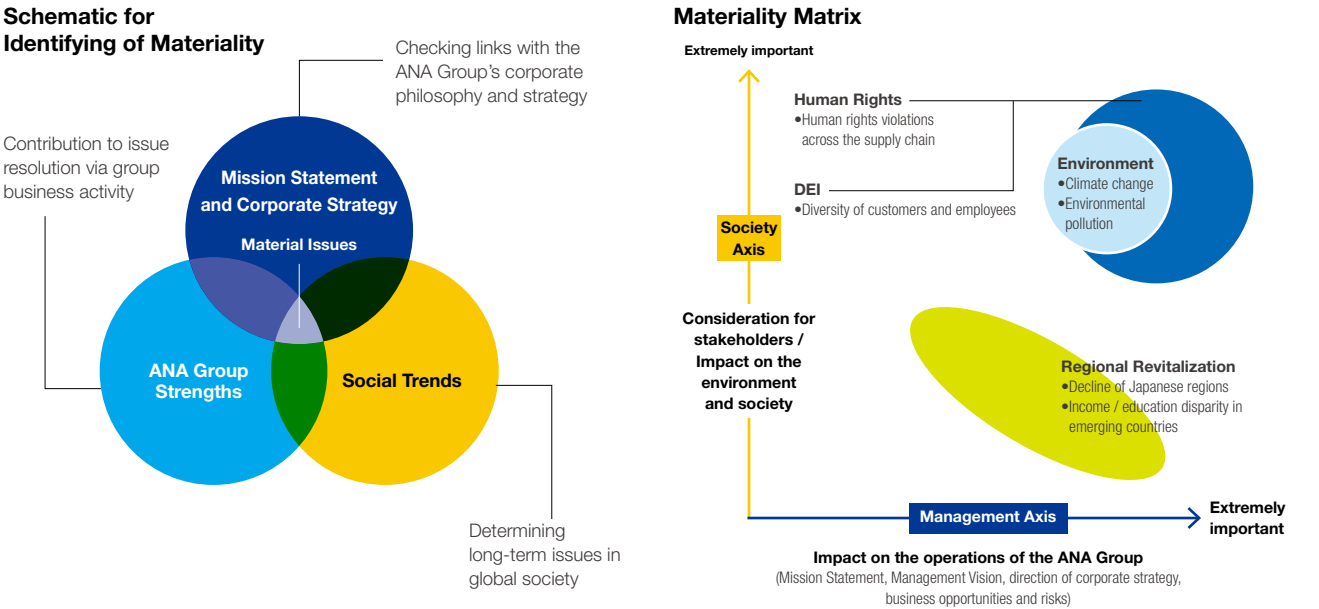
For the ANA Group to create value sustainably, we must respond to long-term needs from a global perspective that includes environmental and social issues (creation of social value), as well as implement strategies in both business and finance areas (creation of economic value). To this end, we have identified and defined material issues to use as guidelines for ESG management. These material issues are topics of common targets for three approaches: Social trends, mission statement and corporate strategy, and ANA Group strengths. In addition, addressing these material issues is indispensable for short-term decision-making in these uncertain times. They also serve as useful concepts for setting medium- and long-term goals. Further, these material issues are consistent with issues we address on an ongoing basis under the ANA Group Management Vision and the ANA Group Mission Statement. At the same time, these issues represent matters we must tackle head-on when formulating *Business Structure Reform* measures in response to the COVID-19 pandemic and when discussing future medium-term management strategies.

Our strengths lie in the spirit of challenge, comprehensive capabilities, group quality, and strong relationships with shareholders—strengths cultivated through a history of hard work and taking on all challenges. Leveraging these strengths and addressing material issues, we strive to create sustainable societies and improve corporate value as an airline group that creates value needed for society in our own unique way.



Identification of Materiality

We identified four material issues from the three perspectives of social trends, mission statement and corporate strategy, and ANA Group strengths: (1) Environment; (2) Human Rights; (3) Regional Revitalization; and (4) Diversity, Equity, and Inclusion (DEI). We mapped the identified issues on two axes, one representing the impact on group business (management axis) and one representing the impact on the environment and society (society axis). We assigned a level of concern along the society axis, with those matters having a high level of importance and impact identified as material issues. To scrutinize whether material issues were consistent with global affairs and the environment as discussed in our corporate strategy, we continue to confirm suitability through discussions and information gathering with internal and external stakeholders. We also engage in an ongoing process to identify any new material issues.



The Four Identified Material Issues

	Issue Recognition			
	For the ANA Group	For Society		
Environment	<ul style="list-style-type: none">Controlling fuel costsControlling the costs of future emission trading schemesMaintaining / improving evaluations by avoiding environmental risk	<ul style="list-style-type: none">Reducing environmental footprint		P.46
Human Rights	<ul style="list-style-type: none">Maintaining / improving evaluations through avoiding human rights risk	<ul style="list-style-type: none">Realizing a world that respects human rights		P.56
Regional Revitalization	<ul style="list-style-type: none">Improving profitability by generating new inbound tourism demandMaintaining / improving profitability of domestic airline businessImproving profits of international airline business	<ul style="list-style-type: none">Revitalizing regional economiesPromoting international exchange		P.58
Diversity, Equity, and Inclusion (DEI)	<ul style="list-style-type: none">Improving profitability by generating new demandProviding an issue resolution system to strengthen capacity to respond to customers	<ul style="list-style-type: none">Realizing an inclusive society		P.60

ESG Management Promotion Cycle

Through our business, we pursue ESG management to contribute to resolving environmental and social issues and to continue creating value as a company that will be an indispensable part of society in the future. Through dialogue with stakeholders, we are able to understand the latest social needs and changing interests and use this to evaluate the impact on business and society. We then incorporate this information into our management strategies and initiatives. We disclose our progress on our corporate website and through other channels as necessary. At the same time, based on information we disclose, we engage in deeper dialogue with our stakeholders. We also report our progress and confirm the appropriateness of our initiatives in those discussions.

Through a cycle of dialogue, initiatives, and information disclosure, we promote ESG management focusing on material issues to enhance corporate value and contribute to achieving sustainable societies.

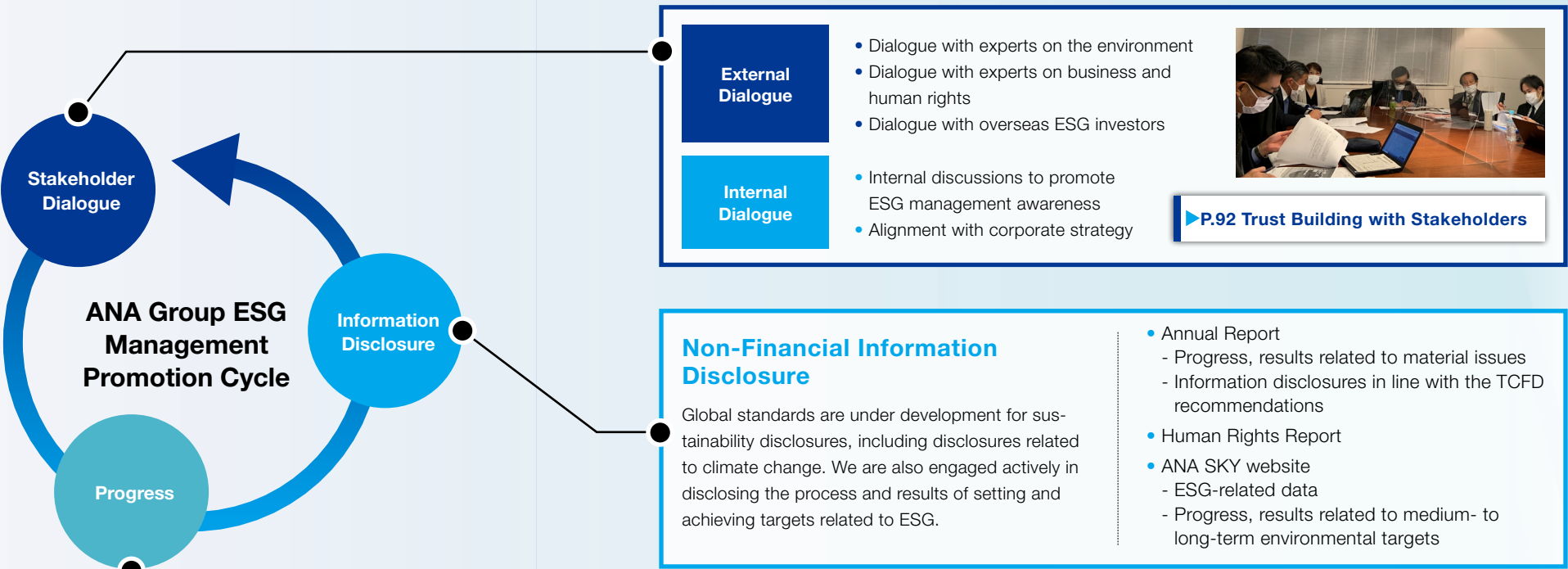
ESG Management Implementation Structure

The ANA Group established the Group ESG Management Promotion Committee in accordance with Group ESG Management Promotion Committee Regulations. This committee, which operates under the guidance of the president and under the chairmanship of the director in charge of group ESG management (CEPO: Chief ESG Promotion Officer), consists of ANA HOLDINGS INC. and group directors, group company executive officers, and the full-time Audit & Supervisory Board members of ANA HOLDINGS INC. The committee discusses core policies and measures related to ESG management.

In addition, important issues directly related to management are submitted to the Group Management Committee and reported to the Board of Directors and the Audit & Supervisory Board. Based on these regulations, each Group company has appointed an ESG Promotion Officer (EPO) as the person responsible for promoting ESG management and participates as a member of the Group ESG Management Promotion Committee, and each Group company and department has an ESG Promotion Leader (EPL) to lead the ESG activities of their respective organization.

Matters discussed, resolved, and reported at the Board of Directors, Group Management Committee, and Group ESG Management Promotion Committee are shared and implemented throughout the entire Group in close collaboration with EPOs and EPLs. We also hold EPL meetings twice a year to share information in a comprehensive manner and promote initiatives at each Group company and department.

ESG Management Implementation Structure



Material Issues		Specific Initiatives		Relevant SDGs	
E	Environment	<ul style="list-style-type: none">Reduce CO₂ emissionsReduce resource waste ratioReduce food waste ratioConserve biodiversity	<ul style="list-style-type: none">Achieve ANA Group 2030 medium-term targets and 2050 long-term environmental goalsDisclose information in line with the TCFD recommendationsContribute to biodiversity conservation through initiatives such as those aimed at preventing wildlife trafficking	2030 2050	
	Human Rights	<ul style="list-style-type: none">Respect human rightsEngage in responsible procurement	<ul style="list-style-type: none">Ensure respect for human rights based on the United Nations Guiding Principles on Business and Human RightsThoroughly implement environment and human rights-conscious procurement and build a transparent supply chain	2030	
	Regional Revitalization	<ul style="list-style-type: none">Innovate to resolve social issuesRegional revitalization through social contribution and resolving social issues	<ul style="list-style-type: none">New value creation through the use of avatars, drones, MaaS, etc., and cross-industry collaborationContribute to regional revitalization through social contribution activities and resolving social issues	2030	
S	Diversity, Equity, and Inclusion (DEI)	<ul style="list-style-type: none">Promotion of universal servicesDevelop human resources for sustainable growth	<ul style="list-style-type: none">Respect the diversity of customers by promoting universal servicesDevelop human resources and a sustainable work environment, improve employee productivity	2030	
	G	Strengthen Governance Structures	<ul style="list-style-type: none">Disclose commitments of top managementIncrease diversity in Board membershipEnsure appropriate information disclosure and transparency		

Environment



- 1 Reduce CO₂ emissions
- 2 Reduce resource waste ratio
- 3 Reduce food waste ratio
- 4 Conserve biodiversity

Basic Approach

The ANA Group has introduced the ANA Group Environmental Principles and the ANA Group Environmental Policies, working to reduce our environmental impact. We recognize that efforts to reduce our environmental impact and the conservation of biodiversity are important environmental problems, and we are working to promote these through our business activities in recognition that they are management issues.

Progress and FY2021 Results: ANA Group 2050 Long-Term Environmental Goals and 2030 Medium-Term Environmental Targets

In 2021, we declared that we will achieve carbon neutrality by fiscal 2050 in our 2050 Long-Term Environmental Goals, and we formulated the 2030 Medium-Term Environmental Targets as a roadmap for achieving this goal. We will promote initiatives to reduce our environmental impact on both the medium and long term, using our fiscal 2019 results as a benchmark and monitoring their progress every year.

		Initiatives	Targets		FY2021 Results
Reduce CO ₂ Emissions	Aircraft	<ul style="list-style-type: none">Improve flight operationsAdopt new aircraft technologiesShift to low-carbon aviation fuel, including utilizing SAF^{*1}Utilization of negative emissions technologies (NETs)Use of emission trading schemes	Below FY2019 levels (12.33 million tons), net	Net zero	7.67 million tons
	Non-Aircraft	<ul style="list-style-type: none">Energy conservation and renewal of aging facilities and equipmentUse of renewable energySelect Electric Vehicle (EVs) and Fuel Cell Vehicles (FCVs) when upgrading airport vehicles	33%+ reduction vs. FY2019	Net zero	25.1% reduction
	External Environment Necessary for Achieving Goals	<ul style="list-style-type: none">Stable supply of SAF (volume and price)Adopt new aircraft technologies (Development of electric and hydrogen airplanes, etc.)Establish an environment for the emissions trading market			
Reduce Resource Waste Ratio (Plastics, Paper, etc.)		<ul style="list-style-type: none">Replace disposable plastics for eco-friendly materialsPromote cargo plastic film (wrap) recyclingDigitize paper resources (in-flight magazines, timetables, travel brochures, and cargo air waybills)	70%+ reduction (waste generated vs. FY2019)	Zero waste ratio	69.1% reduction
Reduce Food Waste Ratio (Including In-Flight Meals, etc.)		<ul style="list-style-type: none">Monitor the disposal of in-flight and domestic airport lounge meals and reevaluate loading capacity	Less than 3.8% waste ratio (FY2019: 4.6%)	Less than 2.3% waste ratio (50% reduction vs. FY2019)	8%
Conserve Biodiversity		<ul style="list-style-type: none">Raise awareness to eradicate the wildlife trafficking trade in air transportationEnvironmental conservation programs to conserve biodiversity, etc.			

^{*1} Sustainable Aviation Fuel (SAF): Aviation fuel that is not produced from fossil fuels but from sustainable sources such as vegetable oils and animal fats.

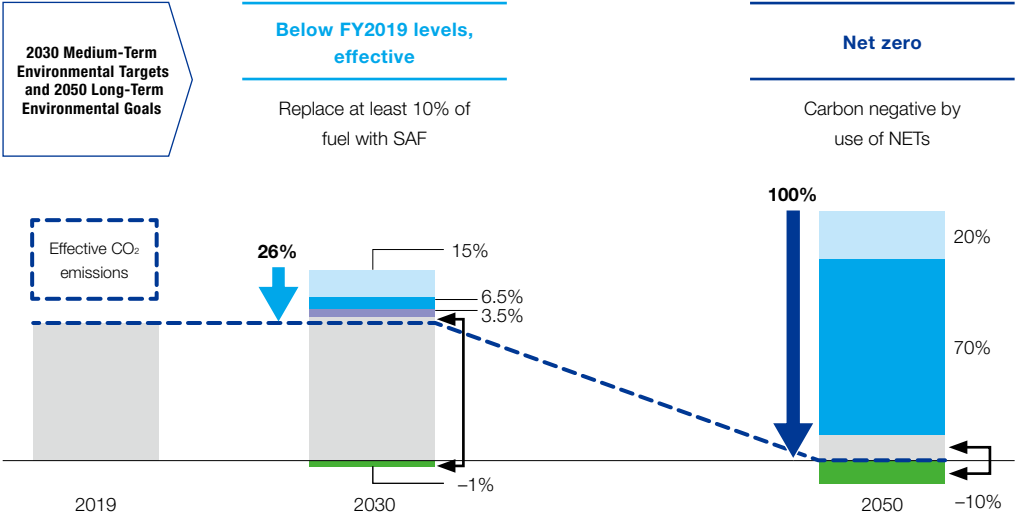
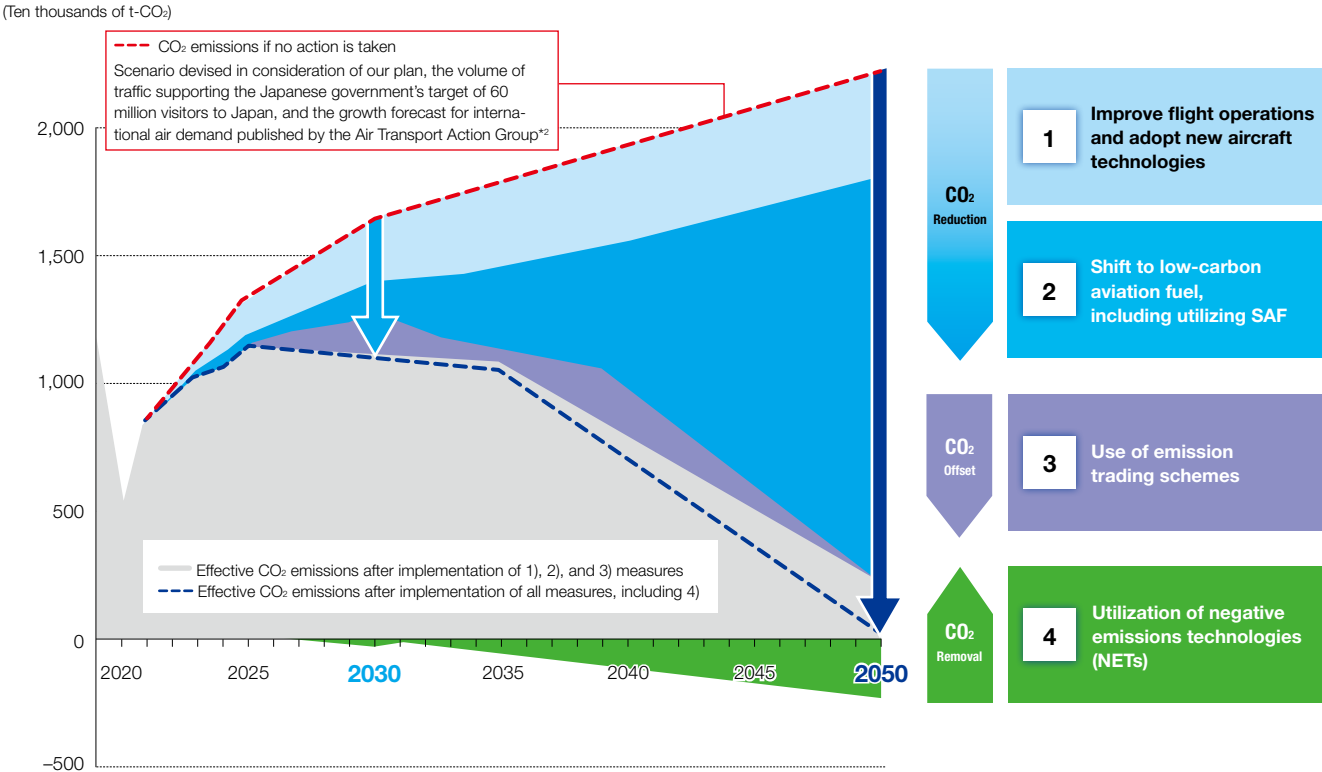
▼ Please visit our corporate website for more:
<https://www.ana.co.jp/group/en/csr/environment/>

1 Reduce CO₂ Emissions

Reduce CO₂ Emissions from Aircraft Flight Operations

The ANA Group has formulated a transition scenario toward achieving carbon neutrality by fiscal 2050. In order to keep CO₂ emissions below fiscal 2019 levels in 2030, we will work toward operational improvements and technological innovations for aircraft and other equipment. In addition, we will complete replacement of at least 10% of fuel with SAF by 2030, and will convert our aviation fuel almost entirely to low-carbon fuels by 2050. For CO₂ that cannot be completely eliminated through transitioning to low-carbon fuels, we will use negative emissions technologies (NETs) to remove CO₂, aiming for carbon neutrality without relying on emissions trading.

Transition Scenario for Carbon Neutrality by 2050



^{*2} Air Transport Action Group: A research group on sustainability in the airline industry, with involvement from the International Air Transport Association (IATA), aircraft manufacturers, and others

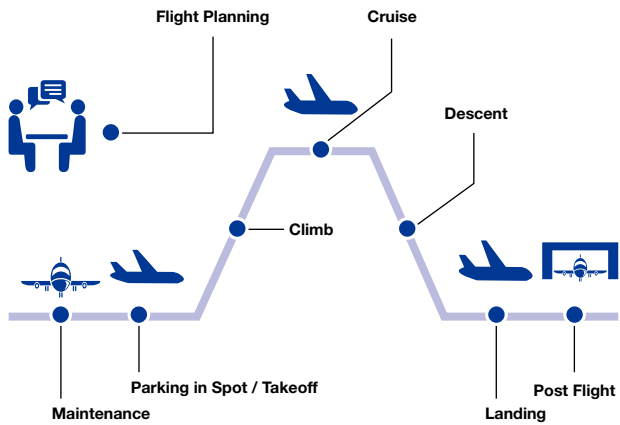
1

Improve Flight Operations and Adopt New Aircraft Technologies

Improve Flight Operations

We are working to reduce environmental impact by implementing initiatives tailored to each stage of our operations. Our actions to realize environmentally friendly flight operations include fuel consumption improvement through engine washing, reduction of auxiliary power unit time use while aircraft are parked, reduction of total aircraft weight, selection of optimum altitude, speed, and route, devising energy-efficient operating methods during climb, cruise, and descent, reduction of thrust reverser usage after landing, single-engine taxiing, post-flight review and data analysis, etc.

In addition, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) has formulated Collaborative Actions for Renovation of Air Traffic Systems (CARATS), a long-term vision, and the ANA Group is participating in discussions in the MLIT's program. The transformation of air traffic control networks will not only improve safety and operational efficiency but will also contribute to reducing CO₂ emissions in an environmentally friendly manner.



▼ For more information on what we are doing at each stage of our operations, please refer to:
<https://www.ana.co.jp/group/en/csr/environment/operating/>

Adopt New Aircraft Technologies

We were the launch customer for the development of the highly fuel-efficient Boeing 787, which celebrated its 10th anniversary in service in 2021. As of the end of July 2022, the Group operates 77 of these aircraft (B787-8/-9/10) and is actively introducing state-of-the-art aircraft such as the Airbus A320neo and A321neo. As of the end of March 2022, 74.6% of the Group's aircraft (of jet aircraft) is fuel-efficient aircraft. Furthermore, a final purchase agreement has been signed for the introduction of Boeing 737-8 aircraft, scheduled for fiscal 2025 and thereafter.

Aircraft manufacturers are currently developing technologies to fly on hydrogen and electricity, and the ANA Group is

participating in joint research projects with these aircraft manufacturers. When we determine that the social implementation of these technologies are in view, we will verify their effectiveness and reflect them in our plans.



2

Shift to Low-Carbon Aviation Fuel, Including Utilizing SAF

SAF is highly valued in positively contributing to the environment and so the ANA Group has placed its use at the center of our measures to reduce aircraft CO₂ emissions. However, a large gap exists between the global demand for jet fuel and the current supply of SAF. The stable supply of SAF is therefore an imminent challenge. To support the development of domestic SAF production, we have been participating since 2011 in a project run by the New Energy and Industrial Technology Development Organization (NEDO). Since then, we have been working to build a supply chain and promote the development and manufacture of SAF in anticipation of increasing demand for the fuel.

Our Initiatives

In addition to SAF procurement and use, we are promoting public-private and cross-industry initiatives to build supply chains and expand production volumes.

2019	• Signed an offtake agreement with U.S.-based SAF manufacturer LanzaTech, Inc. for medium- to long-term supply, conducted a delivery flight of a new aircraft to Japan using SAF	Preparations for SAF introduction
2020	• Launched strategic alliance with Finland-based SAF manufacturer NESTE for medium- to long-term supply, procured commercial-scale SAF, launched first scheduled flights using SAF departing from Haneda and Narita airports	
2021	• Used domestically produced SAF manufactured by IHI Corporation for regular flights from Haneda Airport in the NEDO project • Our carbon recycling business model* was selected by the Ministry of the Environment for the "FY2021 Project to Promote the Creation of Circular Carbon Society Model through CO ₂ Recycling," and we launched a demonstration project in September in collaboration with Toshiba Energy Systems & Solutions Corporation, Toshiba Corporation, Toyo Engineering Corporation, Idemitsu Kosan Co., Ltd., and Japan CCS Co., Ltd. • Participated in the Japanese government's study group on carbon neutrality by 2050 for the purpose of building a supply chain and manufacturing SAF in Japan • Launched the SAF Flight Initiative: For the Next Generation (See next page for details)	Use of SAF
2022	• Established ACT FOR SKY , a cross-industrial voluntary organization, to commercialize, promote, and expand the use of SAF produced in Japan • Participated in the Public-Private Council to Promote the Introduction of Sustainable Aviation Fuel (SAF), which promotes the development and manufacture of SAF produced in Japan, discusses issues and solutions for the establishment of a supply chain, and promotes unified public-private action	

* Carbon recycling business model: Power to Chemicals (P2C) is a carbon recycling technology that uses renewable energy and renewable hydrogen to recycle CO₂ into highly valuable materials that positively contribute to the environment. This not only reduces CO₂ emissions but also contributes greatly to the expansion of renewable energy.

ACT FOR SKY

On March 2, 2022, we jointly established ACT FOR SKY, a voluntary organization working for the commercialization, promotion, and expansion of SAF produced in Japan, alongside JGC HOLDINGS CORPORATION, REVO International Inc., and Japan Airlines Co., Ltd.

As global SAF demand grows, a stable supply of domestically produced SAF is considered essential in Japan. However, domestically produced SAF has not been commercialized yet, and there is an urgent need to establish a stable supply chain from procurement to SAF supply.

ACT FOR SKY, with "ACT" representing the cross-industry cooperation and collaboration by companies committed to taking action for these goals, aims to promote behavioral change through transforming the awareness among citizens and companies, while appealing to the importance of SAF, carbon neutrality, and achieving a circular economy.

Since its establishment with 16 founding companies, more and more companies have come to participate in the organization. ACT FOR SKY will work to promote and expand SAF

in cooperation with various stakeholders, aiming for the development of Japan's airline networks and the industry as a whole, as well as the realization of a sustainable society.



New Initiatives Utilizing SAF

SAF Flight Initiative

In October 2021, we launched SAF Flight Initiative: For the Next Generation, a new program to work with customers to reduce CO₂ emissions in the industrial value chain, becoming the first in Asia to take this action. By utilizing SAF, we will contribute to the reduction of CO₂ emissions (Scope 3) by our customers in their cargo transportation, employee business trips, etc., while aiming to improve the corporate value of each company involved and to achieve the mass production and promotion of SAF, creating a virtuous cycle for the economy and the environment.



▼ More details on the project, please refer to:
<https://www.ana.co.jp/en/jp/brand/ana-future-promise/saf-flight-initiative/>

3 Use of Emission Trading Schemes

Emission trading schemes (purchase of carbon credits) represent one of the available methods to offset CO₂ emissions in the overall global environment. We intend to use it as a short- to medium-term measure during the period when CO₂ emissions cannot be fully reduced through the implementation of the aforementioned initiatives. In the long term, we aim to achieve carbon neutrality without relying on emission trading schemes.

4 Utilization of Negative Emissions Technologies (NETs)

The ANA Group plans to neutralize 1% of CO₂ emitted by aircraft operations by 2030 and 10% by 2050 through utilizing Negative Emissions Technologies (NETs) such as direct air capture* and storage (DAC+S) that actively remove historic and residual CO₂ emissions from the atmosphere.

In addition, the ANA Group also plans to utilize air-captured CO₂ as a raw material for aviation fuel. As a first step in this process, we signed a Memorandum of Understanding with

Climeworks in March 2022 to evaluate the potential purchase of high-quality, permanent carbon removal via Climeworks, service in the near future.

ANA will continue to promote the decarbonization and sustainability of the aviation industry.

* Direct air capture (DAC): Technology to capture CO₂ directly from the atmosphere.



Climeworks AG
Climeworks empowers people to reverse climate change by permanently removing carbon dioxide from the air.
One of two things happens to the Climeworks air-captured carbon dioxide: either it is returned to earth, stored safely and permanently away for millions of years, or it is upcycled into climate-friendly products such as carbon-neutral fuels and materials.
The Climeworks direct air capture technology runs exclusively on clean energy, and the modular CO₂ collectors can be stacked to build machines of any capacity.



Reduce CO₂ Emissions from All Non-Aircraft Flight Operations

The ANA Group implements appropriate energy management using our energy management system *ANA Eilms* based on our own Energy Management Standard. We reduced CO₂ emissions by 2% in fiscal 2021 compared to the previous fiscal year. ANA and ANA Foods Co., Ltd. (Specified Business Operators under the Act on the Rational Use of Energy) achieved their target of annual energy reduction of at least 1% in their fiscal 2020 results. As a result, they received the Excellence in Energy Efficiency Award (S Class) certification

under the Act of the Rational Use of Energy of the Ministry of Economy, Trade and Industry (METI). ANA has achieved S Class certification for six consecutive years since the establishment of this class system. To achieve net zero CO₂ non-aircraft emissions by fiscal 2050, we will work to reduce energy consumption by fiscal 2030, focusing on the use of electricity and vehicle fuel (gasoline and diesel fuel), which accounts for the majority of our total emissions.

Electricity

We will systematically upgrade our facilities and equipment to energy-saving devices. ANA Blue Base, the ANA Group comprehensive training center, ANA Tonomachi Business Center, and ANA TELEMART Nagasaki Branch Call Center have installed solar panels, and generate electricity from solar power. In addition, since fiscal 2020, some of our own facilities in the Osaka and Kyushu areas have been purchasing an amount of CO₂-free energy from electric power companies. Since fiscal 2022, we have been introducing renewable energy and started use at our Shiodome Office. We are now working to introduce renewable energy across the ANA Group.



Solar Panels at ANA Blue Base

Vehicle Fuel

In addition to deepening energy-saving measures, we are gradually upgrading our airport vehicles to hybrid vehicles (HVs), electric vehicles (EVs), and fuel cell vehicles (FCVs). We will make the switch to EVs and FCVs from all vehicles (ones that use gasoline) by fiscal 2030.

2 Reduce Resource Waste Ratio (Plastics, Paper, etc.)

We promote the 3Rs (Reduce, Reuse, and Recycle) and are working to reduce our resources waste ratio. We encourage use reduction and recycling, especially of plastics and paper.

Reduce the Use of Plastics

We are progressively replacing plastic products used in airport lounges and on flights with eco-friendly materials. Since August 2021, we have changed the containers for economy class in-flight meals on international flights to plant-derived materials, resulting in a reduction of approximately 317 tons of disposable plastic (compared to fiscal 2019). In addition, as of October 2021, we no longer provide plastic bags for baggage packaging used at airports, resulting in a reduction of approximately 94 tons of disposal plastic per year.



Reduce Paper Resources

We are taking a number of actions to reduce paper resources. As an example, from April 2021, the ANA Group's in-flight magazine *TSUBASA -GLOBAL WINGS-* and magazines and newspapers for in-flight services have been replaced with a new service that allows customers to use them on their own digital devices through the ANA app.



3

Reduce Food Waste Ratio (In-Flight / Airport Lounge Meals, etc.)

The ANA Group is working to reduce our food waste ratio such as in-flight meals.

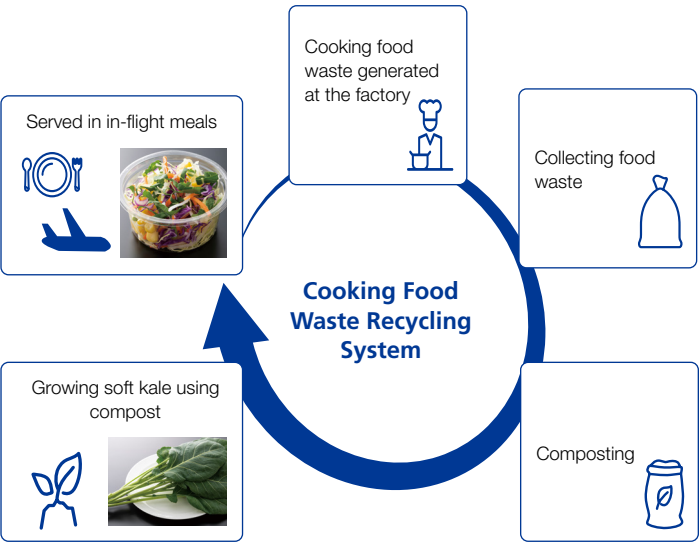
Reduce Food Waste Ratio In-Flight and at Domestic Airport Lounges

When it comes to loading in-flight meals, we check the number of reservations up to the last minute before departure, working to ensure that as little as possible is wasted on each flight to the extent that it does not affect on-time operations.

Food Loss Initiatives

As an initiative against food loss, we utilize food waste generated in cooking. ANA Catering Service Co., Ltd. (ANAC), which manufactures in-flight meals for ANA, recycles 100% of food waste from the cooking process into compost and animal feed. As a recycling initiative using this waste effectively in-house, soft kale grown using compost derived from cooking food waste generated at ANAC's Narita factory is provided in salads served in economy class on international flights from March 2022. This soft kale is in salads provided on flights departing from Japan, excluding flights to mainland China, Taipei, Hong Kong, Manila, Seoul, and late-night flights.

We will continue to make effective use of recycling mechanisms for cooking food waste recycling system and contribute to the achievement of the SDGs.



Initiatives to Reduce Environmental Impact

Carbon Offset Program

Since fiscal 2019, the ANA Group offers the ANA Carbon Offset Program for each class on domestic and international routes. This program is a mechanism that provides customers with opportunities to offset the amount of CO₂ emitted by their aircraft. We select offset programs that meet global certification standards.

▼ For more details on the project, please refer to:
<https://www.ana.bluedotgreen.co.jp/en/home>

Eco-First Certified Company

In 2008, ANA became the first in the transportation industry and the first airline to become a certified Eco-First Company. We received this honor in recognition of our environmental initiatives and corporate stance that emphasizes social responsibility, and are working toward achieving a sustainable society. In March 2022, we updated our Eco-First Promise for protecting the global environment as an environmentally advanced company to reflect our medium- and long-term environmental goals.

▼ For the Eco-First Promise (in Japanese only), please visit:
https://www.ana.co.jp/group/csr/environment/pdf/eco_first_2203.pdf



4

Conserve Biodiversity

We recognize that addressing biodiversity is an important environmental issue and have been taking actions toward biodiversity conservation since 2004. In addition, since May 2022 we have been supporting the World Wildlife Fund (WWF)'s environmental conservation activities and promoting biodiversity conservation activities as a corporate member of WWF Japan.

Organizing Seminars to Eradicate Wildlife Trafficking

In March 2018, ANA became the first Japanese airline to sign the Buckingham Palace Declaration, which aims to eradicate wildlife trafficking as recommended by IATA. Since fiscal 2018, we have been conducting seminars using educational textbooks supervised by ROUTES*1 in collaboration with TRAFFIC*2 as awareness-raising activities for group employees. Beginning in fiscal 2019, we have been consistently working to raise awareness both internally and externally in a joint effort with Narita International Airport Corporation.

*1 ROUTES: An international collaborative platform for dealing with criminal activities involving the trafficking of wild animals.
*2 TRAFFIC: An international NGO that surveys and monitors wildlife trafficking. Established as a joint project between the WWF and International Union for Conservation of Nature (IUCN)

Team Chura Sango Coral Reef Conservation Project in Onna Village, Okinawa

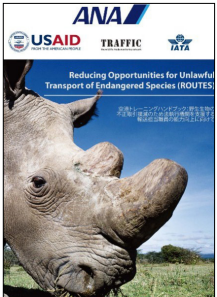
Team Chura Sango is a coral reef conservation project by Onna Village, Okinawa Prefecture, with participation from the ANA Group since 2004. With the support of the Ministry of the Environment, Okinawa Prefecture, and Onna Village, we work to plant coral seedlings and conduct educational activities in and outside Okinawa Prefecture alongside local stakeholders. Mile donations from ANA Mileage Club members help pay for coral seedling costs and activity expenses, with a cumulative total of around 4,000 participants helping to plant 16,106 seedlings.

Supporting Amami Oshima, Tokunoshima, Northern Okinawa, and Iriomote Island as World Natural Heritage Sites

Since fiscal 2017, we have supported the registration of Amami Oshima Island, Tokunoshima Island, the northern part of Okinawa Island, and Iriomote Island as World Natural Heritage sites. Here, we mainly engage in volunteering by group employees who help to remove invasive plant species that significantly harm the ecosystem within Yambaru National Park, like bitter vine, under the direction of rangers from the Ministry of the Environment. Since fiscal 2021, we have also been providing new support for the preservation of the Iriomote Cat in western Iriomote Island.

ANA Forest of the Heart Project

As part of volunteer activities by group employees across Japan, we have been carrying out the ANA Forest of the Heart Project since July 2012 in Minami Sanriku, Miyagi Prefecture, to support reconstruction and forest conservation. We aim to regenerate forests through appropriate thinning and stewardship, and the thinned wood is commercialized and sold at local mills.



Airport Training Handbook



Planting Coral Seedlings



Invasive Plant Removal Volunteers



Deer Repellent Work (Protecting Bark)

Information Disclosure on Responding to Climate Change

CDP

We disclose information on corporate strategies for CO₂ emissions and climate change.



Science Based Targets (SBT) Initiative

These are greenhouse gas reduction targets based on scientific evidence consistent with the Paris Agreement. In January 2022, we submitted our reduction targets based on SBT guidance.

TCFD

We analyze the risks and opportunities that climate change poses to the ANA Group's Air Transportation Business and disclose information in accordance with the guidelines. (See next page for details)



Disclosures in Line with the TCFD Recommendations



In March 2019, the ANA Group became the first Japanese airline to endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board. We disclose information in accordance with the four items required by the TCFD recommendations: Governance, Strategy, Risk Management, and Metrics and Targets. We will continue to enhance our disclosure content in line with the TCFD framework.

Governance

To address environmental issues, including climate change, we established the Group ESG Management Promotion Committee, which is overseen by the President & Chief Executive Officer, chaired by the Chief ESG Promotion Officer, and consists of group company directors and executive officers, as well as the full-time Audit & Supervisory Board members of ANA HOLDINGS INC. At its meetings, which are held four times a year, members discuss important policies and measures related to environmental issues, including climate change, and monitor progress toward targets.

Under the committee, we have also established the Eco-First Subcommittee (related to aircraft operations) and the Ground Energy Subcommittee (related to ground energy other than aircraft operations), which report and discuss CO₂ reduction measures, initiatives, and progress. Important matters related to corporate strategy are discussed at the Group Management Committee and submitted to the Board of Directors.

Furthermore, in order to realize sustainable growth as a company and enhance corporate value over the medium to long term, the status of promotion of ESG management is objectively and multilaterally monitored. Here, we employ evaluation indicators such as CO₂ emissions volume and external ESG evaluation indicators, which are also reflected in officer remuneration.

Risk Management

Based on the basic policies determined by the Board of Directors, the ANA Group Total Risk Management Regulations provide the basic terms of the group's risk management system. Under these regulations, the Group ESG Management Promotion Committee develops, implements, and monitors progress of basic policies.

Key issues related to climate change are also handled within the overall risk management framework.



Metrics and Targets

In 2021, the ANA Group formulated the 2030 Medium-Term Environmental Targets and the 2050 Long-Term Environmental Goals. We are currently strengthening our efforts to achieve our goal of net zero CO₂ emissions by fiscal 2050.

		FY2030 Target	FY2050 Goal
Reduce CO ₂ Emissions	Aircraft	Below FY2019 levels (12.33 million tons), net	Net zero
	Non-Aircraft	33%+ reduction vs. FY2019	Net zero

▼ Please visit our corporate website for more on disclosure based on TCFD recommendations:
<https://www.ana.co.jp/group/en/csr/environment/goal/>

Strategy

We carried out scenario analysis based on the 4°C and 1.5°C scenarios provided by the United Nations Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to identify risks and opportunities that climate change poses to the ANA Group's Air Transportation Business and to examine the impact on revenues and expenses as well as countermeasures. The analysis covers the period from 2030 to 2050, as set forth in the ANA Group's medium- to long-term environmental targets.

4°C scenario:

A scenario in which, by not taking measures to combat global warming beyond the status quo, temperatures rise about 4°C above pre-industrial levels, and risks related to physical changes caused by climate change become apparent

1.5°C scenario:

A scenario in which a fundamental system transition is achieved, resulting in a temperature increase of less than 1.5°C above pre-industrial levels, and risks related to the transition to a low-carbon economy become apparent

		Description of Opportunity / Risk	Impact on Revenues and Expenses*1	Action Plans
Physical	Risks	Increasing Severity and Frequency of Extreme Weather <ul style="list-style-type: none">Increased operational costs due to severe natural disastersIncreased cost of restoration from damage to aircraft and facilities due to disasters	Large	<ul style="list-style-type: none">Establishing a more advanced BCPUpgrading to disaster-resistant facilities, equipment, etc.
		Changes in Rainfall and Weather Patterns <ul style="list-style-type: none">Decreased revenues due to difficulty in maintaining flight operations to affected areas	Medium	<ul style="list-style-type: none">Determining destinations, number of flights, etc., and appropriate reflection in business plans
Transition	Actions to Reduce CO₂ Emissions (Aircraft)			
	—SAF	<ul style="list-style-type: none">Concern about increased costs due to higher SAF prices until around 2040 and decreased revenues due to restricted flight operations as a result of insufficient procurementDifferentiating through strategic purchases, contracts, and investments to benefit from priority procurement and stable supply		<ul style="list-style-type: none">Strategically investing in concluding strategic purchase contracts and establishing systems for mass production of SAF produced in JapanAchieving priority procurement of SAF produced in Japan through grants and subsidies through engagement with policymakersPartially compensating for SAF purchase costs through development of schemes such as the SAF Flight Initiative
	—New Technology	<ul style="list-style-type: none">Increased cost of introducing next-generation aircraft (hydrogen, electricity, etc.)Reduced fuel costs due to fuel efficiency improvements over the medium to long term, and creation of opportunities for technological innovation and priority procurement by investing in negative emissions technologies	Large	<ul style="list-style-type: none">Engaging with policymakers and other relevant parties to realize aircraft with new technology and to improve airport infrastructure
	Risks	—Credit <ul style="list-style-type: none">Increased costs due to the use of credits (price increases due to excess demand for emission credits / increased offsetting)		<ul style="list-style-type: none">Securing stable and inexpensive means of procuring eligible creditsMinimizing cost impact through an optimum combination of SAF and credits
		Actions to Reduce CO₂ Emissions (Non-aircraft) <ul style="list-style-type: none">Increased costs due to replacement with EVsReduction in fuel costs and offset costs and labor-saving in airport operations due to the evolution of new technologies such as unmanned autonomous driving	Medium	<ul style="list-style-type: none">Engaging with policymakers and other relevant business operators to promote the shift to EVs and improve airport infrastructureProcurement and construction of a supply chain for alternative fuels such as next-generation biofuelsEngaging with policymakers continuously, in collaboration with industries and other organizations, for subsidies for the shift to EVs and alternative fuel procurement
		Litigation / Fines / Taxation <ul style="list-style-type: none">Penalties and fines for failure to comply with laws and regulations in each countryPressure from stakeholders to delay climate actionIncreased costs as a result of higher prices due to the introduction of carbon pricing (carbon taxes, emissions trading)	Medium	<ul style="list-style-type: none">Appropriately responding to and disclosing information for climate changeEngaging with national governments continuously, in collaboration with industries and other organizations, for relaxation of regulations and tax systems
	Opportunities	Changes in Consumer Awareness and Preferences <ul style="list-style-type: none">Securing talent from a younger environmentally sensitive generation and increasing sales due to securing customer trust as a result of proactively addressing climate change to improve brand valueGrowing new businesses that do not require physical travel	Medium	<ul style="list-style-type: none">Appropriately responding to and disclosing information for climate changeIdentifying needs through ongoing dialogue with society and reflecting these needs in strategiesDeveloping measures that move forward while acquiring the understanding and cooperation of customers
		Financing <ul style="list-style-type: none">Successfully financing through loans and incorporating ESG investment through proactively responding to climate change ahead of the market	Medium	<ul style="list-style-type: none">Identifying needs through ongoing dialogue with investors and responding appropriatelyInformation disclosure in accordance with international frameworks

*1 Large: ¥10 billion or more per year; Medium: ¥1 billion to ¥10 billion per year; Small: less than ¥1 billion per year

*2 Airport ground handling vehicles

Human Rights



- 1 Respect human rights
- 2 Engage in responsible procurement

Basic Approach

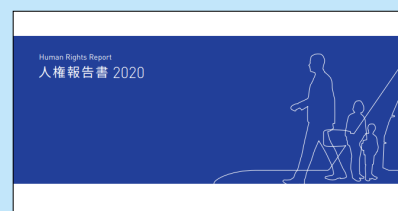
The ANA Group has a wide range of business operations which involve various risks to human rights.

The ANA Group is committed to upholding human rights in accordance with the global standards provided in the United Nations Guiding Principles on Business and Human Rights. In April 2016, we established the ANA Group Policy on Human Rights. We based this policy on the International Bill of Human Rights (the Universal Declaration of Human Rights and the two International Covenants), the International Labour Organization Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the United Nations Global Compact, and the United Nations Guiding Principles on Business and Human Rights. In fiscal 2020, we reviewed our existing procurement policy and formulated a new ANA Group Procurement Policy consisting of the Basic Procurement Policy and the Supplier Code of Conduct. We continue to encourage our contractors and suppliers to adopt similar policies. We continue to encourage our contractors and suppliers to adopt similar policies.

We will continue human rights initiatives, recognizing that respect for human rights lies at the very foundations of the philosophy of the SDGs.

Issuing the Human Rights Report

The ANA Group issued our first Human Rights Report in Japan in fiscal 2018, aiming to promote communication with stakeholders through active dissemination of our initiatives to respect human rights. The Group has continued to issue these reports since then.



▼ Human Rights Report 2020
https://www.ana.co.jp/group/en/csr/effort/pdf/Human_Rights_Report_2020_e.pdf

Expert Review

Since fiscal 2016, the ANA Group has held regular annual discussions with international human rights experts to obtain advice on ANA Group initiatives to respect human rights. In October 2021, we invited three human rights experts from the Institute for Human Rights and Business^{*1} and World Benchmarking Alliance^{*2} to evaluate the progress of the initiatives set forth by the ANA Group given the advice received in fiscal 2020. The experts advised us on the importance of reliable stakeholder engagement and direct dialogue, as well as the importance of initiatives that connect human rights with the environment, and collaboration with other companies and industry groups that effect significant change.

^{*1} Institute for Human Rights and Business (IHRB): An international think tank working in the field of business and human rights and leading efforts in this area. Established in 2009.

^{*2} World Benchmarking Alliance (WBA): The Index Initiative established primarily by the United Nations Foundation and British insurance company Aviva. This organization develops benchmark indicators to evaluate company contribution levels to a sustainable society.

▼ Please visit our corporate website for more:
https://www.ana.co.jp/group/en/csr/human_rights/
https://www.ana.co.jp/group/en/csr/supply_chain_management/

1 Respect Human Rights

To ensure respect for human rights, in fiscal 2016 we conducted a review to identify potential risks to human rights related to business activities across the ANA Group and in all countries to which we offer service. We are working to prevent the occurrence of risks with regard to the areas we have identified.

Survey on Employment Conditions of Foreign Workers in Japan

Every year since fiscal 2017, we have been conducting in-person interviews with foreign workers involved in airport ground handling and catering work. With the cooperation of our contractors in Japan, we utilize third-party organization to survey the workers' living conditions.

In fiscal 2020, we used the Global Supply Chain Worker Data Management System to conduct a survey of the employment status of foreign workers at ANA Group companies and a total of 92 major contractors. In fiscal 2021, we conducted a survey based on the previous year's results of 198 technical intern trainees at nine companies which are either ANA Group companies or major contractors. Our aim was to confirm that their recruitment and employment status conformed with the Dhaka Principles^{*3}. We will continue to conduct regular surveys of the employment status of foreign workers across our supply chain, and further investigate how to ensure safe and secure recruitment practices for foreign workers in the ANA Group and supply chain.

^{*3} Dhaka Principles for migration with dignity: International standards that companies, governments, and NGOs, etc., should consider with respect to their responsibilities toward migrant workers.

Prevent the Use of Airplanes in Human Trafficking

In addition to conducting training for all cabin attendants, we began a program in fiscal 2019 to report potential cases of human trafficking found in-flight to authorities on the ground. We will continue to collaborate with authorities and other companies in the industry to ensure that this topic is treated as a priority across the entire aviation industry, and continue to participate in initiatives that increase deterrence of human trafficking.

Corruption Prevention

To comply with the anti-bribery laws of countries around the world, we have established the ANA Group Anti-Bribery Regulations, which explain these laws with specific examples. By distributing the ANA Group Anti-Bribery Handbook and conducting e-learning programs, we are working to educate our employees. In 2021, in response to revisions made to the Ministry of Economy, Trade and Industry's Guidelines for the Prevention of Bribery of Foreign Public Officials, we revised the ANA Group Anti-Bribery Regulations and conducted e-learning for relevant departments and managers thereof.

2 Engage in Responsible Procurement

As well as providing safe and secure services, the ANA Group will contribute to the creation of social value through our procurement activities by taking initiative in considering local and global social and environmental issues.

ANA Group Initiatives

In fiscal 2020, based on the ANA Group Procurement Policy, we analyzed priority risk factors in our supply chain, and identified uniforms and linen used during in-flight service as high-priority items. Acting on these results, we held briefing sessions regarding the ANA Group Procurement Policy to seven uniform suppliers in Japan in fiscal 2020 and nine linen-related suppliers in fiscal 2021, in order to ensure that all of our suppliers understood the concept of responsible procurement. Additionally, we conducted ESG surveys of the suppliers at which the briefing sessions were held. Through this process, we were able to understand and evaluate the initiatives taken on by each supplier, offer advice on the intentions of the ANA Group, and strengthen dialogue with all of our suppliers. Furthermore, in fiscal 2021 we enlisted the help of a third-party organization to conduct in-person interviews that were focused on production plant workers at our Tier 3

overseas suppliers (Vietnam), in order to gain a better understanding of our Tier 2 and Tier 3 suppliers.

The ANA Group conducts regular training to ensure awareness of and adherence to our procurement policy. In fiscal 2021, ANA Group procurement managers (approximately 100 people) participated in three internal training programs regarding the importance of complying with social norms and laws and regulations as well as constantly endeavoring to reduce environmental impacts when conducting procurement activities. Going forward, we will continue to promote awareness-raising activities.



Supplier Briefing Session

Regional Revitalization



- 1 Innovate to resolve social issues
- 2 Regional revitalization through social contribution and resolving social issues

Basic Approach

Regional revitalization is an initiative to overcome the declining population and shrinking regional economy, and to ensure that the region will grow in the future. In addition to air transportation, the ANA Group is developing businesses that contribute to the local communities in many areas, including hometown tax donations, supporting primary industries, digital advertising using ANA Mileage Club data, and resolving social issues through our mobile app ANA Pocket*1.

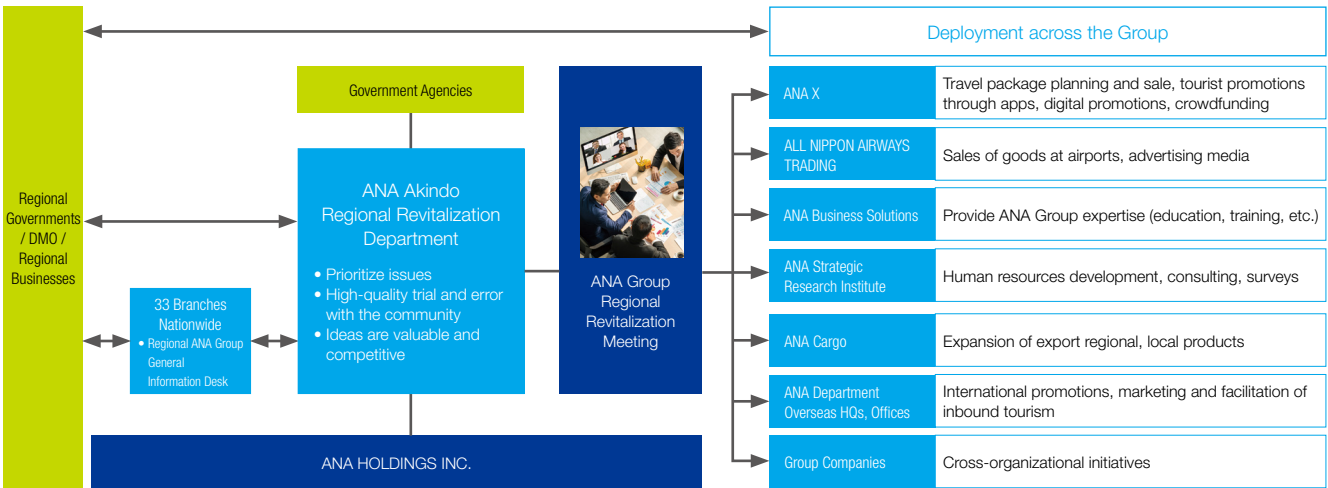
With the relationships we have built with local communities through our airline and travel businesses, we collaborate with local governments, NGOs, NPOs, as well as various local companies. These collaborations will address the concerns and issues of local communities, and both utilize and apply the strengths and assets of the ANA Group, while focusing on the promotion of tourism and agriculture for the sustainable development of local communities. We will take on the challenge of expanding the scope of problems to resolve.

*1 ANA Pocket: A mobile app service run by ANA X Inc. Users can collect points for their daily movement and exchange them for a variety of perks.



Implementation Structure

The ANA Akindo Regional Revitalization Department works with 33 branches nationwide to hold community-based activities and organizes the ANA Group Regional Revitalization Meeting. This meeting coordinates and integrates group companies initiative and promotes itself as a place to connect with regional issues through value creation and planning.



▼ Please visit our corporate website for more:
https://www.ana.co.jp/group/en/csr/regional_creation/regional_revitalization/

1 Innovate to Resolve Social Issues

We are working on projects to revitalize local communities through promoting movement with our ANA Pocket mobile app service, which allows users to collect points from their daily movement. This app creates fun opportunities to move, featuring game-like aspects such as “Challenge Spots” and “Gacha.” It also allows for extra points to be earned when users travel by eco-friendly methods of transportation (walking and biking).

Case 1 ▶ Promoting Tourism: Get Points by Traveling to Challenge Spots, and Discovering Local Charm

Regional Issues We Wish to Resolve

- Desire to expand specialty goods and regional consumption, which are declining due to a drop in the number of tourists
- Desire to convey the charm of locally produced goods and areas
- Desire to have many people know and experience good products from local communities

Solution Methods

- Set *TOCHI-DOCHI*, a shop that sells products from all over the country while conveying their charm, as a Challenge Spot to create opportunities for customers to visit the shop
- Users collect points through movement and by visiting Challenge Spots. They can discover new favorite products as well as collect tourist information.
- For more details, please refer to: <https://www.tochidochi.com/> (in Japanese only)



ANA Pocket App

2 Regional Revitalization through Social Contribution and Resolving Social Issues

The ANA Group is working to resolve essential regional issues. Ranging from the production of agricultural products to branding and marketing development, we contribute to expanding recognition and improving the attractiveness of primary industries through ANA Group assets, expertise, and regional cooperation. We also promote community-driven sustainable cycle practices.

Case 2 ▶ Tangerine Farm Restoration: ANA Farm Project @ Ehime Prefecture

Regional Issues We Wish to Resolve

- Desire to stop the increase in the number of abandoned farms due to a lack of successors
- Desire to expand sales channels and increase sales
- Desire to spread awareness of locally produced goods

Solution Methods

- ANA will oversee an abandoned tangerine farm and support the entire process, from production to processing, distribution, and sales
- Expansion of sales channels and branding of prefecture-specific products that were produced with ANA's assets, as well as food processing using ANA catering expertise
- Promotion of green tourism through planning and operations of trial package tours, workcations, agricultural experiences, etc.
- Dispatch of ANA personnel to farms
- For more details, please refer to: <https://www.ana-akindo.co.jp/activities/ehime-nouen/> (in Japanese only)



Tangerines Grown in Magnificent Views of Nature

Case 3 ▶ Agriculture-Welfare Collaboration: Spreading Awareness on the Efforts and Products of People with Disabilities in Agriculture

Regional Issues We Wish to Resolve

- Activities of people with disabilities within the agriculture field, through the agriculture-welfare collaboration (between agriculture and welfare), are unrecognized
- Desire to spread awareness of locally produced goods

Solution Methods

- Expand agricultural production through the efforts of people with disabilities in the agricultural field, and further promote production and branding of carefully grown, high-quality agricultural produce
- Spread awareness by using agricultural produce as thank-you gifts for ANA Furusato Tax Payment
- For more details, please refer to: <https://furusato.ana.co.jp/feature/noufuku/2022/04/> (in Japanese only)



Vegetable Cultivation at AI FACTORY*2

*2 AI FACTORY: A special subsidiary company that aims to employ people with disabilities. They operate their All-weather plant factory in a former elementary school building in Tottori City.

Diversity, Equity, and Inclusion (DEI)



- 1 Promotion of universal services
- 2 Develop human resources for sustainable growth

Basic Approach

The ANA Group is promoting diversity, equity, and inclusion (DEI) throughout the group. As customer values diversify and the social environment changes, continuing to be chosen and trusted by all customers is crucial for the future growth of the ANA Group. We will continue to accelerate initiatives aimed at providing world-class inclusive and universal services in an effort to fulfill our responsibility as a public transportation entity and build a sustainable inclusive society in which everyone can live together.

Implementation Structure

We aim to provide ANA Group services that every customer can enjoy comfortably and with peace of mind. In addition to striving to enhance our services and facilities, we promote the development of human resources that can develop and provide services that respect the diversity of each customer and are attentive to their feelings. We take customer feedback and opinions of group employees with disabilities into account, and strive to create an environment where all customers can fly anxiety- and stress-free.

* This map depicts various points of contact between customers and the ANA Group from daily life to post-use.



1 Promotion of Universal Services

Creating a Comfortable Environment for All (Tangible Initiatives)

We will continue to create services, facilities, and equipment offering even greater comfort and convenience in any scenario, from pre-departure through arrival.

Enhancing Web Accessibility Support



- We implemented tools that allow for the enlargement of text, background color changes, as well as voice readings of on-screen information, in conformance with the global accessibility standards (WCAG2.0/2.1), so that anyone can use our websites and apps comfortably.

Assistance Information Registration Service



- We operate a service that allows users to complete the reservation process smoothly by registering the necessary assistance information for boarding in advance.

Airport (Information, Facilities)



- We have introduced a Telecommunications Relay Service at counters for customers with hearing and speech impairments (located at major domestic airports).



- Apartment-style low counters at five major domestic airports including Tokyo (Haneda) and Osaka (Itami)
- Installation of low counters in check-in areas at all other airports



Aircraft



- In-flight wheelchair-accessible restrooms have been installed on small jets (A320neo/A321) in addition to large and medium-sized aircraft.

Developing Human Resources to Respect Customers Diversity (Intangible Initiatives)

We are enhancing our internal education to deepen understanding and accommodation of people with disabilities as well as other diverse customers.

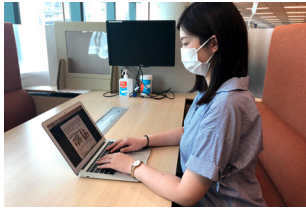
The 15th Ministry of Land, Infrastructure, Transport and Tourism Award for Distinguished Service in Promoting Barrier-Free Measures



- To ensure a safe journey for all passengers during the COVID-19 pandemic, we partnered with Japan Airlines Co., Ltd. to formulate new hospitality guidelines for customers requesting special assistance in accordance with COVID-19 countermeasures.
- We worked to promote airport management staff's understanding of people with disabilities by giving lectures on hospitality guidelines, demonstrating how to guide disabled persons, and holding opinion forums at major domestic airports.
- We were highly praised for our initiatives to transcend company boundaries to promote barrier-free access in the airline industry and were co-awarded the 15th Ministry of Land, Infrastructure, Transport and Tourism Award for Distinguished Service in Promoting Barrier-Free Measures.



Universal Service Refresher Training



- We conduct quarterly e-learning regularly to raise the level of universal services throughout the Group. All Group executives and employees attend these lectures.

Elderly and Pregnancy Simulations



- We conduct elderly and pregnancy simulations to raise the level of universal services throughout the group.



ANA's Sora-Pass Classes



- The ANA Group continues to visit special-needs schools to teach a hands-on curriculum that addresses characteristics of disabilities for students that are planning school trips through ANA flights.

Barrier-Free Mindset Seminar



- We hold lectures to which we invite people with disabilities and experts on barrier-free access to be speakers.

Please visit our corporate website for more:
https://www.ana.co.jp/group/en/csr/customer_diversity/

Promotion of Universal Services through Group Businesses

Creating Comfortable and Safe Spaces for Everyone: ANA Wing Fellows Vie Oji Co., Ltd.

To achieve a universal environment where anyone can lead their lives without feeling inconvenienced, ANA Wing Fellows Vie Oji continues various consulting businesses based on perspectives of people with disabilities, as well as flight attendants' spirit of hospitality. So far, we have provided ANA Group employee training, sign language supervision for safety videos, and usability support for the visually impaired.

In addition, as online opportunities increase amid the COVID-19 pandemic, we propose and provide universal standards that are sought in the now, by offering online tours which allow wheelchair and white cane users to safely participate in travel, etc.

Universal Seminars for Tourist Facilities for Businesses and Government



- We conduct seminars lead by lecturers with disabilities (vision, wheelchair) to recommend ways to comfortably enjoy travel, promote employment of people with disabilities, improve customer correspondence, and promote barrier-free mindsets.

Enjoyable Online Tours with Flight Attendants for Wheelchair and White Cane Users



- In a collaborative business with ANA X Inc. we planned, performed, and sold online tours aimed for those anxious to leave home, the elderly, etc. We introduced famous places in Miyazaki Prefecture, such as Aoshima Shrine, with ANA flight attendants.

Office Facilities Consulting



- We inspected facilities and equipment from the perspective of people with disabilities and offered specific improvement methods. We also gave advice and support for office setups that reflect DEI perspectives.

2 Develop Human Resources for Sustainable Growth

At the ANA Group, we respect diversity in terms of age, nationality, gender, values, disabilities, etc., and work to create inclusive workplaces for each person to work lively. In addition, in 2015 we made the ANA Group Diversity and Inclusion Promise (D&I Promise) and worked with D&I as one pillar of our management strategy since then. However, from April 2022 we began to promote diversity, equity, and inclusion (DEI), which now includes equity, and are deepening our actions. More details are available on page 74.

Further Promotion of ESG Management

ANA Future Promise

Under the slogan *ANA Future Promise*, the ANA Group will aim to achieve the SDGs while gaining the understanding and cooperation of our customers.

Through our daily work and actions, we will proactively enhance elements of ESG, hygiene and cleanliness, universal values, etc., in the products and services we offer so that the ANA Group continues to be a company needed by society.

One year has passed since the launch of our *ANA Future Promise*. On the specially designed Boeing 787, we will provide in-flight service products made from sustainable materials (some in-flight meal tableware, packing materials for aircraft supplies, etc.), expand sales of aviation-themed upcycled goods, and handle CO₂ emission reduction, etc., to further promote measures over the medium to long term. We will further promote sustainable activities together with various business partners, as well as our customers, to achieve our medium- to long-term environmental goals.



Using External Evaluations Related to ESG

Results of the four following external evaluations have provided us with an objective and multifaceted understanding of ANA Group ESG management. We reflect these results in officer remuneration.

	FY2021 Evaluation	FY2022 Targets	Remarks
DJSI <small>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</small>	Selected for inclusion in the World Index and Asia Pacific Index	Same as FY2021	Stock index developed jointly by U.S.-based S&P and Switzerland-based RobecoSAM. Evaluates corporate sustainability from the perspectives of economy, environment, and society.
FTSE <small>FTSE4Good</small>	Selected as a component member of FTSE4Good Index	Same as FY2021	Stock index managed by the U.K.-based FTSE. Evaluates the initiatives and results of ESG management based on benchmarks.
MSCI* <small>2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</small>	Selected as a component member of the Japan Empowering Women Index (WIN)	Selected as a component member of the Japan ESG Select Leaders Index	Stock index managed by the U.S.-based MSCI. An index based on the performance of stocks around the world from various perspectives. Examines and evaluates corporate commitment to ESG.
CDP <small>DISCLOSURE INSIGHT ACTION</small>	A-	A- and above	External evaluation for institutional investors managed by a U.K.-based NPO. Analyzes the corporate impact of CO ₂ on the environment and climate change, evaluating the company's responses.

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▼ In June 2021, we issued Sustainability-Linked Bonds to make the abovementioned external evaluations related to ESG into Sustainability Performance Targets (SPTs). See our corporate website for more details.
<https://www.anahd.co.jp/group/en/pr/202105/20210519.html>



Foundations for Sustainable Corporate Value Enhancement

We work with ANA Group stakeholders, aiming to share a variety of values that lead to a brighter future. Today, we are building a foundation for the appropriate allocation of management resources and nimble decision-making.



Turning Ideas from Employees into New Services and Businesses

Environmentally friendly in-flight meals, direct air transport of fresh food from local production areas, tote bags made from upcycled mechanic work clothes, and the launch of a store that communicates the charms of local communities. These are just a few examples of the services and businesses that have emerged from the ideas of employees who have taken on new challenges and turned them into reality. And the starting point is always the Power of People who are willing to endeavor.

Safety

Strengthening Safety as a Business Foundation, Passing Down Safety as a Culture

Safety is the unequivocal mission of every business in the ANA Group.

Solid Approach to Safety

Safety is the absolute value underlying every ANA Group corporate activity and the foundation of everything we do. Our dedication to safety extends to every part of our group businesses, even beyond our aircraft operations, including cargo, food services, and information. Our everyday efforts to improve safety and our conscientious response to customer expectations build confidence and trust with society.

An environment of mutual understanding and trust form relationships among employees across various job descriptions to support safe aircraft operations and other aspects of the ANA Group business. In every workplace, we post the ANA Group Safety Principles and Course of ANA Group Safety Action, which are pledges shared by all ANA Group employees.

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.

Course of ANA Group Safety Action

(1) Strictly observe rules & regulations, and all actions will be grounded on safety.

(2) As a professional, place safety as the #1 priority while keeping your health in mind.

(3) Address any questions and sincerely accept the opinions of others.

(4) Information will be accurately reported and shared in a timely manner.

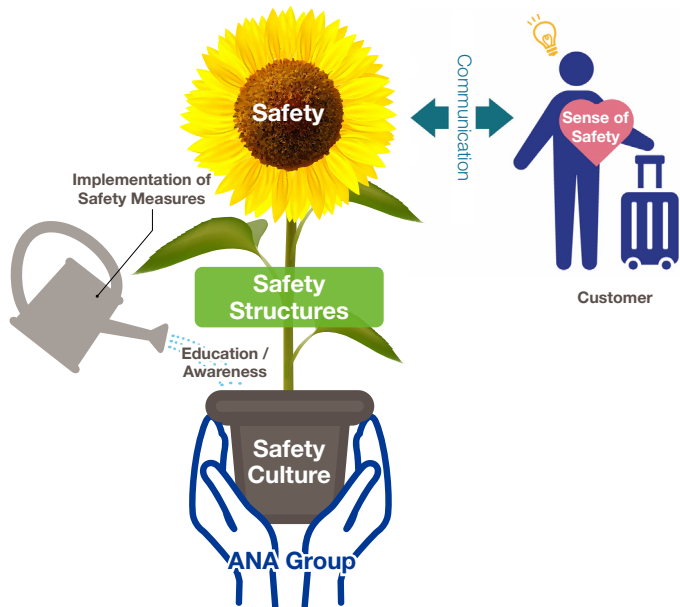
(5) Continuous self-improvement for prevention and avoiding reoccurrence.

(6) Lessons learned from experiences and increased skills for risk awareness.

ANA Group Medium-Term Safety Promotion Plan

In working toward higher levels of safety, we formulated the FY2021–FY2025 ANA Group Medium-Term Safety Promotion Plan as part of our efforts to accelerate the transformation necessary to return to growth, while responding flexibly to the COVID-19 pandemic and a changing environment. In fiscal 2022, the second year of the plan, we will implement this safety promotion plan while understanding immediate environmental changes and responding appropriately.

We defined matters of the highest priority as our core safety values, establishing three pillars for engaging in specific priority actions: (1) Sense of Safety for Our Customers, (2) Safety Structures, and (3) Safety Culture.



Core Safety Values

(1) Build an organization that is resilient to change and innovation

(2) Pursue safety based on global standards

(3) Establish a culture of deep-rooted safety behavior

(4) Foster core human resources who strive for safety

(5) Instill confidence in our customers and society regarding ANA Group safety

Priority Actions for Safety (Three Pillars)

1. Sense of Safety for Our Customers
Disclose information and engage in greater dialogue with customers and society regarding our safety efforts as we pursue ESG management

2. Safety Structures

- Work closely with code-share, partner airlines to standardize and raise the level of our safety foundation, including safety information, safety rules, safety audits, safety education, and more
- Engage in stronger preventive measures and bring visibility to safety through risk management and SPIs (Safety Performance Indicators)
- Strengthen initiatives in predicting risk (including the Three Task Categories*) and change management; provide safety education and awareness activities via online and on-demand technologies

3. Safety Culture

- Share specific examples of safety behaviors that embody safety culture; pursue the practice of safety as a personal responsibility

* First Time Task, Procedure Changes, and Task After Extended Time Gap

Building Stronger Sustainable Structures for Safety

Amid impact from the spread of COVID-19 and global affairs, we are creating a stronger structure to maintain safety, even as we adopt new and different mechanisms and procedures.

(1) We adopted safety management methods within change management to prevent organizational errors when changes occur in structures or work flows.

a. Identify risk factors (hazards) in advance

b. Verify potential risks that may occur due to hazards

c. Take measures to reduce risks and then implement change

(2) During this fiscal year, as the number of flights has been recovering, we are promoting the effective practice of risk prediction from the perspective of the Three Task Categories (First Time Task, Procedure Changes, and Task After Extended Time Gap), which we developed during the COVID-19 pandemic. With this effective practice, we are working to take measures to prevent unsettling events from occurring.

a. Each individual uses their foresight to anticipate risks

b. Share information on matters identified and respond to risks before beginning work

c. Use the assertion* method to respond appropriately with coworkers

d. Proactively send out spontaneous reports of near-misses when noticing something unusual or dangerous

* Expressing opinions in a constructive and cooperative manner

Developing Human Resources that Embrace and Enhance Safety Culture

The ANA Group engages in ongoing education and training programs to preserve the memory of past accidents and hijackings in our pursuit of safety. We are harnessing the lessons learned during the COVID-19 pandemic, utilizing both face-to-face and online methods to pass on a broader and deeper safety culture.

ANA Group Safety Education Center (ASEC)

Total number of participants: 16,524 (including online participation)

ASEC, located in the ANA Group Training Center (ANA Blue Base), provides safety education in which participants learn actively, leading participants to practice safe behavior in the workplace. Online training programs are also available, and all group employees worldwide have been taking its courses.



Emergency Aircraft Evacuation Training

Total number of participants: 8,483

This training is mandatory for all group employees to support cabin attendants, as well as to provide assistance and guidance to passengers in the event of an aircraft emergency.



Safety Forum Conducted by Senior Management

Number of forums: 17 Total number of participants: 1,022

The ANA President & Chief Executive Officer and three directors in charge of safety at ANA delivered safety-related lectures and engaged in dialogue with employees both face-to-face and online. Participants and leaders discussed and shared thoughts on a wide range of topics.



Initiatives for Aviation Safety and Security Promotion Month

8 case studies shared

We observe the Aviation Safety and Security Promotion Month every July, holding programs featuring seminars, presentations, and awards related to safety. Of the approximately 40 case studies of safety and quality improvement initiatives solicited from our front lines, the best were carefully selected and shared in video format on our corporate intranet.



Ensuring Safety in Non-Air Operations

Food Safety

The ANA Group introduced the ANA Catering Quality Program (ACQP), from the three aspects of food safety for hygienic inflight and ANA Lounge meals, the pursuit of delicious quality, and the safe and correct loading and unloading of goods on and off aircraft. Full-time auditors and chefs make regular visits to our catering contracts in Japan and around the world, offering guidance on improvements based on our own strict hygiene standards. We also engage regular external hygiene audits from third parties based on international standards. Results are reported to the group to maintain and improve quality. We also discuss the results regularly at board meetings, where decisions are made on the spot and implemented promptly to correct issues.



Hygiene Audit of the In-Flight Meal Production Facility at Haneda Airport

Information Security

The ANA Group is continuously working to ensure the secure handling of information, including personal customer information, as an issue equally important to flight operations. For our systems, we have implemented a multi-layered security mechanism for entrance and exit control and anti-virus measures, and we monitor our security system 24 hours a day, 365 days a year. In addition, we have established the ANA Group Information Security Management Manual for employees in accordance with ISO 27001, and apply this to the entire group. We also use handbooks, e-learning, training, and email newsletters to ensure that this manual is widely understood throughout the group, and conduct audits to check compliance. In this way, we are strengthening our information management system and reducing the risk of information leaks from both tangible and intangible perspectives. In addition, we comply with the EU General Data Protection Regulation (GDPR) and other laws and regulations enacted or revised in various countries regarding the protection of personal information. Further, we publish our privacy policy on our corporate website as appropriate.



Cybersecurity Response Training for Employees in an Online Game Format

These initiatives are regularly reported to the management of the entire group through the Group ESG Management Promotion Committee.

Seconding Employees to Develop Cybersecurity Human Resources

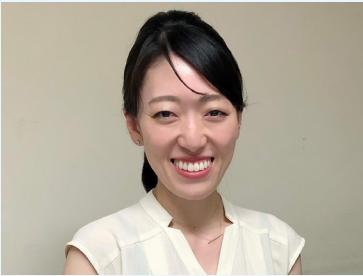
As a critical infrastructure organization, the ANA Group also dispatches personnel to public expert organizations to analyze trends in cybersecurity incidents, formulate countermeasures, and contribute to the development of cybersecurity human resources through joint public-private sector efforts.

I am currently on secondment to the Cabinet Secretariat's National Center of Incident Readiness and Strategy for Cybersecurity (NISC), where I am in charge of formulating "The Cybersecurity Policy for Critical Infrastructure Protection" and the secretariat of its Expert Panel.

This offers me a number of opportunities to interact with current affairs and the latest information surrounding cybersecurity, and I am keenly aware of the magnitude of the mission that the ANA Group, as a critical infrastructure operator, must fulfill.

At the same time, I am proud of the ANA Group's systems for cybersecurity and its extensive employee education, as seen from the outside.

I look forward to continuing to deepen my knowledge of cybersecurity while utilizing the team spirit I have developed at the ANA Group, and to return the lessons I have learned to the ANA Group so that it can continue to fulfill its responsibilities as a business operator.



MAEOKA Yuko
Seconded to the National Center of Incident Readiness and Strategy for Cybersecurity

New Foundation: Hygiene and Cleanliness

In the with- and post-COVID-19 eras, the ANA Group is deepening its efforts related to hygiene and cleanliness as the basis for creating an environment in which passengers may board our flights with confidence.

ANA Group Response to COVID-19

Our *ANA Care Promise*, a countermeasure against COVID-19, was well-received. In 2021, we were awarded World's Best Airline Cabin Cleanliness, an honor bestowed for the highest-rated cabin hygiene and cleanliness, and the COVID-19 Excellence Award by U.K.-based SKYTRAX.

By assessing the social situation and taking appropriate action in each particular instance, we will stay close to the voice of our customers and provide a safe and clean environment and service to all customers in all aspects of their travel.



Enhanced Hygiene and Cleanliness

We are working to enhance hygiene and cleanliness with the aim of continuing to be the airline of choice by meeting the needs of a diverse set of customers, even in the midst of social changes and new values.

In addition to working to improve employee mindsets toward hygiene and cleanliness through in-house education and training, the company makes a list of areas prone to uncleanness and conducts periodic inspections and improvements based on this list under the supervision of Nihon Stery, Inc. We are also working to create a system to enhance hygiene and cleanliness through cross-functional collaboration.

We are taking action to ensure that the initiatives that began with the *ANA Care Promise* will not be one-off instances, and that spotlessness will take root as part of the ANA Group culture by establishing mechanisms and thoroughly promoting the permeation of these initiatives.

Mechanism to Make Spotlessness Part of ANA Group Culture

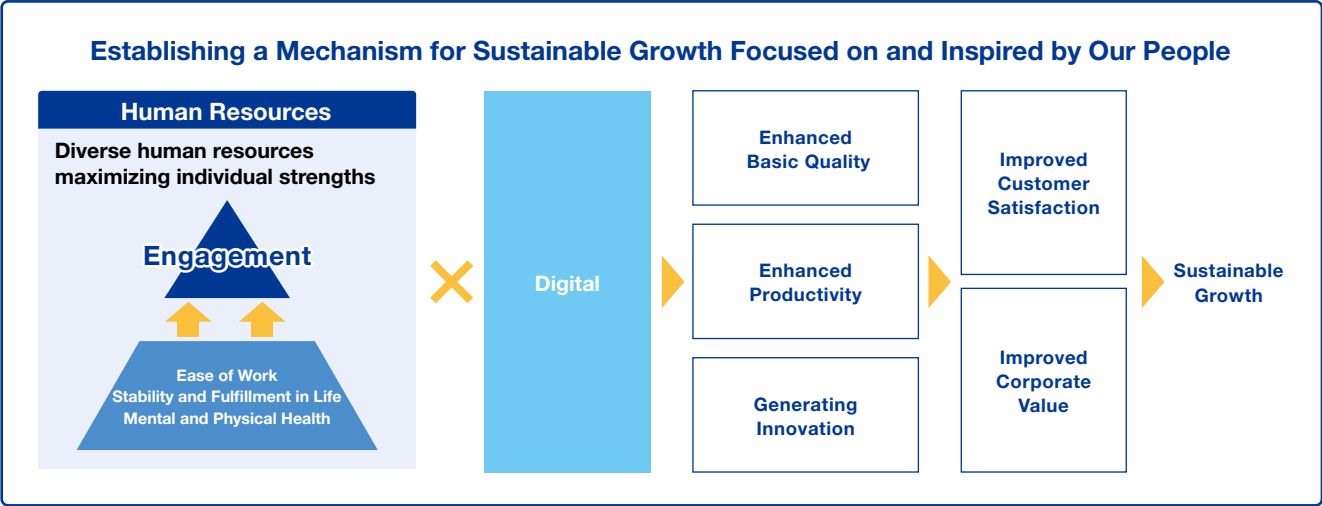


Human Resources

Letting Our Greatest Asset—Human Resources—Shine, and Achieving Growth as the ANA Group
We will create an environment where each employee feels engaged and can demonstrate their diverse strengths.

Basic Approach to Human Resources

The greatest asset of the ANA Group is our human resources—each and every person working for the group. In order to overcome the COVID-19 pandemic and achieve new growth, it is essential that every employee of our group, with their diverse talents and strengths, work with enthusiasm and demonstrate their abilities to the greatest extent possible. To this end, the ANA Group will improve engagement with our employees to maximize the capability of the individual and the organization.



Key Elements for Improved Engagement

Job Fulfillment	<ul style="list-style-type: none">• Provide challenging opportunities for achieving diverse careers• Expand self-actualization mechanisms, such as an internal proposal system• Strengthen education and training programs for employees to take on challenges and achieve self-growth
Connecting with Colleagues	<ul style="list-style-type: none">• Respect diverse individuals through practicing DEI• Create a proactive corporate culture through the promotion of ANA's Way by each and every group employee• Deepen mutual communication by utilizing internal platforms
Sense of Contribution	<ul style="list-style-type: none">• Roll out groupwide employee education founded in customer orientation• Share the group's business activities through internal newsletters• Present the ANA's Way AWARDS to recognize good practices

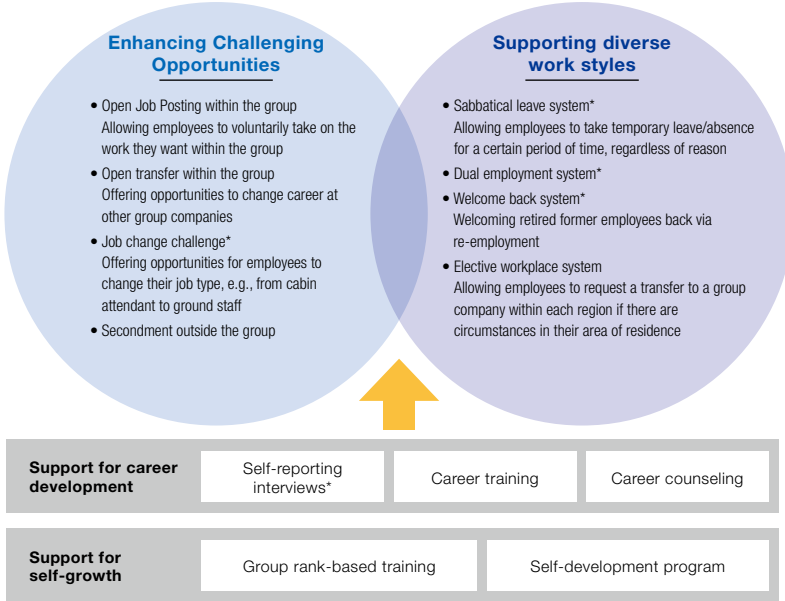
In order to increase engagement and to create innovation and new value in the midst of a drastically changing business environment, each employee must work autonomously based on their own ambition. To achieve this, we will promote a change to a co-creation style of management that creates value together by eliciting self-starting behavior and autonomy while maintaining closeness to the individual, such as by enhancing one-on-one communication.

Toward Career Fulfillment

For the group to remain strong and grow sustainably in a changing environment, we must maximize and evolve the strengths of employees who have diverse expertise.

We are strengthening opportunities for each individual to autonomously develop their strengths and carve out a career, including through new graduate ANA global staff recruitment in fiscal 2023 by segment and by specialty, and through enhancing challenging opportunities and providing diverse work style options after being hired.

Major Initiatives for Career Fulfillment



Systems marked with an asterisk (*) are company-specific within the group, and implementation differs for each company

Linking Experiences Outside the Company to Both Personal and ANA Group Growth

In response to the significant decrease in air passenger demand due to the COVID-19 pandemic, the ANA Group has been promoting secondment outside the group as one of our measures to protect the jobs of our group employees. Roughly 300 entities in the financial, telecommunications, government, and other sectors have cooperated with this effort and accepted our employees. As of July 1, 2022, approximately 700 employees are on secondments (cumulative total of 2,300 since October 2020). Each individual contributes to business by demonstrating their individuality and cultivated skills where they have been seconded. They also return the diverse set of work experiences and values accumulated there back to the ANA Group, demonstrating these and contributing to both their own growth and that of the ANA Group.

Through open job posting, I was seconded to a company in real estate, and gained experience in areas like operating seminars for businesspeople. During my secondment, I gained lots of insights into the social role expected of cabin attendants from my interactions with people outside the company.

Now, after returning to ANA, I am striving to deepen my understanding of the context behind our own various policies, as well as to deepen my cultural understanding and aptitudes so that I can convey the values and strengths of the ANA Group to as many customers as possible through my own work. In addition, together with my colleagues who have experienced secondment outside the group, I would like to take the importance of ongoing self-improvement as a cabin attendant and permeate that broadly across the group.

Looking ahead, my goal is to think of and implement solutions that only I can provide as a cabin attendant to social issues such as environmental conservation, regional revitalization, and gender equality.



ISHIHARA Miku
Inflight Services Center,
ALL NIPPON AIRWAYS CO., LTD.

Using the Power of People to Achieve Sustainable Growth in the Post-COVID-19 Era

Amid the impact of COVID-19, I have been keenly reminded of how significant the power of people is.

With major restrictions on flying airplanes, at the core of our businesses, we were able to realize various employee-generated ideas through teamwork in a way that transcended company and departmental boundaries, including sightseeing flights, in-flight restaurants, weddings, and the sale of in-flight meals and maintenance parts planned for disposal.

In addition, many of our cabin attendants and airport staff in particular have been given the opportunity to be seconded to companies and other organizations outside the group. Here, they have been able to demonstrate their ingenuity and ANA's unique value in their respective environments, as well as their growth through the experience of taking on other cultures.

By promoting improved engagement and creating an environment where each employee can demonstrate their expertise and strengths, we aim to create a strong ANA Group that will achieve sustainable growth after COVID-19.



NAOKI Yoshiharu
Executive Vice President
Group CHO
(Chief Human Resource Officer)
ANA HOLDINGS INC.

Promoting ANA's Way

ANA's Way, our course of action, serves as the foundation for the attitudes and actions to be taken by all ANA Group employees toward the achievement of our Mission Statement and management vision. Daily practice of these actions conducted by every employee is the source of our core management—strength for brand enhancement—and the driving force behind creating the value of the ANA Group.

The ANA Group is working to promote understanding of our Mission Statement, management vision, and ANA's Way, as well to pass on the culture and DNA inherited over our 70 years of history. The Group is also continuously working to improve our engagement level through communication.



Groupwide ANA's Way Promotion Activities

Through various initiatives within the group, every employee embodies ANA's Way and creates corporate culture.

Promoting ANA's Way

ANA's Day Training

- Share values that resonate with ANA Group employees
- Reflect on past accidents and understand safety
- Return to our founding philosophy of *Wakyo* (close cooperation) and *Hardship Now, Yet Hope for the Future*
- Launched online training in fiscal 2020, with participation by all Group employees



Good Job Message

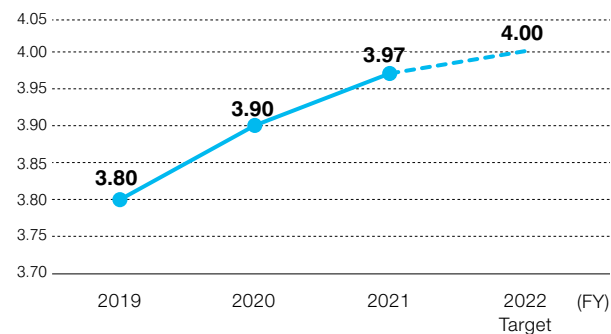
- Launched in fiscal 2001 as a tool to foster a culture of mutual appreciation and respect
- Messages are sent to colleagues in other group companies or divisions via a dedicated web system
- The total number of messages sent across the entire group exceeded one million in fiscal 2021



ANA's Way Survey (ANA Group Employee Engagement Survey)

The ANA Group conducts an annual employee engagement survey to improve satisfaction and corporate value. The survey consists of 63 questions, each worth five points, related to the five categories of ANA's Way (safety, customer orientation, social responsibility, team spirit, and endeavor) and engagement. The survey also asks four open-ended questions. In fiscal 2021, we conducted the survey at 44 group companies with 37,945 employees taking part, for a response rate of 97.1%.

ANA's Way Survey Score (ANA Group Average Score)



Survey Results for FY2021:

- Overall score of 3.97, an improvement of 0.07 points from the previous fiscal year
- Even during the COVID-19 pandemic, average scores improved related to engagement through more opportunities for dialogue with management and communication within the workplace
- We analyzed the results of this survey, including 72,468 comments in the open-ended questions section. The results were shared and discussed at each group company and department, and we made efforts to improve the issues identified and to revitalize our organization

Health Management

The ANA Group made the ANA Group Health Management Declaration in April 2016. Our employees are the engine that drives sustainable growth together with society, and it is our employees who embody the motto, *Anshin, Attaka, Akaruku-genki!* (Trustworthy, Heartwarming, Energetic!). We encourage Quality of Life (QOL) and improved corporate value through employees who engage in their work in physical health, mental health, and passion.

▼ ANA Group Health Management
https://www.ana.co.jp/group/en/csr/human_resources/health_care/

Implementation Structure

Led by the CWO (Chief Wellness Officer), a director responsible for promoting health management, and Wellness Leaders at each Group company, all ANA Group employees, companies, and health insurance associations work in unison to promote health management. As a result of groupwide efforts, 12 companies, including ANA AIRPORT SERVICES Co., Ltd., ANA CHUBU AIRPORT, and ANA OSAKA AIRPORT, were named Certified Health and Productivity Management Organization Recognition Program (White 500) companies in fiscal 2022. In addition, ANA Systems Co., Ltd. was named a Certified Health and Productivity Management Organization Recognition Program company.

▶ P.101 External Recognition

Four Important Themes of the ANA Group Health Management Declaration

The ANA Group Health Management Declaration promotes the maintenance and improvement of employees' physical and mental health and the creation of environments that encourages long, motivated careers. With a focus on four important themes, we engage in regular situational monitoring, while analyzing and responding to positive impacts and challenges.

1 Health Management Initiatives

- Create an environment for health management throughout the group for the extension of healthy life expectancy (review of health checkup system, health management system, etc.)

2 Disease Prevention Initiatives

- Enhance cancer prevention measures for all group employees and women's health measures
- Establish and monitor health management indicators for strengthening lifestyle disease prevention

3 Mental Health Initiatives

- Reinforce initiatives for primary prevention and prevention of recurrence in employees who have returned to work
- Practice the four types of mental healthcare at ANA Group companies

4 Strengthening Safety and Health Initiatives

- Develop safe and secure work environments and conducting groupwide awareness activities to eradicate the occurrence of occupational accidents

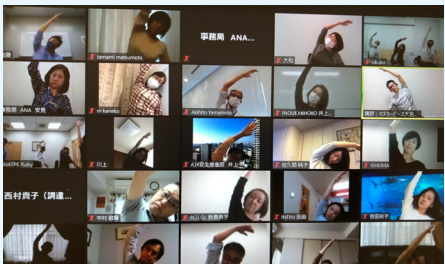
Health Maintenance amid the COVID-19 Pandemic

New lifestyles, including activity restrictions and changes in dietary habits, have led to concerns by many employees about (1) lack of exercise and physical ailments and (2) mental health. The ANA Group is taking the following groupwide initiatives to overcome these challenges.

Initiatives Against Lack of Exercise and Physical Ailments

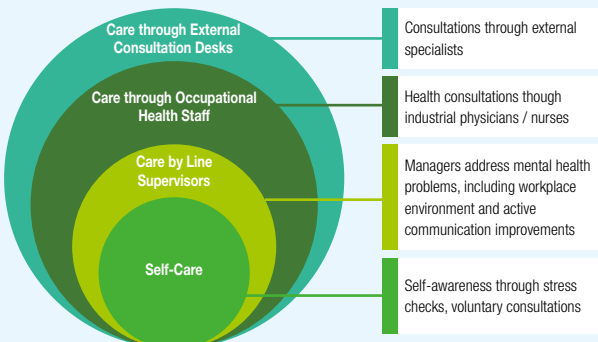
We are establishing an environment for self-management, including conducting various online seminars to alleviate the lack of exercise and to provide more education regarding physical fitness.

- Dietary seminars given by nutritionists
- Seminars on body maintenance: building an injury-free body
- Health seminars connected in a relay format by health management offices across Japan
- Holding online walking events with ANA Group companies and other companies, etc.



Mental Initiatives

Healthy minds are an important factor in QOL and work. The ANA Group implements measures in line with the four types of mental healthcare described in the Ministry of Health, Labour and Welfare's Guidelines for Maintaining and Improving Workers' Mental Health, and we also use video materials and e-learning to promote the mental health of our employees.



Diversity, Equity, and Inclusion Promotion

After presenting “The ANA Group Diversity and Inclusion Promise” (D&I Promise) in 2015, we have been promoting D&I as one of the key pillars within our management strategy. However, as of April 2022, we have added equity (providing fair support and creating opportunities in accordance with diversity) as an important element and are deepening our activities with the promotion of diversity, equity, and inclusion (DEI). In connection with this, we created the position of Group CDO (Chief Diversity, Equity & Inclusion Officer) to accelerate our promotion efforts.

Understanding and Addressing Diversity

(1) Gender Equality: Women in Leadership

In June 2021, the ANA Group set medium-term goals in regard to women in decision-making positions. In addition to reviewing personnel and support systems and promoting actions such as capability development and awareness-building, management holds discussions and regularly checks the progress of key indicators to realize a workplace that leverages diversity and fosters the creation of new value. Furthermore, we are working to permeate DEI through town hall meetings, management messages, and communications with employees.

Ratio of Female Executives

	As of June 2022 (And year-on-year change)	Medium-term Goal
ANA Group	10.0% (+0.7%)	Achievement of 30% as early as possible in the 2020s
ANA	16.3% (+1.6%)	

Ratio of Female Managers

	As of June 2022 (And year-on-year change)	Medium-term Goal
ANA Group	18.2% (+1.0%)	Achievement of 30% as early as possible in the 2020s
ANA	18.3% (+1.3%)	

The ANA Group’s efforts toward gender equality were presented at the UN Global Compact Leaders Summit in June 2021 (attended by approximately 22,000 people from 180 countries). In October of the same year, we became the first Japanese airline to receive the Diversity & Inclusion Team Award at the Diversity & Inclusion Awards held by the International Air Transport Association (IATA), a result of our efforts to revitalize the airline industry through the promotion of D&I.



(2) Promoting Diverse Work Styles:
Increasing the Percentage of Employees
Taking Paternity Leave

To promote diverse work styles and enhance the lives of employees, the ANA Group is making efforts to encourage male employees to take paternity leave. Using the feedback obtained through awareness surveys of employees who have used this system in the past, we are working to change awareness and establish systems so that, in our workplaces, paternity leave is taken as a matter of course.

As of April 2022, the utilization rate of this leave system was 30% (28% for ANA) and the utilization rate of special paid leave for childbirth and childcare was 61% (58% for ANA).



(3) LGBTQ+: Respect for Diversity of Sexuality

The ANA Group is working to establish an environment, including with regard to its internal systems and facilities, that is mindful of diversity of sexuality, and to promote understanding among all executives and employees. In April 2022, in accordance with the "Respect human rights and diversity" section of the ANA Group Social Responsibility Guidelines, we established the Basic Policy on Respect for Diversity of Sexuality, which summarizes our policies and specific actions to respect LGBTQ+ employees. We are working to establish these throughout the entire group.

For the sixth consecutive year, we were awarded a rating of Gold in the PRIDE Index*, an evaluation index for corporate actions related to LGBTQ+.

* Organized by the NPO good aging yells



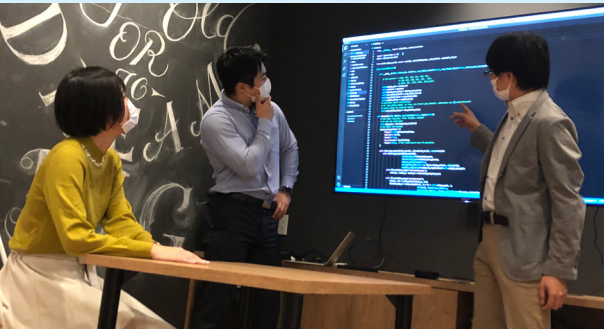
Fostering Human Resources for Promoting Digital Transformation (DX)

The utilization of digital data and the promotion of DX are important themes that are essential to the development of our business. Under the motto of "Digital for extending the power of employees," we are striving to enhance the value of the customer experience. For example, we achieve this by deepening personalized services that only people can provide by streamlining operations through the use of digital technology, and by providing tailored services by utilizing customer-related data held by the group. To promote these measures, we have launched a program to develop digital human resources who can firmly promote DX with a high level of expertise, and an educational curriculum (ANA Digital Resonance) to improve the digital literacy of all employees.



Digital Human Resources Development

We have defined the roles of Digital Navigators and Digital Leads, drivers of business transformation by leveraging their deep knowledge of digital technologies, and train employees to fill these roles. Through education ranging from fundamental knowledge of digital technologies and IT to programming, data analysis, and project based learning (PBL), we develop digital specialist human resources tailored to the business characteristics of the ANA Group, with the Air Transportation Business at its core.



Digital Literacy Training for the Entire Group

In order to promote innovation with the united efforts of all employees, we held our third Innovation Week in October 2021 in conjunction with the Digital Agency’s “Japan Digital Day.” At the Innovation Week, we provided opportunities for group employees to experience innovation through exhibits of the latest technologies, online lectures, workshops, and others. We are also expanding our online content to help employees understand information security and digital tools, with a total of over 45,000 employees taking part in programs in fiscal 2021.



Employees Taking on the Challenge of Moving from the Sky to the Digital Field

We develop digital human resources with a deep understanding of the group’s business by having them acquire skills in IT, digital technologies, and data, based on the experience and knowledge gained at various sites, including airports and maintenance. At the ANA Digital Transformation Office, ANA Systems Co., Ltd., and other units responsible for DX in the group, more than 100 group employees with diverse backgrounds have undergone digital human resources education and are now working as core human resources for the promotion of DX.

I am currently in charge of agile development for business systems used by employees at various workplaces in the ANA Group.

From my two years of on-site experience at airports, I realized that in order to deliver services and hospitality to customers that only people can provide, it is necessary to harness the power of DX to improve our environments. This gave me the interest in getting involved with the area of DX in the ANA Group.

Thanks to my experience on the front lines at airports, I firmly believe that it is my strength, and my mission, to understand the context behind the specialized terminology and language out in the field, accurately capture the thoughts and insights of the field, and swiftly grasp the true cause of issues.

I would like to continue to grow as a digital talent, supporting the provision of value unique to the ANA Group to customers, while never losing my field-focused perspective.



WATANABE Ryosuke
ANA Systems Co., Ltd.
Digital Innovation Department

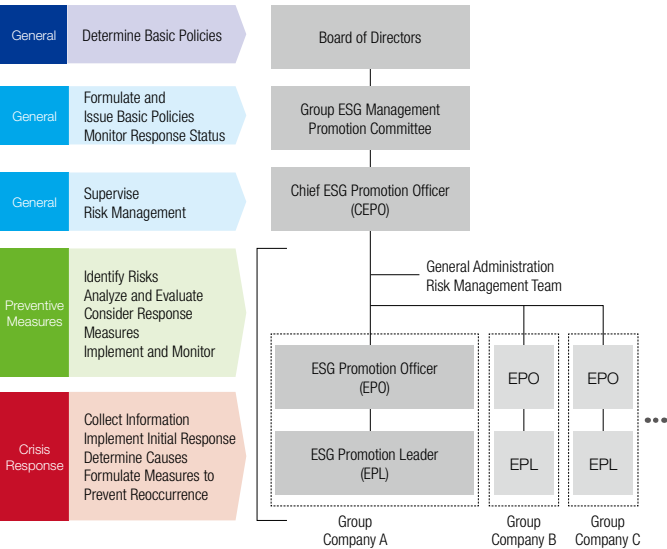
Risk Management

Preserve Corporate Value through Safe and Reliable Business Operations

The ANA Group takes steps to identify, analyze, and appropriately address risks with the potential to severely impact management. In addition, we have developed groupwide frameworks to minimize the impact of risks and prevent reoccurrence in case risks materialize.

Risk Management Structure

The ANA Group Total Risk Management Regulations provide the basic terms of the group's risk management system. Under these regulations, the Group ESG Management Promotion Committee develops and implements basic policies. These policies are executed in line with the basic policies determined by the board of directors. Each group company / department has established a risk management system. Here, the ESG Promotion Officer (EPO) and the ESG Promotion Leader (EPL) are responsible for promoting and leading risk management operations, respectively. Each EPL assumes a role to conduct risk management (risk prevention) operations according to plans and take swift action while working with the secretariat in the event of a crisis.



Major Initiatives

Share Information with EPLs

We provide newly appointed EPLs with organizational risk management training. During regular meetings, EPLs share case studies and provide instructions on measures that need to be strengthened. Under this system, EPLs provide instructions and responses within their respective companies.

Business Continuity Plan (BCP)

In the event of disaster, we have established policies and procedures to ensure the safety of our customers, executives, and employees, to minimize the impact on management and society, and to resume normal business operations as quickly as possible. We also make efforts to station emergency communication equipment and disaster supplies at main offices. The Ministry of Land, Infrastructure, Transport and Tourism established guidelines which address building airports resistant to natural disasters. Under these guidelines, ANA conducts inspections and reinforcements of airport facilities and equipment for flooding and power outages. Additionally, we perform emergency drills at airports in case of disasters. Thus, ensuring prompt responses in the event of emergency.

Information Security

Under the ANA Group Security Control Regulations, we construct and maintain groupwide regulations, in addition to an information security control system. Through this system, we work to enhance system functionality and implement security

measures in accordance with policy. We are currently revising our privacy policies and internal rules to comply with established overall fundamental policies, as well as domestic and international laws and regulations regarding personal information and privacy. We are also complying with the revision of Japan's Act on the Protection of Personal Information, executed on April 1, 2022. We require every employee to receive internal education on the handling of these laws and regulations, rules on using our information systems, and the importance of information assets and their proper handling. In this way and others, we strive to raise employee awareness of the significance and awareness of information security.

Security Export Control*

The ANA Group exports the parts, apparatuses, and other articles necessary for aircraft maintenance to overseas airports and aircraft maintenance centers. We recognize that certain articles have the potential to be used as weapons. Accordingly, we practice rigorous security export control of exported articles and their related technologies. We established regulations and structures regarding security export control, and strictly maintain them through annual audits and training. We not only target exporting divisions that work in direct export but also divisions that are involved with custom clearances and other export-related processes.

* Security export control is a term that refers to all regulations placed on exports from Japan by the Foreign Exchange and Foreign Trade Act.

Cybersecurity Measures

The ANA Group is designated as a critical infrastructure provider in Japan by the National Center of Incident Readiness and Strategy for Cybersecurity (NISC). We implement a multi-level defense in accordance with the guidelines formulated by related ministries. We monitor our security system 24 hours a day, 365 days a year. The ANA Group trains security specialist human resources, and we have established the Computer Security Incident Response Team (CSIRT) to ensure swift action in response to any incidents.

Cybersecurity intelligence is most effective when providing early alerts to counter cyberattacks. Therefore, we participate in information sharing organizations, such as the Aviation Information Sharing and Analysis Center (A-ISAC), which consists of airline, aircraft manufacturer, and other members. We also participate in the Surface Transportation Information Sharing and Analysis Center (ST-ISAC). In these ways, we acquire information from internal and external industry sources as early as possible for use in taking preventive measures.

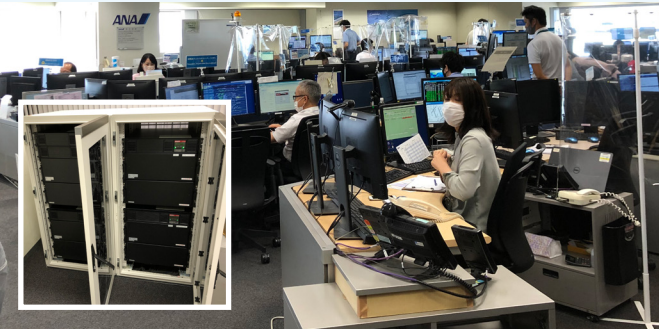
We are working on response measures, under the premise that cybersecurity incidents are inevitable. At the same time, we are adopting a Zero-Trust approach based on a conventional security measure TRUST (i.e., communication with trusted people and objects based on authentication and process reliability checks). We use this approach as we simultaneously pursue DX in ANA Group services and products, such as Mobility as a Service (MaaS) and the ANA Super App. In addition, we intend to work even more closely with relevant ministries and agencies, economic organizations such as Keidanren, and private security organizations such as ISAC; to improve security between supply chains in today's society, which is connected across all manner of business industries and sectors.

Recent Increases in Natural Disaster Measures

Recently, torrential downpours and typhoons have been growing in size, inflicting natural disasters countrywide. In response to this, we are taking various measures to protect our communication facilities and power supply facilities, which are essential infrastructure facilities for operations within airports.

As a countermeasure for flood damage, we are working to establish an environment that allows for early restoration at our top five main airports assumed at high risk for flooding (Haneda, Chubu, Kansai, Fukuoka, and Okinawa). To do this, we are using the latest hazard maps to begin construction to install water gates and relocate equipment to higher areas.

Also, we are taking measures for power outages at major airports to establish environments where operations can continue during power outages. These measures include connecting necessary terminals for aircraft operations with emergency power equipment, and replenishing capacity of emergency power supplies through the use of large storage batteries.



Operation Management Center and an Installed Large Storage Battery (bottom left)

Responses to COVID-19 (Employee Infection Prevention Measures)

The ANA Group created a response system based on the Crisis Management Manual and the Emergency Response Manual in late January 2020, when the COVID-19 infection began to spread. We adhere to policies and directions issued by the government and local authorities and prevent the spread of infection as we safely operate air transportation services, and our other services, to support socioeconomic activity, as well as the lives of the people.

In addition, the company began administering COVID-19 vaccinations for ANA Group employees and their families, as well as employees of contractors and related businesses in June 2021. As of May 2022, the third round of workplace vaccinations had been completed.

- Disseminate knowledge about COVID-19 to all group employees
- Ensure employees comply with basic preventative measures: avoiding the Three Cs (Closed spaces, Crowded places, and Close-contact settings), wearing masks, and washing and disinfecting hands
- Check employee health on a consistent basis before reporting to and starting work
- Segregate members into teams and avoid contact between teams to minimize the impact of an outbreak
- Ensure there is no discrimination against infected employees or employees suspected of having been infected

Compliance

Maintain Corporate Value by Enhancing Internal Systems and Further Instill Our Mission Statement

The ANA Group is taking steps to minimize exposure to legal risks and prevent incidents that could diminish corporate value.

Compliance Implementation Structure

The ANA Group has developed a compliance structure based on the ANA Group Compliance Regulations to promote compliance with laws, regulations, and other standards related to business activities. Under the Group ESG Management Promotion Committee Regulations, our advisory Board of Directors, we strive to strengthen awareness of compliance throughout the entire Group. We appointed an ESG Promotion Officer as the person responsible for promoting compliance at each company, and an ESG Promotion Leader to drive compliance at each workplace.

Major Initiatives

Legal Compliance Education

We conduct a variety of educational programs for every group executive and employee to acquire correct knowledge of and exercise appropriate judgment related to various laws and regulations. We hold regular seminars on contract practices, labor practices, and laws and regulations related to air transportation, improving our familiarity with business-essential knowledge. Seminars on competition law and air transportation for group executives and employees working overseas, are also available, focusing on minimizing legal risks globally. We also organize seminars tailored to topics and content that reflect the needs of each group company and/or department as needed. In addition to conducting online seminars, we maintain a global learning environment for group executives and employees to learn about various laws and regulations by posting educational materials and explanatory videos on the intranet.



Educational Materials on Various Laws and Regulations

Initiatives to Prevent Harassment

We provide various training and education programs to prevent workplace harassment including training for newly appointed managers. In fiscal 2021, in response to requests from each group company, implemented training that encourages participants to recognize and reconsider the risk of harassment and appropriate measures in their own workplace based on a harassment awareness survey. Additionally, we provided harassment prevention education for each group executive and employee through e-learning to develop a proper understanding of harassment and strive for zero-tolerance and more comfortable work environments throughout the group.



E-Learning Materials

Information Dissemination

To spread awareness of compliance throughout the ANA Group, we distribute email and other newsletters on topics related to revisions to laws and regulations, as well as points of caution regarding labor and contract practices. In fiscal 2021, we reorganized and renewed our compliance website on our intranet, from a compliance point of view, to facilitate a concrete understanding of the do's and don'ts of the rules commonly followed by our group executives and employees.

We also post manuals and guidelines on various laws and regulations to the appropriate website, providing an infrastructure where group executives and employees have access to such information at any time. In addition, we established a simple way for group executives and employees to ask questions from the website on legal issues of their business. This allows us to support them in making appropriate decisions in compliance with said laws and regulations.



Compliance Website

Strengthening Cooperation with Group Companies and Overseas Branches

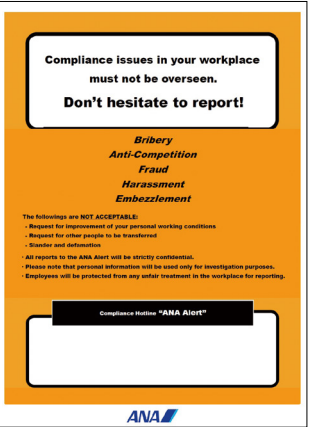
To strengthen the compliance structure across the entire group, we have clarified the points of contact between our Legal & Insurance Department, group companies, and ANA overseas branches, building and operating a structure facilitating two-way communication.

Compliance Survey of Group Companies

Surveys on compliance at group companies are conducted annually. The survey consists of self-evaluations on compliance to relevant laws and regulations as to assess issues pertaining to each group company and to the entire group. We conduct follow-ups with each company based on survey results as necessary to resolve any issues.

Internal Reporting System

Based on the ANA Group Rules for Handling Internal Reporting, we have set up a point of contact (ANA Alert) both inside and outside the group (via a law firm) to collect compliance-related information and resolve any issues. The reporting system is available to all group executives, employees, and temporary personnel involved in the group's business. The ANA Group retirees and executives and employees of our business partners may also use the reporting system. We protect the privacy of the whistleblower and relevant parties, and assure that no punitive measures will be taken against those that seek consultation or cooperate in confirming facts. This enables us to obtain internal risk-related information promptly and aids in self-correction. Additionally, we introduced a report form that can be accessed directly from our internal reporting website on our intranet. In doing so, we improved the system and increased convenience. In fiscal 2021, there were 184 reports within the group, and the system has spread throughout the group as a reliable and effective whistleblowing system.



ANA Alert Poster

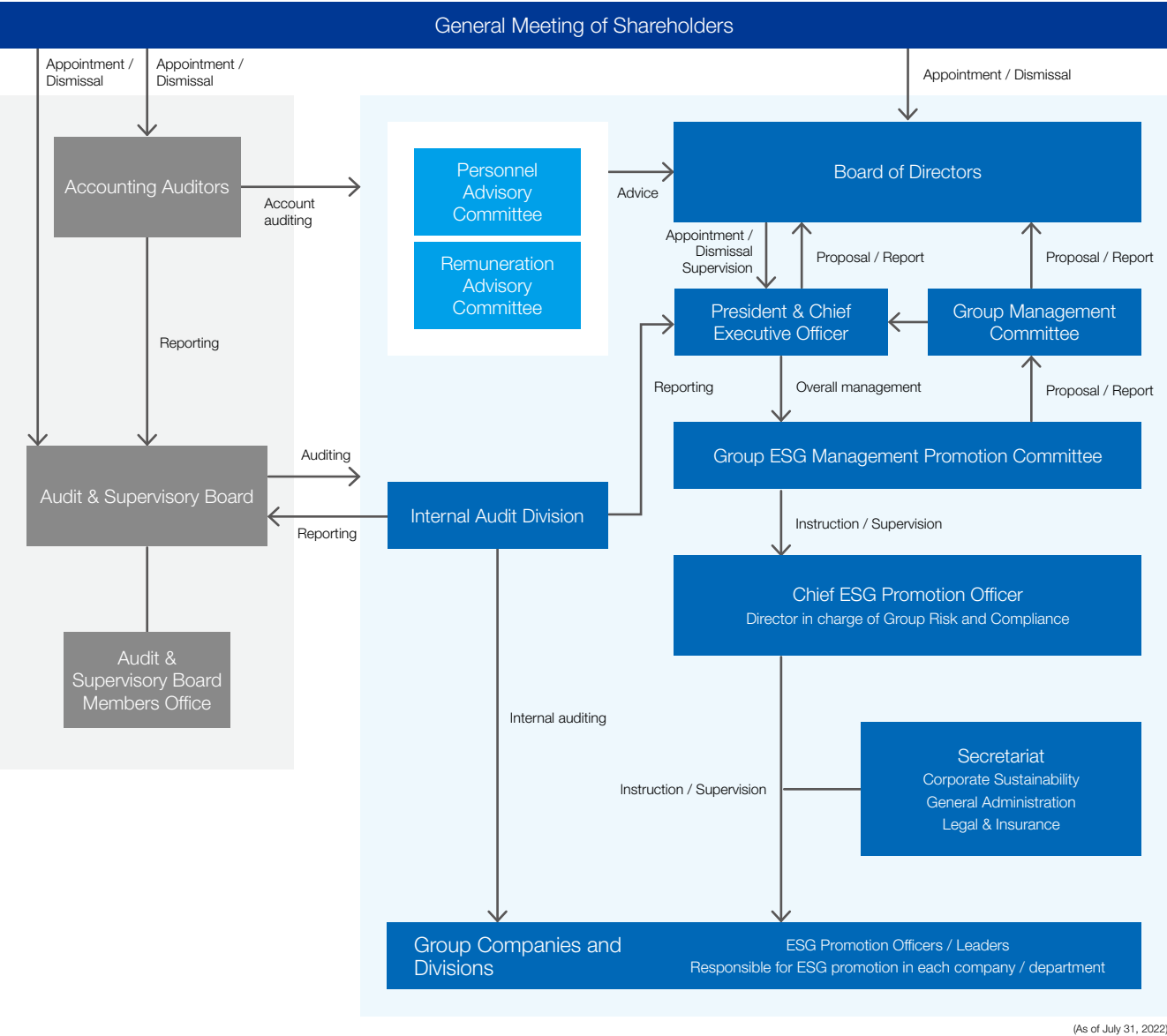
Corporate Governance

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.

The ANA Group aims to practice management that contributes to value creation for our various stakeholders in accordance with our Mission Statement and to promote sustainable growth and enhance corporate value over the long term. To accomplish this goal, ANA HOLDINGS INC. plays the lead role in group management for overall policies and goal-setting, pursuing transparent, fair, prompt, and effective decision-making. For this purpose, we have built a corporate governance system and work continuously to enhance governance within the ANA Group.

Corporate Governance System



(As of July 31, 2022)

ANA HOLDINGS Corporate Governance System

Holding Company Structure

The ANA Group has adopted a holding company structure to remain competitive in any challenging business environment. Each group company is guided by experienced and specialized personnel who are delegated authority to operate their respective businesses.

Company with Audit & Supervisory Board Members

The board of directors and members of the Audit & Supervisory Board oversee and audit the execution of duties by directors. The group strengthens the supervisory function of the board of directors by appointing outside directors. We also strengthen the audit function of members of the Audit & Supervisory Board by appointing full-time outside members.

Corporate Executive Officer System

The group has adopted a corporate executive officer system under which management and executive functions are separated to promote efficient decision-making and to clarify responsibilities and authority in the execution of duties. Under this system, directors supervise management decision-making and the execution of duties, while corporate executive officers conduct day-to-day business.

Board of Directors

Number of Board Members	Term of Office	Number of Meetings*
Directors 11 <small>(including 4 independent outside directors and 1 female director)</small>	1 year <small>(also applies to outside directors)</small>	14
Audit & Supervisory Board members 5		
<small>The board of directors of ANA HOLDINGS INC. sets groupwide management policies and goals, while also overseeing the management and business execution of each group company. The board of directors is chaired by the chairman of the board. All directors, including outside directors, and all members of the Audit & Supervisory Board, including outside members, participate in board meetings.</small>		

Group Management Committee

Number of Meetings*		
78		
<small>Chaired by the President & Chief Executive Officer, the Group Management Committee consists of full-time directors, full-time Audit & Supervisory Board members, and others, and functions as an organization that complements the board of directors. The role of the committee is to provide more timely and detailed discussions of management matters.</small>		

Advisory Committees

Personnel Advisory Committee		
Chairman	Number of Members	Number of Meetings*
YAMAMOTO Ado	5	4

The Personnel Advisory Committee discusses the selection of director candidates and the dismissal of directors, and reports to the board of directors. The Personnel Advisory Committee, chaired by an outside director, consists of four outside directors and one inside director to ensure transparency and fairness in the selection process of directors.

Remuneration Advisory Committee		
Chairman	Number of Members	Number of Meetings*
YAMAMOTO Ado	7	3

The Remuneration Advisory Committee consists of a majority of outside directors, outside Audit & Supervisory Board members, and outside experts to ensure fair and transparent process of decision-making related to director remuneration. The committee develops the director remuneration system and director remuneration standards based on surveys of director remuneration at other companies provided by outside experts and reports to the board of directors.

Audit & Supervisory Board

Number of Members	Term of Office	Number of Meetings*
Audit & Supervisory Board members 5 <small>(including 3 independent outside Audit & Supervisory Board members)</small>	4 years <small>(also applies to outside Audit & Supervisory Board members)</small>	13

* The number of meetings held in fiscal 2021

To ensure healthy development and to earn greater levels of trust from society through audits, we appoint five individuals to serve as Audit & Supervisory Board members who possess extensive experience and the advanced expertise required to conduct audits. The Audit & Supervisory Board strengthens the collaboration with the accounting auditors and the Internal Audit Division. The board also exchanges opinions with outside directors on a regular basis.



► Management Members: Directors As of July 31, 2022



	Name	Position at ANA HOLDINGS	Independent Directors	Executive Officers	Assignments	Personnel Advisory Committee	Remuneration Advisory Committee		Special Knowledge, Experience, and Skills							
									Corporate Management and Long-Term Strategy	Airlines Business and Safety	Human Resources Development and Diversity	Finance and Accounting	Legal and Risk Management	Sustainability	Technology and Innovation	Global Management
1	KATANOZAKA Shinya	Representative Director, Chairman			Chairman of the Board of Directors				●	●	●			●		●
2	HIRAKO Yuji	Member of the Board, Vice Chairman							●	●		●		●		●
3	SHIBATA Koji	Representative Director, President & Chief Executive Officer			Chairman of the ANA Group Management Committee, Head of Group ESG Management Promotion Committee, In charge of the Internal Audit Division Chairman, ALL NIPPON AIRWAYS CO., LTD.	●	●		●	●				●	●	●
4	FUKUZAWA Ichiro	Representative Director, Senior Executive Vice President		●	Chairman of the ANA Group Productivity Enhancement Committee In charge of Corporate Strategy				●	●		●		●		
5	INOUE Shinichi	Member of the Board			President & Chief Executive Officer, ALL NIPPON AIRWAYS CO., LTD.				●	●	●				●	●
6	HATTORI Shigeru	Member of the Board, Executive Vice President		●	Chairman of Group ESG Management Promotion Committee; In charge of Group Risk and Compliance, Legal & Insurance, General Administration					●	●		●	●		●
7	HIRASAWA Juichi	Member of the Board, Executive Vice President		●	In charge of Government & Industrial Affairs and Executive Secretariat				●	●				●	●	
8	YAMAMOTO Ado	Independent Outside Director	●			○ Chairman	○ Chairman		●	●	●		●			
9	KOBAYASHI Izumi	Independent Outside Director	●			●	●		●		●	●		●		●
10	KATSU Eijiro	Independent Outside Director	●			●	●		●				●		●	●
11	MINEGISHI Masumi	Independent Outside Director	●			●	●		●		●			●	●	●

The reasons behind the selection of the skill sets that the company expects its directors to possess are set forth in the Notice of the 77th Ordinary General Meeting of Shareholders.
https://ssl4.eir-parts.net/doc/9202/ir_material5/184654/00.pdf

► Appointment of Directors

Approach to Selection of Director Candidates

Internal Directors	The Company selects directors from among candidates who have impeccable character, extensive experience, broad insight, and advanced expertise. Ideal candidates have the potential to contribute to improved policy-making, decision-making, and oversight befitting a global airline group with widespread businesses centered on the Air Transportation Business. Our selection is made without regard to gender, nationality, or other such factors, and falls within the scope of the Civil Aeronautics Act and other relevant laws.
Outside Directors	The group selects a multiple number of outside directors who possess practical viewpoints based on extensive experience in corporate management, or who possess unique global or regional viewpoints. These individuals must be independent from the company, and able to offer objective and expert opinions based on a sophisticated knowl- edge of social and economic trends.

Reasons for Appointment of Directors

- The following director candidates were selected based on the judgment that their abundant experience, performance, and insight would be crucial to overcoming the management crisis caused by the current COVID-19 pandemic and for achieving sustainable increases in group corporate value.
- These director candidates assumed their positions after being appointed at the 77th Ordinary General Meeting of Shareholders.

	Brief Personal History / Major Concurrent Positions	Reasons for Appointment
Internal Directors	KATANOZAKA Shinya Chairman of the Board Chairman of the Board of Directors 2011: Executive Vice President 2015: President & Chief Executive Officer, Representative Director 2022: Representative Director, Chairman (present) Major Concurrent Position Outside Director, Tokio Marine Holdings, Inc.	KATANOZAKA Shinya has extensive experience in sales, human resources, corporate planning, and other disciplines. He was appointed representative director and president & CEO in April 2015. Since then he has achieved four consecutive years of profit growth, and at the time of the business crisis caused by COVID-19, he moved immediately to secure liquidity on hand and took the lead in formulating and implementing the <i>Business Structure Reform</i> plan. Since April 2022, Mr. Katanozaka has served as chairman and chairman of the board of directors, endeavoring to strengthen the functions of the board by leveraging his extensive experience and achievements over his career.
	HIRAKO Yuji Member of the Board, Vice Chairman 2015: Member of the Board of Directors 2022: Member of the Board, Vice Chairman (present)	HIRAKO Yuji has been involved in sales and finance divisions for many years. In April 2017, he was appointed president & CEO of ALL NIPPON AIRWAYS CO., LTD., a core subsidiary of the ANA Group. Since that time, he has guided the company with an uncompromising stance on safety and lead the company toward becoming the world's leading airline. He has also taken a leadership role in reforming the service model for the post-COVID-19 era. As a member of the board and vice chairman since April 2022, Mr. Hirako has contributed to strengthening the functions of the board of directors by lever- aging his extensive experience.
	SHIBATA Koji Representative Director, President & Chief Executive Officer 2020: Member of the Board of Directors 2021: Representative Director 2022: Representative Director, President and CEO (present)	SHIBATA Koji has been involved in sales and international alliances for many years. As a corporate executive officer since June 2020, and as representative director and executive vice president since April 2021, he has been in charge of the planning and execution of Group Corporate Strategy. As representative director, president & CEO since April 2022, Mr. Shibata has been pursuing group management, always maintaining a global perspec- tive and placing the highest priority on safety. He contributes to strengthening the func- tions of the board of directors by leveraging his extensive experience and achievements over his career.
	FUKUZAWA Ichiro Representative Director, Senior Executive Vice President 2019: Member of the Board of Directors 2022: Representative Director, Senior Executive Vice President (present) Major Concurrent Position Outside Director, Japan Airport Terminal Co. Ltd.	Since June 2019, FUKUZAWA Ichiro has served as director and chief financial officer. In April 2021, he was named executive vice president and chief financial officer, responsible for securing a stable financial base for the group and for implementing financial strategies, including efficient capital restructuring. In addition, as representative director and senior executive vice president since April 2022, he has been in charge of the planning and execution of Group Corporate Strategy, providing appropriate support to the president & CEO and contributing to the strengthening of the functions of the board of directors by leveraging his extensive experience and achievements over his career.

	Brief Personal History / Major Concurrent Positions	Reasons for Appointment
Internal Directors	INOUE Shinichi Member of the Board of Directors 2022: Member of the Board of Directors (present) President & Chief Executive Officer ALL NIPPON AIRWAYS CO., LTD. Chairman of All Japan Air Transport and Service Association Co., Ltd.	INOUE Shinichi was involved in the establishment of Peach Aviation Limited, Japan's first low cost carrier (LCC), and as representative director & CEO, he has achieved rapid growth for the company. In addition, since April 2020, he has overseen the sales division as representative director and executive vice president of ALL NIPPON AIRWAYS CO., LTD., a core subsidiary of the ANA Group. As representative director and president & CEO of the company from April 2022, Mr. Inoue has been pursuing the management of that company with safety as the top priority in order to put it back on a growth trajectory that will see it become a leading global airline.
	HATTORI Shigeru Member of the Board, Executive Vice President 2022: Member of the Board of Directors (present)	HATTORI Shigeru has been involved with the airport and human resources divisions for many years and has also been stationed in both Europe and the U.S. Since April 2016, he has overseen the airport division as executive officer of ALL NIPPON AIRWAYS CO., LTD., a core subsidiary of the ANA Group. In addition, he has steadily cultivated his global experience and abilities by serving as ALL NIPPON AIRWAYS CO., LTD. General Manager of the Americas since April 2019. Since April 2022, as a senior executive officer at the company, Mr. Hattori has been pursuing the promotion of ESG and risk management.
	HIRASAWA Juichi Member of the Board, Executive Vice President 2022: Member of the Board of Directors (present)	HIRASAWA Juichi has been involved with the business planning and planning divisions for many years. From April 2018, he served as an executive officer of ALL NIPPON AIRWAYS CO., LTD., a core subsidiary of the ANA Group, where he was in charge of creating and promoting innovations such as automated airport vehicle operation and MaaS in addition to formulating and implementing the company's Corporate Strategy. Since April 2022, Mr. Hirasawa has served as a senior execu- tive officer at the company, working primarily on industrial policy and other matters.

	Brief Personal History / Major Concurrent Positions	Reasons for Appointment
Outside Directors	YAMAMOTO Ado Independent Outside Director 2013: Member of the Board of Directors (present) Major Concurrent Positions Advisor of Nagoya Railroad Co., Ltd. Outside Director, Chubu-Nippon Broadcasting Co., Ltd. Chairman, Nagoya Chamber of Commerce & Industry	YAMAMOTO Ado has a wealth of experience and wide-ranging expertise in transporta- tion industry management and as a top executive in an economic organization. At meet- ings of the board of directors, he offers the benefit of his background to provide opinions and advice on corporate strategy, management of strategic investment projects, new businesses, and personnel policies. Mr. Yamamoto was appointed member of the Remuneration Advisory Committee and the Personnel Advisory Committee in June 2016. In June 2020, he was appointed chair of the Remuneration Advisory Committee and Personnel Advisory Committee.
	KOBAYASHI Izumi Independent Outside Director 2013: Member of the Board of Directors (present) Major Concurrent Positions Outside Director, Mitsui & Co., Ltd. Outside Director, Mizuho Financial Group, Inc. Outside Director, OMRON Corporation	KOBAYASHI Izumi has a wealth of experience and expertise as a representative for private financial institutions and international development and finance institutions, as well as an outside director for other operating companies. At meetings of the board of direc- tors, she offers the benefit of her background to provide opinions and advice on Corporate Strategy, risk management, DEI, sustainability, and other issues from a global perspective. Ms. Kobayashi was appointed as a member of the Remuneration Advisory Committee in July 2013 and a member of the Personnel Advisory Committee in June 2016.
	KATSU Eijiro Independent Outside Director 2020: Member of the Board of Directors (present) Major Concurrent Positions President and Representative Director and Co-CEO and COO, Internet Initiative Japan Inc. Outside Director, Nippon Television Holdings, Inc.	KATSU Eijiro has provided opinions and recommendations on issues regarding the management of strategic investment projects and new businesses based on a high level of insight due to his experience as a government official, including his tenure as vice minister of finance and his extensive experience in ICT company management. Mr. Katsu was appointed as a member of the Remuneration Advisory Committee and the Personnel Advisory Committee in June 2020.
	MINEGISHI Masumi Independent Outside Director 2020: Member of the Board of Directors (present) Major Concurrent Positions Chairperson and Representative Director of the Board, Recruit Holdings Co., Ltd. Outside Director, Konica Minolta, Inc.	MINEGISHI Masumi has led many new businesses to success at Recruit Co., Ltd. (cur- rently Recruit Holdings Co., Ltd.). As representative director and president & CEO of the company since April 2012, he has contributed to a significant increase in the company's corporate value through mergers and acquisitions of overseas companies, and has extensive experience as a corporate manager in the lifestyle and service industry. He has been elected as a new candidate for the position of independent outside director in the expectation that he will supervise the company and provide general management advice from an objective perspective based on his experience and knowledge.


▶ Management Members: Audit & Supervisory Board Members As of July 31, 2022

Approach to Selection of Candidates for Audit & Supervisory Board Member


Audit & Supervisory Board Members

To ensure healthy development and to earn greater levels of trust from society through audits, the Company appoints individuals to Audit & Supervisory Board members from both inside and outside the Company who possess extensive experience and the advanced expertise required to conduct audits. Our selections do not consider gender, nationality, or other factors. The Company appoints at least one individual who possesses appropriate levels of knowledge related to finance and accounting.


Outside Audit & Supervisory Board members are selected from among candidates who have advanced levels of knowledge in a variety of areas and who are independent of the ANA Group. These individuals include candidates who are well-versed in corporate management, candidates who have sophisticated knowledge of social and economic trends, and candidates who have advanced knowledge in finance, accounting, or legal matters.




KANO Nozomu*
Outside Audit & Supervisory Board Member




MIURA Akihiko
Audit & Supervisory Board Member



MITSUKURA Tatsuhiko
Audit & Supervisory Board Member



MATSUO Shingo*
Outside Audit & Supervisory Board Member



OGAWA Eiji*
Outside Audit & Supervisory Board Member

* Independent Audit & Supervisory Board members

Reasons for Appointment of Audit & Supervisory Board Members

Mr. MITSUKURA Tatsuhiko and Mr. OGAWA Eiji were elected at the 77th General Meeting of Shareholders.

		Reasons for Appointment
Audit & Supervisory Board Members	MITSUKURA Tatsuhiko Audit & Supervisory Board Member	MITSUKURA Tatsuhiko has been involved in maintenance for many years. Since April 2021, he has promoted safety and security activities as the chief safety officer of ALL NIPPON AIRWAYS CO., LTD., a core subsidiary of the ANA Group. Mr. Mitsukura has extensive knowledge and experience in the airline business as well as technical areas such as safety assurance.
	OGAWA Eiji Outside Audit & Supervisory Board Member	OGAWA Eiji, as a specialist in advanced international finance, etc., has a high degree of expertise and knowledge in finance, accounting, and financial matters. Although his corporate management experience is limited to serving as an outside executive officer, in addition to the above expertise, he has extensive experience and accomplishments as a manager of a university.

Mr. KANO Nozomu was elected at the 74th General Meeting of Shareholders.
Mr. MATSUO Shingo was elected at the 75th General Meeting of Shareholders.
Mr. MIURA Akihiko was elected at the 76th General Meeting of Shareholders.

Name	Independent Directors	Remuneration Advisory Committee	Special Knowledge, Experience, and Skills			
			Airlines Business and Safety	Finance and Accounting	Legal and Risk Management	Sustainability
KANO Nozomu	●	●		●	●	
MIURA Akihiko			●			●
MITSUKURA Tatsuhiko			●			●
MATSUO Shingo	●		●		●	
OGAWA Eiji	●			●	●	

▶ Fiscal 2021 Initiatives

Major Agenda Items for the Board of Directors (Fiscal 2021)

1. Items Related to General Meetings of Shareholders

- Proposals to be submitted to General Meetings of Shareholders for approval

2. Items Related to Directors, Corporate Executive Officers, the Board of Directors, etc.

- Selection of director candidates and corporate executive officers
- Results of the evaluation of the effectiveness of the Board of Directors
- Policies for officer remuneration
- Renewal of liability insurance contract for directors and officers

3. Items Related to Financial Results

- Financial results and earnings forecasts
- Reports from group companies
- Evaluations in the capital markets

4. Items Related to Shares and Capital

- Response to the Tokyo Stock Exchange's market restructuring
- Capital stock, etc.

5. Items Related to Organizational Restructuring

- Reorganization of ANA X Inc. and ANA Akindo Co., Ltd.

6. Items Related to Personnel and Organizations

7. Items Related to the Company and Important Subsidiaries

- ANA Group situation under the COVID-19 pandemic
- ANA Group *Business Structure Reform* (action plan)
- Discussions regarding business and other risks and risk management

- ANA brand / Peach business plan
- Current situation and strategy of Cargo business
- Current situation and issues of Trade and Retail business

8. Items Related to Disposal and Receipt of Important Assets

- Aircraft procurement, sales, and leases
- System investment and capital investment

9. Investment-Related Matters

10. Items Related to Major Debts

- Financing plans
- Subordinated syndicated loan agreement
- Bond issuances

11. Items Related to Corporate Governance

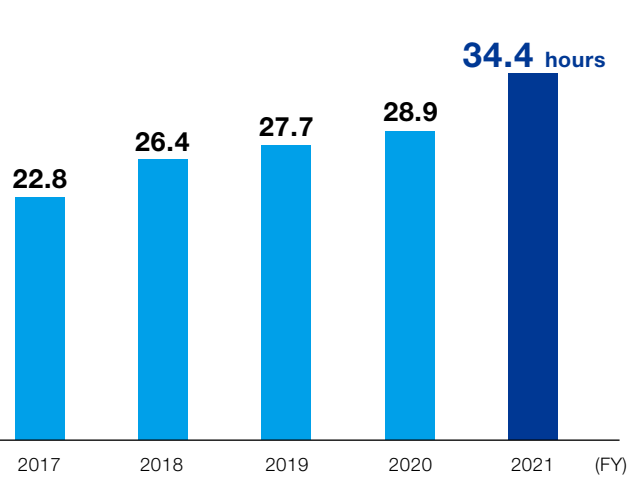
- Compliance with the revised Corporate Governance Code
- Climate change-related disclosure based on the guidance of TCFD
- Establishment of goals for women in leadership positions
- Group ESG Management Promotion Committee report
- Valuation of cross-shareholdings

12. Other Items

- Progress of metaverse business
- Status report on strategic investments
- ANA SKY WEB system failures
- Net Promoter Score (NPS) survey results
- ANA's Way Survey (employee awareness survey) results
- Personnel Advisory Committee report
- Remuneration Advisory Committee report

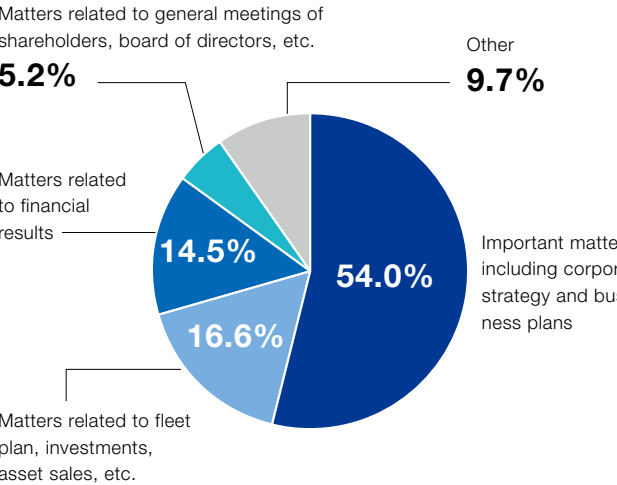
Changes in Board Meeting Length

Since we began encouraging more substantial discussions in board meetings, the annual total time devoted to board meetings has increased over the last several years.



Discussion by Agenda Topic (Fiscal 2021)

We encourage active discussions of corporate strategy at board meetings, selecting major related topics about which to exchange opinions from medium- to long-term perspectives.



► Efforts to Improve the Effectiveness of the Board of Directors

The Company believes that it is important for directors themselves to enhance the effectiveness of the board of directors, while constantly considering the state of the board of directors and governance. At least once each year we analyze, evaluate, and discuss the overall effectiveness of the board of directors, and work to address issues identified during this process. Through the PDCA cycle, in which we again address and evaluate those issues at the end of each fiscal year, we work to improve the functions of the board.

In fiscal 2021, in order to further enhance the objectivity and transparency of the evaluation, we conducted a third-party organization questionnaire as well as interviews regarding the results of that questionnaire to further deepen our analysis and evaluation.

We will continue to enhance the PDCA cycle in order to further improve its effectiveness.

Third-Party Evaluation and Analysis Process

In fiscal 2021, we commissioned Sumitomo Mitsui Trust Bank, Limited, which has a track record of supporting board effectiveness assessments for many companies, to conduct a questionnaire and interviews. The number of survey questions, including open-ended questions, was increased from 16 to 36 in order to expand and deepen the scope of the survey. As a result, the company's board of directors was evaluated as more active in discussions and more effective than those of other companies. It was confirmed that there is room for improvement in terms of meeting management and the composition of the board of directors.

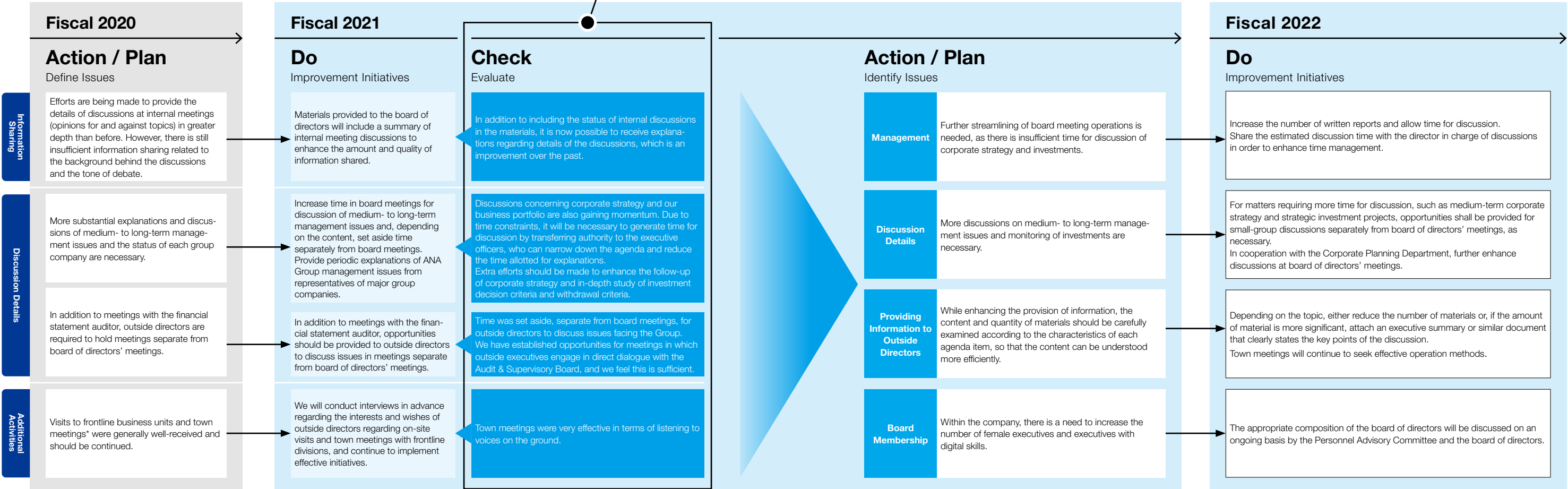
Questionnaire to all directors and Audit & Supervisory Board members

Analysis and evaluation by a third-party organization

Interviews with the board chair, representative directors, and outside directors

In-depth analysis and evaluation by a third-party organization

Reporting of results to the board of directors /
deliberation and consideration of improvement measures



* Dialogue between officers and employees

Cross-Shareholdings

We believe that it is essential to maintain and strengthen collaborative relationships with our business partners for further growth and development of group businesses.

The ANA Group, consisting mainly of our Air Transportation Business, engages in cross-shareholding when we deem such holdings to contribute to improved corporate value over the medium to long term from the viewpoint of continuing smooth business, maintaining business alliances, and growing profits through strengthening business relationships.

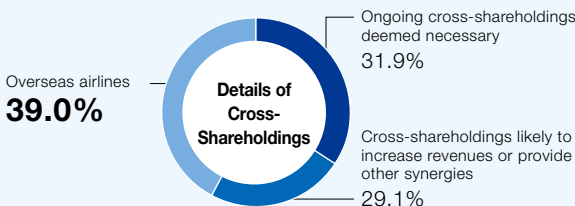
Every year, the board of directors conducts a comprehensive review of individual cross-shareholdings. The board evaluates

the significance of holdings and the benefits and risks associated. If, as a result of a comprehensive review, we determine that the evaluation results will continue to be low for a certain period of time and further will not contribute to sustainable growth over the medium to long term, we will reduce our holdings in said stock. In fiscal 2021, we reduced our cross-shareholdings in nine companies.

ANA HOLDINGS owns shares in 27 publicly traded companies as cross-shareholdings for other than pure investment purposes. The total amount on the balance sheet corresponding to these shares as of the end of fiscal 2021 is ¥86,682 million.

Equity Alliances with Overseas Airlines

The total amount of shares of overseas airlines owned by ANA HOLDINGS on our balance sheet is ¥33,844 million, which accounts for 39.0% of our cross-shareholdings. The purpose of these holdings is as described on the right.



(1) PAL HOLDINGS, INC. (Parent Company of Philippine Airlines)

- Strengthen strategic partnership with PAL through a wide range of business alliances, including code-share and mileage program alliances, the dispatch of directors, and outsourcing of airport operations.
- Pursue the transportation of people and cargo between Japan and the Philippines, where passenger traffic is relatively high within Southeast Asia.
- Enhance the ANA Group presence in the Southeast Asian market.

(2) Vietnam Airlines

- Strengthen strategic partnership with Vietnam Airlines through a wide range of business alliances, including code-share and mileage program alliances, the dispatch of directors, and outsourcing of airport operations.
- Pursue the transportation of people and cargo between Japan and Vietnam, which has particularly high growth potential in Asia.
- Enhance the ANA Group presence in the Southeast Asian market.

► Director and Audit & Supervisory Board Member Remuneration

1. Basic Policies for Director Remuneration

The basic policies for director remuneration are as follows.

- We set compensation at a level commensurate with the role and responsibility of each position.
- This will contribute to the enhancement of medium- to long-term corporate value.
- We will incorporate stock-based compensation that allows us to share profits with our shareholders.
- A Remuneration Advisory Committee, chaired by an outside director and consisting of a majority of outside directors, will be established to ensure a fair and transparent decision-making process.

2. Procedures for Determining Remuneration

The board of directors decides director remuneration after deliberation of the details, taking into account reports by the Remuneration Advisory Committee. The total amount of director remuneration shall be within the scope of the amount approved at the Ordinary General Meeting of Shareholders.

3. Remuneration Advisory Committee / See page 81

4. Remuneration System

(1) Internal directors

In addition to a fixed basic remuneration, remuneration for directors includes an annual variable performance-linked bonus and long-term incentive stock option plan as a means of providing healthy incentives for pursuing sustainable growth for the Company.

The ratio of fixed basic remuneration and bonus / stock options for total remuneration is 1:0.67 fixed to variable if

annual performance targets have been accomplished. The ratio of variable remuneration ranges from 0.0 to 1.0 times according to the degree of achievement for annual performance targets.

a. Bonuses

We use net income, safety, customer satisfaction, and employee satisfaction as indicators that reflect the performance and basic quality for a single fiscal year. Bonuses are determined based on the scores of each indicator.

b. Stock-based compensation

We use return on equity (ROE), operating income margin, CO₂ emissions volume, an external ESG evaluation indicator, and a productivity indicator as indicators of improved corporate value over the medium to long term and of sustainable growth. Stock-based compensation is determined based on the scores of each indicator.

(2) Outside directors

Remuneration for outside directors consists of fixed compensation (monthly compensation) without a performance-linked portion. This compensation encourages outside directors to exercise their supervisory functions from an independent standpoint.

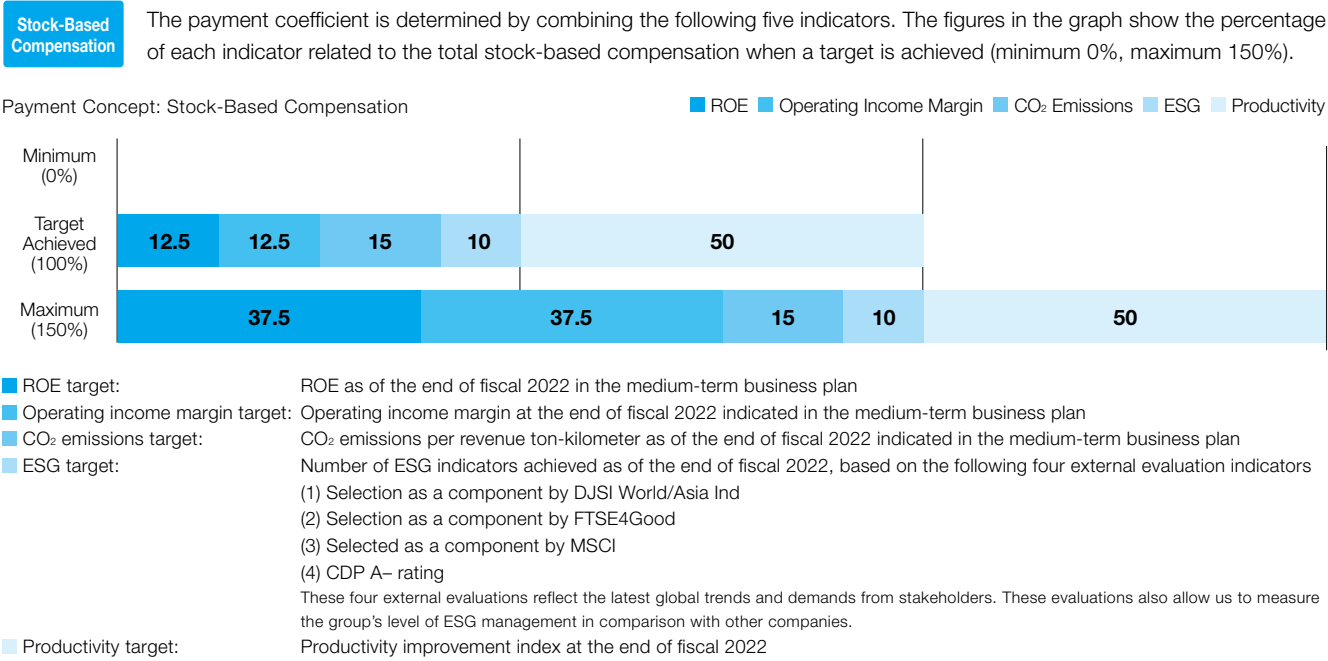
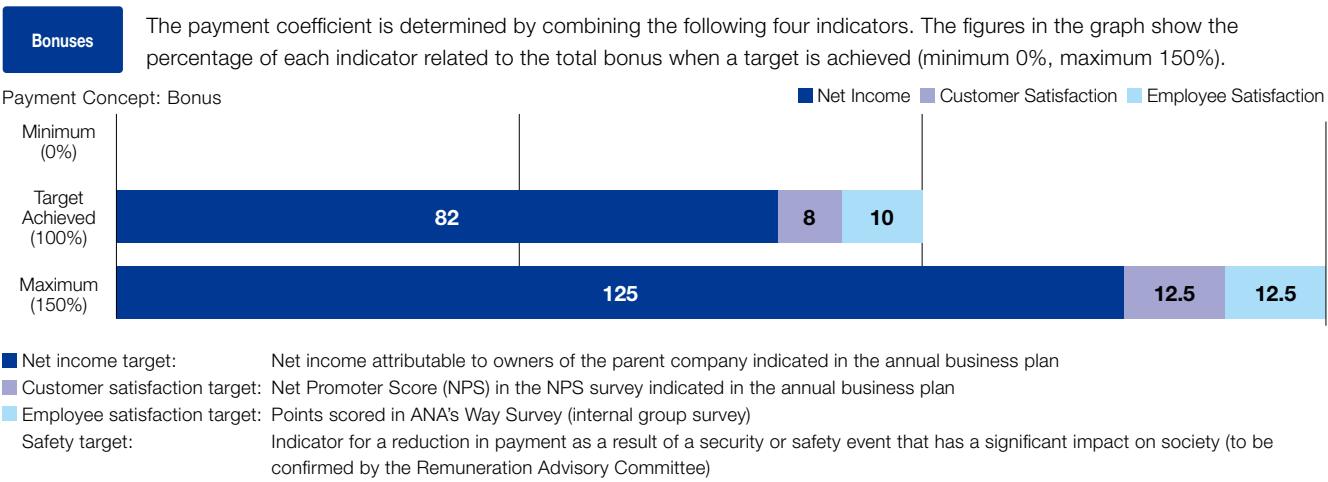
(3) Audit & Supervisory Board members

Remuneration for both inside and outside Audit & Supervisory Board members consists of fixed compensation (monthly compensation) without a performance-linked portion. This compensation encourages those members to exercise their supervisory functions from an independent standpoint.

Remuneration levels for members of the Audit & Supervisory Board are determined in line with remuneration at other companies and in consultation with outside experts.

Calculation Method

Performance-linked remuneration for internal directors is calculated based on the following approach.



Conceptual Diagram for the Officer Remuneration System

		Fixed	Variable		Remuneration limits
Ratio		1	0.67*1		
Remuneration		(1) Basic remuneration	(2) Bonus (short-term performance-linked)	(3) Stock-based compensation (long-term incentive)	
Payment criteria	Internal directors	Payment according to title, etc.	Measure for fiscal year results according to various criteria <div>Net Income</div> <div>Safety</div> <div>Customer Satisfaction</div> <div>Employee Satisfaction</div>	Evaluate contributions to corporate value over the medium to long term <div>Return on Equity (ROE)</div> <div>Operating Income Margin</div> <div>CO₂ Emissions</div> <div>ESG Indicators</div> <div>Productivity</div>	Annual total for (1) and (2) is limited to a maximum of ¥960 million Per resolution at the 66th Ordinary General Meeting of Shareholders, held June 20, 2011 (3) Annual maximum of ¥100 million*2 Per resolution at the 70th Ordinary General Meeting of Shareholders, held June 29, 2015
	Outside directors	Uniform payment for all members	—	—	
	Audit & Supervisory Board members	Payment according to status as full-time or part-time	—	—	Annual maximum of ¥180 million Per resolution at the 74th Ordinary General Meeting of Shareholders, held June 21, 2019
Payment method		Monthly (cash)	Annually (cash)	Multi-year evaluation*3	

*1 Range from 0.0 to 1.0 times according to the degree of achievement for annual performance targets.
*2 At the 70th Ordinary General Meeting of Shareholders held June 29, 2015, our shareholders passed a resolution to contribute funds to a trust up to a total of ¥100 million per fiscal year (up to ¥500 million for every five fiscal years) to be used as stock-based compensation.
*3 Upon retirement, stock-based compensation granted during a term of office will be delivered in the form of shares (or partly in cash equivalent to the amount when converted to market value) through the stock delivery trust.

Fiscal 2021 Director and Audit & Supervisory Board Member Remuneration

Segment	Number of persons eligible	Total amount of remuneration, etc. (¥ millions)	Total amount by type (remuneration, etc.) (¥ millions)		
			Basic remuneration	Bonuses	Stock-based compensation
Directors	9	283	187	—	95
(Outside directors)	(3)	(41)	(41)	(—)	(—)
Audit & Supervisory Board members	6	107	107	—	—
(Outside Audit & Supervisory Board members)	(3)	(54)	(54)	(—)	(—)
Total	15	390	294	—	95

Notes:
1. The table above includes one outside director and one outside Audit & Supervisory Board member who resigned as of the end of the 76th Ordinary General Meeting of Shareholders, held June 29, 2021.
2. One internal director who also serves as a director of ALL NIPPON AIRWAYS CO., LTD. is not included in the table above because he is fully compensated by the company.
3. The amount of stock-based compensation for fiscal 2021 is an estimate, as the evaluation period is the three-year period from fiscal 2020 to fiscal 2022.
4. The amounts listed above are rounded down to the nearest million yen.

Basic remuneration for directors and members of the Audit & Supervisory Board in fiscal 2021 has continued to be reduced according to position and in response to deteriorating business performance. Performance-linked bonuses have not been paid.

Trust Building with Stakeholders

The ANA Group regularly engages in dialogue with experts on ESG issues to understand social trends in a timely manner and make flexible management decisions. We are enhancing the effectiveness of our activities by incorporating the latest information and findings from these discussions into our strategies. In addition, we are holding a variety of internal discussions to have each employee understand the importance of promoting ESG management and put it into practice in their daily work. These discussions were held online in fiscal 2021 as well. However, a greater number of employees were able to participate, and we were able to deepen mutual understanding. Our internal and external connections with stakeholders such as these helped greatly to build trusted relationships throughout the ANA Group.

External Dialogue

The following titles of our experts are as they were at the time of discussion.

Dialogue with Experts on the Environment (December 2021)

Participating Experts

YAMAGISHI Naoyuki

Director, Climate & Energy and Oceans & Fisheries, WWF Japan

HIBI Yasushi

Vice President, Conservation International



Topic

Progress of Initiatives for the ANA Group's Environmental Targets



What are your thoughts on the ANA Group's environmental targets and their current initiatives?

- It is important to set targets and disclose information for both international reduction targets, such as SBT^{*1}, and the introduction of renewable energy.
- In addition to issues such as the stable supply of Sustainable Aviation Fuel (SAF), in regard to the provision of sustainable foodstuffs for in-flight meals (certified foodstuffs, etc.), it is expected that the ANA Group will step forward and demonstrate leadership by involving other companies in the industry and suppliers, etc.
- The external evaluation of the ANA Group's environmental initiatives as a whole will greatly change by its initiatives and achievements regarding this 1%, by promoting energy conservation in its own facilities and vehicles, introducing renewable energy, and transitioning to EVs and FCVs.

^{*1} Science Based Targets (SBT): Reduction targets in line with what the latest climate science says is necessary to limit global warming to well below 2°C above pre-industrial levels.



What are your thoughts on climate change and its relationship with biodiversity?

- Biodiversity conservation refers to initiatives to protect nature. This includes everything ranging from ensuring the sustainability of foodstuffs used in in-flight meals to deforestation and plastics as marine pollution. SAF itself is also a field dependent on the natural environment. It is important to start with identifying, analyzing, and prioritizing what business is dependent on and what business is impacting in regard to the natural environment and resources.
- From here on out, it will be important to address movements such as environmental due diligence and zero deforestation.

Dialogue with Experts on Business and Human Rights (October 2021)

Participating Experts

Pauliina Murphy

World Benchmarking Alliance^{*2}
Engagement Director

Neill Wilkins

Institute for Human Rights and Business^{*3}

Camille Le Pors

World Benchmarking Alliance
Lead, Corporate Human Rights Benchmark



^{*2} World Benchmarking Alliance: An index initiative established by the United Nations Foundation, Aviva (a British insurance company), and other organizations. This organization develops benchmark indicators to evaluate company contribution levels to a sustainable society.

^{*3} Institute for Human Rights and Business: An international think tank that works in the field of business and human rights and leads efforts in this area. Established in 2009.

Topic

Promotion of Initiatives Relating to the ANA Group's Business and Human Rights



How can we enhance the effectiveness of the grievance mechanism?

- Regarding the grievance mechanism^{*4}, one of the disadvantages of a system that receives reports from individuals is that the companies become passive. It is important for the ANA Group to continue to approach the workers in the supply chain, and talk with those who are actually being affected, to enhance trust.

^{*4} Grievance mechanism: A mechanism that enables the prevention and mitigation of negative impacts on the company throughout the value chain, including suppliers, as well as redress for victims of the negative impact that has occurred.



How can we effectively address human rights issues in the global supply chain?

- The company will be able to fulfill bigger roles and have a bigger impact through collaborations. Issues surrounding human rights violations inflicted by other countries and problems surrounding technical intern trainees living in Japan are not issues to be handled single-handedly. As such, it is expected that your influence will expand through collaborations with other companies and organizations.



What are things to watch out for regarding Just Transition^{*5}?

- Even in Just Transition, it is important to consider the impact on human rights. Considering climate change and human rights together is very complex, but it is an issue for the ANA Group to address, and it is necessary to consider how climate change affects working conditions and the working environment.

^{*5} Just Transition: A movement that aims to support those facing economic disadvantages, in addition to ensuring benefits are widely distributed, through the transition to a green economy.

▼ Please visit our corporate website for more:
<https://www.ana.co.jp/group/en/csr/communications/>

The following titles of our experts are as they were at the time of discussion.

Dialogue with Overseas ESG Investors (December 2021)

Participating Experts

First Discussion:

World Benchmarking Alliance

Camille Le Pors

World Benchmarking Alliance

Lead, Corporate Human Rights Benchmark

Charlotte Hugman

World Benchmarking Alliance

Lead, Corporate Human Rights Benchmark

Second Discussion:

Hermes EOS

SUZUKI Sachi

Associate Director – Engagement



Topic

Progress of ESG Management in the ANA Group

First Discussion



What are your thoughts on identifying issues to be addressed?

- Through an impact assessment, first identify the impact of the company and significant human rights issues, and then confirm the environment surrounding the rights holders. It is important to prioritize the issues identified through dialogue with rights holders.
- In assessing the impact of climate change on people, it is necessary to consider the direct impacts and the indirect impacts separately. When a company cannot resolve the indirect impacts on its own, more urgent actions will be needed hereafter.



What are the key points on tackling information disclosure based on TCFD?

- In order to come closer to successfully achieving the 1.5-degree scenario, it is important to quantitatively and qualitatively scrutinize the effectiveness and feasibility of what can be done and to what extent.
- From the viewpoint of accountability, it is important to disclose specific plans, such as business and management systems, and CO₂ reduction, as information disclosed deepens the stakeholders understanding of the company.

Second Discussion



What do you think about our initiatives toward becoming carbon neutral?

- It is great that the ANA Group is switching to higher CO₂ emission reduction targets and cooperating with other industries to develop SAF in order to work toward carbon neutrality. Even if investment is difficult at present, it is effective to participate in the R&D to increase the total supply. Additionally, it is necessary to pressure and lobby the government.



What do you think about our initiatives regarding diversity?

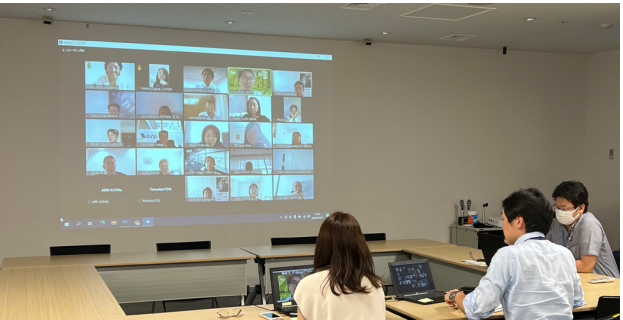
- With regard to diversity, it is important to increase the proportion of women in voting positions such as directors. On the other hand, is also a problem to focus only on the proportion of female directors while the proportion of female executive officers and management-level employees is low. We expect to see improvements toward the current goal.

Internal Dialogue

Internal Discussions to Promote ESG Management Awareness

SDGs Seminar

Seminars are available to all group employees in an online format. They are a place to share information on the SDGs, and we are learning to think about how we can contribute to the SDGs through our work, and to practice and deepen initiatives familiar to us. We have discussions planned with overseas areas (Europe and the U.S.) that tie into creating awareness throughout the group.



ESG TOP Discussions with Employees

ANA Group officers ran a TOP discussion on the promotion of ESG management. After a panel discussion on the latest global trends and the status of initiatives in the departments over which the officers have responsibility, employees and officers participating online had the opportunity to exchange opinions and deepen their understanding of ESG management.



► Internal Dialogue

Outside Director Town Meeting Initiatives

Topics for Fiscal 2021:
Challenges and future direction regarding human resources that will lead the group back to a growth trajectory

Since fiscal 2018, the group has been providing opportunities for town meetings in which outside directors can engage in direct dialogue with managers across various ANA Group departments. The purpose of these meetings is to gain a deeper understanding of the group's business and corporate culture, and to assist in the future management of the board of directors. The Maintenance Center and each group maintenance company participated in fiscal 2018, the Flight Operations Center in fiscal 2019, and the CX Management Office in fiscal 2020.

The unprecedented crisis we experienced due to the COVID-19 pandemic has once again confirmed that the greatest asset of the Group is its human resources. In order to achieve renewed growth in the post-COVID-19 world, the Human Resources Strategy Department, which is in charge of hiring, training, and establishing human resource systems, held a dialogue with outside directors on issues and future directions regarding the group's human resources, which will be the driving force for achieving renewed growth.

- The necessity of autonomous career enrichment, which is a prerequisite of the discussion**
- The results of the ANA's Way Survey, an internal awareness survey, show a high correlation between career fulfillment and the engagement in one's work that arises from a sense of satisfaction and achievement.
 - In accordance with the idea that each individual should carve out their own career path based on their own ambitions, the company will offer support for individual growth while expanding opportunities for new challenges. At the same time, employees are encouraged to enhance autonomous career development through specific dialogues between supervisors and subordinates that utilize job descriptions.

Topic 1 Enhancement of Autonomous Career Development that Respects Individual Motivations and Skills

Q What are the challenges to enhancing autonomous career development?

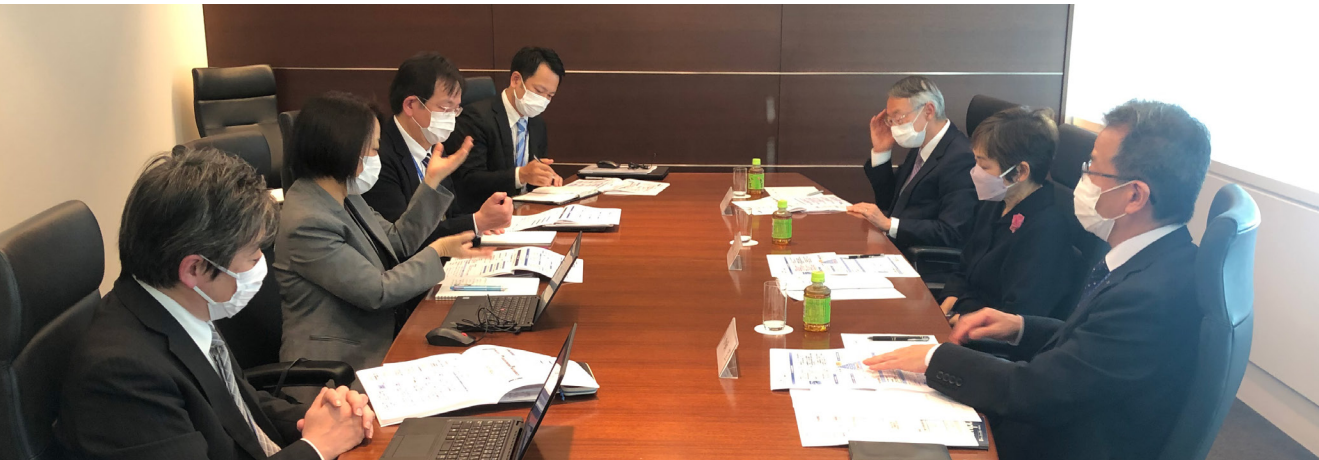
- Is there a mismatch between the person's ambitions and staffing needs?**
- Career paths are very important because they act as an incentive for one's future. However, if we only place importance on the ambitions of the individual, human resources will be concentrated in the most popular departments and career paths, resulting in a considerable degree of mismatch.
 - A concentration of personnel in the most popular departments will result in a shortage of specialists in flight operations, maintenance, engineering, etc. Considering the overall balance of the company and its profits, it may be necessary to consider a system in which compensation increases as such specialized skills and expertise are acquired.

- Assessment of work aptitude**
- Sometimes a person finds that they are not suited for the job they want after they actually tried it. In determining suitability, the advice of a supervisor and certain guidelines are necessary.
 - While it is important to find interesting work, it is more important for supervisors to properly evaluate the strengths of their subordinates and assign them suitable work while improving their motivation through positive encouragement.

- It is a standard practice to rotate personnel so that they can experience various departments and determine their own aptitudes. However, individuals who can thoroughly perform in one department will also demonstrate their abilities when performing other duties, so it may not be necessary to transfer them. Honing one's expertise and developing standards by which to evaluate yourself is important.
- Toward a personnel system that emphasizes individual motivation and strengths**
- Although mismatches between requests and assignments are likely to occur, the highest priority will first be placed on the individual's motivation and strengths. Furthermore, these discrepancies can likely be resolved to a certain extent by separating the career tracks for airport / operations and marketing departments, etc., at the recruitment stage.
 - In many Group companies, the company's business areas were fixed and the range of careers was limited. In addition to the expansion of the Group Human Resources Recruitment Program, an intra-Group transfer recruitment system will be introduced. We expect that these measures will enable employees to develop a variety of careers within the Group, thereby strengthening engagement.

Q We expanded secondment outside the group as part of the employment measures to cope with the COVID-19 crisis. What do we think about this system?

- It is an effective way to utilize new discoveries in one's career without being restricted by one's past work experience.**
- Currently, 1,580 employees (as of December 2021), mainly frontline employees, are on secondment outside the group. In addition to hospitality, we hear that they are active in human resources development, public relations, sales support, and general affairs. We would like them to bring new insights and culture from outside the company back to the ANA Group in order to create new value.
 - Experiencing the corporate culture of a completely different company through a secondment outside the group is very beneficial in helping one notice the strengths and shortcomings of ANA. After the COVID-19 pandemic, it may be beneficial to continue the program for the benefit of human resources development.
 - There are relatively few opportunities for cabin attendants, airport staffs, etc., to perform different duties, and these external assignments present new career opportunities. Opportunities for external secondments have led to personal growth, such as one case in which an employee returned to ANA to take on generalist position. We are considering continuing this system in the future.



Town Meeting (December 2021)

Topic 2 Diversity in Human Resources

Q What are our thoughts on securing and developing human resources from diverse backgrounds, etc.?



- Needs for diversity among our human resources**
- We live in an age in which we do not know who will be able to demonstrate their strengths in which situations. We should recognize each person's strengths as a portfolio and change our approach to selecting appropriate leaders according to the abilities needed at any given time. That is what it means to make the most of diversity.
 - While it is important to hire young people with expertise in IT, data science, etc., there is a sense that there is a shortage of personnel that can be targeted through their career paths. It may be necessary to hire outside experts.

- Expansion of opportunities for human resources to play an active role**
- As for seniors, some of them do not decline after the age of 60. On the contrary, some of them broaden their vision. If they are truly capable, they should be able to remain active regardless of their age. Not utilizing the elderly is a great loss for Japan as a whole.
 - We think that broadening the scope of work, by having overseas staff concurrently perform head office duties, for example, will increase motivation. Having overseas staff is a great asset for globalization. It might be a good idea to energize our Japanese staff by having overseas staff remotely participate in various meetings and events.

Message from the Independent Outside Directors



Even as the impact of the COVID-19 pandemic continued throughout fiscal 2021, the ANA Group implemented measures to return to growth in the post-COVID-19 world based on the Three Pillars defined under *Business Structure Reform*.

As the group enters fiscal 2022, passenger demand is beginning to return. We asked outside directors YAMAMOTO Ado, KOBAYASHI Izumi, and KATSU Eijiro for their assessment of ANA Group efforts to recover business performance, future challenges heading to a post-COVID-19 world, and their expectations of President & Chief Executive Officer SHIBATA Koji.



Reassessing the meaning of social and transportation infrastructure in building an organization capable of overcoming difficulties and sharing a sense of mission

YAMAMOTO Ado
Independent Outside Director

As an emergency measure to push through the COVID-19 pandemic, the ANA Group was quick to take action, including the early retirement of wide-body aircraft and securing cash on hand. Despite the tough business environment throughout fiscal 2021, I was gratified to see groupwide efforts bearing fruit, as the group returned to profitability in the third quarter, supported by flexible adjustments of capacity and through detailed yield management.

The impact of the COVID-19 pandemic has been long and painful. But the main key to upholding and enhancing employee motivation will be to return to the basics by reassessing the purpose of the group and its contribution to society as air transportation. In March 2022, the Tohoku Shinkansen bullet train was suspended for a time after an earthquake off the coast of Fukushima Prefecture. The ANA Group decided immediately to put extra flights into service, fulfilling its social mission as a public transportation provider. This is just one representative example, but when every employee is aware of their responsibility as transportation infrastructure, and realizes their role in supporting the transfer of people and goods, this attitude will naturally add to momentum and encourage employees to overcome difficulties.

Of course, we must not forget compensation is an extremely important part of employee motivation. The group ended monthly wage reductions at the end of fiscal 2021, and has set targets to phase out other measures in place to address COVID-19. I think employee motivation is increasing

gradually, and it is important to meet employee expectations as performance recovers, which includes restoring bonus levels.

President Shibata began serving in April. One important role of the president is to speak cheerfully, openly, and in his own words about overcoming a challenging business environment and charting a course toward growth under the group vision. To date, President Shibata has held many management-led town meetings, visiting with all ANA Group employees. It will be important to continue to be proactive in creating these opportunities, to engage in meaningful dialogue with stakeholders, including employees, and to reaffirm the strength of the group. This strength has overcome many crises in the past. The group must also recognize the spirit behind the phrase, *Hardship Now, Yet Hope for the Future*, as each individual fulfills their roles in embodying this motto. One of the Three Pillars of *Business Structure Reform* is to create new profit-earning opportunities beyond the airline business. In the process of taking on the challenges of entering brand-new fields, we sometimes find a clash of opinions. I expect management will respect these diverse values and make decisions resolutely, implementing initiatives decisively to transform the organization into a strong, resilient airline group.



Sustainable value creation through new ideas generated by diverse human resources and flexible organizational development

KOBAYASHI Izumi
Independent Outside Director

COVID-19 has reminded many companies of the importance of risk management. We have had many more opportunities to discuss risk at board meetings over the past year. No matter how carefully measures are taken, the unexpected can happen. And it is impossible to predict all risks comprehensively. A strong business portfolio is important to ensure overall balance and avoid outsized harm in the event of a single risk. Resilience, or the ability to recover when the unexpected happens, is also important. To harden the resilience of an entire organization requires employees trained to make the best decisions in their respective positions under any circumstances. Employees, including those on the front lines, must work without being constrained by manuals or rules, but rather, encouraged to think about the essence of matters on a regular basis.

One of the major risks facing society today is environmental risk. The ANA Group understands its responsibility toward achieving sustainable societies, focusing particularly on decarbonization. While the group cannot be a sole actor in all measures to reduce CO₂ emissions, and ANA relies heavily on external technological developments, it is important to have a proactive attitude in looking for and implementing what can be done on our own. ESG management requires a flexible organization in which each employee is aware of ESG, thinks for themselves and proposes changes as they go about their work, and accepts new ideas. In the past, companies pursued

convenience in the products and services they provided. I think in the future, we may have to accept things that are not necessarily convenient, but that address measures toward sustainable societies, and execute these measures with conviction.

To create a flexible organization that accepts diverse ideas, it will be crucial to pursue diversity, equity, and inclusion (DEI), which the group views as a pillar of our corporate strategy. The essence of a human resources strategy is to consider how diverse human resources lead to increased corporate value. Simply achieving numerical targets is meaningless. Certain of our employees will be active in management in the future. Others will grow as professionals in their fields. I believe creating an environment in which each type of individual can utilize their strengths within the organization, enjoy their work, grow personally, and realize great value through their work should be the aim of our human capital strategy. If everyone looks and acts in the same direction, as is the case in many Japanese companies, new ideas will not emerge in an era of change. It is important to have a diverse group of people who leverage their strengths to create new things while sharing different opinions. This leads to increased corporate value. The ANA Group is fortunate to have a diverse range of human resources. I believe that our future challenge will be to maximize and make the best use of the abilities of each employee.

Combining the efforts of every employee to improve resilience, leveraging the strengths developed in the Air Transportation Business

KATSU Eijiro
Independent Outside Director

Fiscal 2021 was the second year of the COVID-19 pandemic, and I have had high regard for the group's efforts, including its pursuit of *Business Structure Reform*. I am sure employees were burdened by the unprecedented measures taken, including the drastic reduction of wages and bonuses, even if only for a limited period of time. Clear messaging from former-president Katanozaka reminded employees to work with an increased sense of urgency and remain hopeful. I believe this ongoing encouragement brought the group together as one to weather the pandemic. The slump in passenger demand reduced opportunities for many employees to be active in their original assignments. Even so, it was fortunate that these employees found a sense of fulfillment through secondments to various outside companies and organizations based on the promise to preserve their employment. Having entered fiscal 2022, President Shibata was very open-minded, and immediately after assuming office, met with a wide range of group employees in a short period of time. He communicated that management is moving to a new stage, demonstrating his strong determination to achieve profitability without fail. I believe this attitude has contributed to an improved level of employee engagement.

Passenger demand has begun to recover more recently, and it is important to develop services while accurately identifying how customer needs are changing under COVID-19. ANA is moving forward in the development of *ANA Smart Travel* utilizing the power of digital technology such as online check-in processes. I believe there are two purposes of digitalization. The first is to pursue efficiency by replacing routine human tasks with digital processes, which in turn controls costs. The second is to utilize the enormous volumes of data obtained through digitalization and leverage this data in new businesses. This is a very important issue for the group, which aims to improve resilience in the medium term.

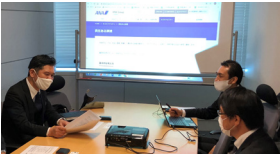

New businesses does not mean launching a new venture in the dark. Fields too far removed from the airline industry entail great risk. The ANA Group can reduce risk by clearly defining the reasons why it is involved in a business and how the group can utilize its strengths. From the perspective of diversifying management risk, the ANA Group must expand non-air businesses over the medium term. In this process, however, it is important to create business models that are unique and that also leverage the knowledge, expertise, and data assets of the ANA Group, which have been accumulated over its years in the airline business.



Responsible Dialogue with Stakeholders

The ANA Group conducts business activities through our relationships with stakeholders. We engage in ongoing dialogue with stakeholders to build trust and offer peace of mind. As we do so, we increase the effectiveness of our strategies by incorporating the opinions and requests of stakeholders into our businesses.

Major Dialogues during Fiscal 2021




Dialogue with Shareholders and Investors	The 77th Ordinary General Meeting of Shareholders		Financial results presentations (for institutional investors, analysts)
	No. of attendees	664	Voting rights exercise ratio 58.5% 4 times (teleconferences)
Communication with Our Employees	Dialogue with institutional investors / analysts		
	202 times (117 in Japan / 85 overseas) (199 teleconferences / online meetings, 3 in-person meetings)		
Dialogue with Experts	ANA Group officer town meetings		
	No. of meetings	2,694	Participants total: Approx. 33,500 people * Numbers include online interactions
Dialogue with Business Partners	Training sessions for promoters of ESG and SDGs (online)		SDGs seminar (online)
	No. of sessions	2	Participants 110 people No. of meetings 2 Participants 120 people
Dialogue with Communities	Environment	Human rights	ESG investors
	1 time	1 time	2 times (online meetings)
Dialogue with Business Partners	Procurement policy briefings		
	54 times (including 12 overseas suppliers)		
Dialogue with Communities	Participation in community volunteer activities		
	ANA NARITA AIRPORT SERVICES Co.,Ltd.		
Dialogue with Communities	No. of activities	22	Group employee participants: Approx. 150 people Volunteer cleanup, aviation classes, crime prevention, etc.
			

External Recognition







Inclusion in ESG Indexes, etc.

<ul style="list-style-type: none">Dow Jones Sustainability Index<ul style="list-style-type: none">World IndexAsia Pacific IndexFTSE4Good IndexMSCI Japan Empowering Women Index (WIN)CDP Climate Change A-	<ul style="list-style-type: none">S&P Global Sustainability Awards 2022<ul style="list-style-type: none">Gold ClassFTSEBlossom Japan IndexEcoVadis Sustainability Rating<ul style="list-style-type: none">BRONZE	<div>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</div> <div>FTSE4Good</div> <div>FTSE Blossom Japan</div>
<div>2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</div>		<div>CDP DISCLOSURE INSIGHT ACTION</div> <div>Sustainability Award Gold Class 2022 S&P Global</div>

Quality

<ul style="list-style-type: none">SKYTRAX COVID-19 Airline Safety Rating (ANA Group, 2021)<ul style="list-style-type: none">Awarded first 5-STAR status in AsiaSKYTRAX World Airline Awards (ANA Group, 2021)<ul style="list-style-type: none">World's Best Airline Cabin CleanlinessCOVID-19 Excellence AwardWorld's Best Airport ServicesBest First Class Lounge in Asia	<ul style="list-style-type: none">CIRIUM (ANA Group, 2021)<ul style="list-style-type: none">Worldwide Major Airlines<ul style="list-style-type: none">Network Category: No. 1Mainline Category: No. 1Asia-Pacific Major Airlines<ul style="list-style-type: none">Network Category: No. 1Mainline Category: No. 1
<div></div>	

Management Strategy

<ul style="list-style-type: none">Ministry of Economy, Trade and Industry<ul style="list-style-type: none">DX CertificationTokyo Stock Exchange / Ministry of Economy, Trade and Industry<ul style="list-style-type: none">DX Stock 2022Japan Institute of Information Technology (ANA, ANA Systems Co., Ltd.)<ul style="list-style-type: none">Best Customer Support of The Year 2021: Special Award (DX Promotion)IATA (ANA)<ul style="list-style-type: none">Diversity & Inclusion Award 2021Diversity & Inclusion TeamJob Rainbow (ANA)<ul style="list-style-type: none">D&I AWARDBEST Workplace2021work with Pride (ANA)<ul style="list-style-type: none">PRIDE Index 2020 Gold AwardMinistry of Health, Labour and Welfare<ul style="list-style-type: none">"Platinum Kurumin" Certified by the Ministry in Recognition of Providing Superior Childcare Support (ANA, ANA AIRPORT SERVICES Co., Ltd.)"Kurumin" Certified by the Ministry (ANA CHUBU AIRPORT CO., LTD., ANA Akindo Co., Ltd., ANA TELEMART CO., LTD., ANA Systems Co., Ltd.)	<ul style="list-style-type: none">Ministry of Health, Labour and Welfare<ul style="list-style-type: none">Company Promoting Women's Participation and Advancement in the Workplace"Eruboshi" Certification (ANA TELEMART CO., LTD.)Nippon Kenko Kaigi, Ministry of Economy, Trade and Industry<ul style="list-style-type: none">Certified Health and Productivity Management Organization Recognition Program 2022 –White 500– (ANA HOLDINGS INC., ANA AIRPORT SERVICES Co., Ltd., ANA OSAKA AIRPORT CO., LTD., ANA CHUBU AIRPORT CO., LTD., ANA KANSAI AIRPORT CO., LTD., ANA OKINAWA AIRPORT CO., LTD., ANA TELEMART CO., LTD., ANA Wing Fellows Vie Oji Co., Ltd., ANA CHITOSE AIRPORT CO., LTD., ANA FUKUOKA AIRPORT CO., LTD., ANA WINGS CO., LTD., ALL NIPPON AIRWAYS TRADING Co., Ltd.)Certified Health and Productivity Management Organization Recognition Program 2022 (ANA Systems Co., Ltd., ANA AIRPORT SERVICES Co., Ltd., ANA Business Solution Co., Ltd.)
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* THE INCLUSION OF ANA HOLDINGS INC. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ANA HOLDINGS INC. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Consolidated 11-Year Summary

ANA HOLDINGS INC. and its consolidated subsidiaries (Note 1)

Yen (Millions)												U.S. dollars (Thousands) (Note 3)
(FY) (Note 2)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2021
For the Year												
Operating revenues (Note 4)	1,020,324	728,683	1,974,216	2,058,312	1,971,799	1,765,259	1,791,187	1,713,457	1,601,013	1,483,581	1,411,504	8,336,661
Operating expenses	1,193,451	1,193,457	1,913,410	1,893,293	1,807,283	1,619,720	1,654,724	1,621,916	1,535,027	1,379,754	1,314,482	9,751,213
Operating (loss) income	(173,127)	(464,774)	60,806	165,019	164,516	145,539	136,463	91,541	65,986	103,827	97,022	(1,414,551)
(Loss) income before income taxes	(175,374)	(545,372)	51,501	154,023	196,641	139,462	131,064	77,983	36,391	70,876	63,431	(1,432,911)
Net (loss) income attributable to owners of the parent	(143,628)	(404,624)	27,655	110,777	143,887	98,827	78,169	39,239	18,886	43,140	28,178	(1,173,527)
Cash flows from operating activities	(76,413)	(270,441)	130,169	296,148	316,014	237,084	263,878	206,879	200,124	173,196	214,406	(624,340)
Cash flows from investing activities	230,019	(595,759)	(230,218)	(308,671)	(324,494)	(194,651)	(74,443)	(210,749)	(64,915)	(333,744)	(166,323)	1,879,393
Cash flows from financing activities	93,646	1,098,172	23,869	(46,480)	(29,989)	3,349	(133,257)	(30,424)	(85,569)	84,549	16,171	765,144
Free cash flow	153,606	(866,200)	(100,049)	(12,523)	(8,480)	42,433	189,435	(3,870)	135,209	(160,548)	48,083	1,255,053
Substantial free cash flow (Note 5)	(111,948)	(373,464)	(79,149)	(18,028)	61,410	39,655	88,035	(22,350)	38,929	54,256	52,043	(914,682)
Depreciation and amortization	147,328	176,352	175,739	159,541	150,408	140,354	138,830	131,329	136,180	123,916	119,268	1,203,758
EBITDA (Note 6)	(25,799)	(288,422)	236,545	324,560	314,924	285,893	275,293	222,870	202,166	227,743	216,290	(210,793)
Capital expenditures	133,364	156,710	351,361	375,864	304,707	254,425	281,416	274,702	183,739	162,752	196,881	1,089,664
At Year-End												
Total assets	3,218,433	3,207,883	2,560,153	2,687,122	2,562,462	2,314,410	2,228,808	2,302,437	2,173,607	2,137,242	2,002,570	26,296,535
Interest-bearing debt	1,750,108	1,655,452	842,862	788,649	798,393	729,877	703,886	819,831	834,768	897,134	963,657	14,299,436
Shareholders' equity (Note 7)	797,249	1,007,233	1,061,028	1,099,413	988,661	919,157	789,896	798,280	746,070	766,737	549,014	6,514,004
Per Share Data (Yen, U.S. dollars) (Note 8)												
(Loss) earnings per share	(305.37)	(1,082.04)	82.66	331.04	417.82	28.23	22.36	11.24	5.41	13.51	11.22	(2.49)
Book value per share	1,695.06	2,141.49	3,171.80	3,285.46	2,954.47	262.44	225.87	228.45	213.82	218.41	218.24	13.84
Cash dividends	—	—	—	75.00	60.00	6.00	5.00	4.00	3.00	4.00	4.00	—
Average number of shares during the year (Thousand shares)	470,339	373,945	334,559	334,632	344,372	3,500,205	3,496,561	3,492,380	3,493,860	3,192,482	2,511,841	
Management Indexes												
Operating income margin (%)	(17.0)	(63.8)	3.1	8.0	8.3	8.2	7.6	5.3	4.1	7.0	6.9	
Net income margin (%)	(14.1)	(55.5)	1.4	5.4	7.3	5.6	4.4	2.3	1.2	2.9	2.0	
ROA (%) (Note 9)	(5.3)	(16.0)	2.4	6.4	6.8	6.5	6.1	4.2	3.2	5.1	5.1	
ROE (%) (Note 10)	(15.9)	(39.1)	2.6	10.6	15.1	11.6	9.8	5.1	2.5	6.6	5.3	
Shareholders' equity ratio (%)	24.8	31.4	41.4	40.9	38.6	39.7	35.4	34.7	34.3	35.9	27.4	
Debt/equity ratio (Times) (Note 11)	2.2	1.6	0.8	0.7	0.8	0.8	0.9	1.0	1.1	1.2	1.8	
Asset turnover (Times) (Note 12)	0.3	0.3	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	
Payout ratio (%)	—	—	—	22.7	14.4	21.3	22.4	35.6	55.5	29.6	35.7	
Number of employees	42,196	46,580	45,849	43,466	41,930	39,243	36,273	34,919	33,719	32,634	32,884	
Operating Data												
International Passenger Operations												
Passenger revenues	70,151	44,726	613,908	651,587	597,446	516,789	515,696	468,321	395,340	348,319	320,066	573,175
Available seat-km (Millions)	20,524	14,465	68,885	65,976	64,376	60,148	54,710	49,487	41,451	37,947	34,406	
Revenue passenger-km (Millions)	5,550	2,840	50,219	50,776	49,132	45,602	40,635	35,639	30,613	28,545	25,351	
Number of passengers (Thousands)	825	427	9,416	10,093	9,740	9,119	8,167	7,208	6,336	6,276	5,883	
Load factor (%)	27.0	19.6	72.9	77.0	76.3	75.8	74.3	72.0	73.9	75.2	73.7	
Unit revenues (¥)	3.4	3.1	8.9	9.9	9.3	8.6	9.4	9.5	9.5	9.2	9.3	
Yield (¥)	12.6	15.7	12.2	12.8	12.2	11.3	12.7	13.1	12.9	12.2	12.6	
Domestic Passenger Operations												
Passenger revenues	279,877	203,119	679,962	696,617	689,760	678,326	685,638	683,369	675,153	665,968	651,556	2,286,763
Available seat-km (Millions)	34,288	26,896	58,552	58,475	58,426	59,080	59,421	60,213	61,046	58,508	56,756	
Revenue passenger-km (Millions)	16,382	11,567	39,502	40,704	40,271	38,990	38,470	38,582	37,861	36,333	34,589	
Number of passengers (Thousands)	17,959	12,660	42,916	44,325	44,150	42,967	42,664	43,203	42,668	41,089	39,020	
Load factor (%)	47.8	43.0	67.5	69.6	68.9	66.0	64.7	64.1	62.0	62.1	60.9	
Unit revenues (¥)	8.2	7.6	11.6	11.9	11.8	11.5	11.5	11.3	11.1	11.4	11.5	
Yield (¥)	17.1	17.6	17.2	17.1	17.1	17.4	17.8	17.7	17.8	18.3	18.8	
LCC Passenger Operations (Note 13)												
Revenues	37,813	22,071	81,953	93,611	87,555	—	—	—	—	—	—	308,954
Available seat-km (Millions)	7,863	4,932	11,076	12,052	11,832	—	—	—	—	—	—	
Revenue passenger-km (Millions)	4,846	2,403	9,202	10,394	10,212	—	—	—	—	—	—	
Number of passengers (Thousands)	4,267	2,080	7,288	8,153	7,797	—	—	—	—	—	—	
Load factor (%)	61.6	48.7	83.1	86.2	86.3	—	—	—	—	—	—	
Unit revenues (¥)	4.8	4.5	7.4	7.8	7.4	—	—	—	—	—	—	
Yield (¥)	7.8	9.2	8.9	9.0	8.6	—	—	—	—	—	—	
International Cargo Operations												
Cargo revenues	328,750	160,503	102,697	125,015	118,002	93,301	113,309	124,772	104,736	86,589	87,978	2,686,085
Cargo volume (Tons)	976,644	655,019	866,821	913,915	994,593	954,027	810,628	841,765	710,610	621,487	570,684	
Domestic Cargo Operations												
Cargo revenues	24,932	20,881	25,533	27,454	30,710	30,860	31,740	32,584	32,116	32,231	33,248	203,709
Cargo volume (Tons)	251,332	218,032	373,176	393,773	436,790	451,266	466,979	475,462	477,081	463,473	467,348	

Notes: 1. As of March 31, 2022, there were 55 consolidated subsidiaries and 14 equity-method subsidiaries and affiliates.
2. From April 1 to March 31 of the next year
3. U.S. dollar amounts in this report are translated, for convenience only, at the rate of ¥122.39 = US\$1, the approximate exchange rate as of March 31, 2022.
4. Effective from the fiscal year ended March 2015, revenue of jet fuel which is resold to airlines outside the group is offset by its purchasing cost and the net amount is recorded in operating revenues.
5. Substantial free cash flow after excluding payments into and proceeds from withdrawals of time deposits and payments for purchases and proceeds from redemptions of marketable securities (time and negotiable deposits with maturities exceeding three months)
6. EBITDA = Operating income + Depreciation and amortization
7. Total shareholders' equity = Shareholders' equity + Accumulated other comprehensive income

8. The group conducted a 1-for-10 reverse stock split effective October 1, 2017. Calculations have been made assuming a reverse stock split at the beginning of the fiscal 2017.
9. ROA = (Operating income + Interest and dividend income) / Simple average of total assets
10. ROE = Net income attributable to owners of the parent / Simple average of shareholders' equity
11. Debt/equity ratio = Interest-bearing debt / Shareholders' equity
12. Asset turnover = Operating revenues / Simple average of total assets
13. Revenues of LCC Operations include ancillary income.
14. We applied the Accounting Standard for Revenue Recognition as of the beginning of fiscal 2021.
* Yen amounts are rounded down to the nearest million yen and percentages are rounded to the nearest one decimal place. U.S. dollar amounts are truncated.

Management’s Discussion and Analysis

As of fiscal 2021 (April 1, 2021 to March 31, 2022) the group has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).

Economic Conditions

General Economic Overview

During the fiscal year under review, the Japanese economy showed signs of a gradual recovery in corporate production activities and other areas with the gradual easing of the challenging conditions caused by COVID-19.

Looking to the future, the economy is expected to pick up, supported by effects from various government policies amid further normalization of economic and social activities and rigorous implementation of infection prevention measures. However, monetary tightening is underway worldwide, and downside risks to the economy due to fluctuations in financial and capital markets, rising raw material prices, supply-side constraints, and other factors require close monitoring.

While it is assumed that the pandemic will continue to affect the group’s performance, a gradual recovery is expected in air transport traffic demand amid some movement toward easing restrictions on travel and entry.

Fuel Price Trends

While energy demand grew alongside a recovery in the global economy as it moved toward the post-COVID-19 era, oil-producing countries, primarily OPEC Plus, showed reluctance to increase production on a large scale. This raised concerns about strained supply and demand, and Dubai crude oil prices continued to rise throughout the fiscal year. In the third quarter, prices temporarily declined due to the release of U.S. strategic oil reserves and concerns about an economic slowdown caused by the spread of the Omicron variant. However, toward the end of the fiscal year, market prices rose once again due to increased supply concerns caused by the deteriorating situation in Ukraine, resulting in an average price of \$78.2 per barrel for the fiscal year under review and \$106.0 per barrel on March 31, 2022.

The market price of Singapore kerosene tracked the price of crude oil. The average price for the fiscal year was \$85.1 per barrel, ending at \$127.7 per barrel on March 31, 2022.

Foreign Exchange Market

The U.S. dollar-yen exchange rate for fiscal 2021 showed a continued weakening of the yen throughout the fiscal year as the U.S. steadily raised interest rates to normalize its monetary policy, while large-scale monetary easing in Japan was maintained and the interest rate differential between the U.S. and Japan widened.

The Japanese yen averaged ¥112.38 per U.S. dollar for fiscal 2021, ending the year at ¥121.70 per U.S. dollar on March 31, 2022.

Air Transport Traffic Trends

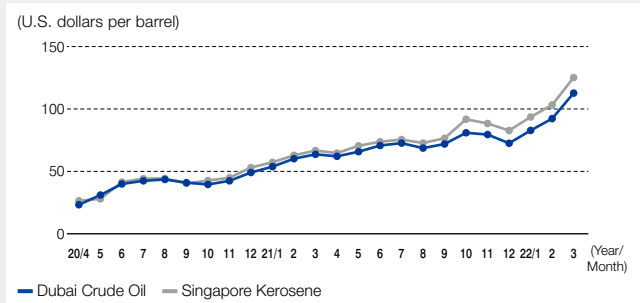
International Air Transport Association (IATA) member airlines reported 540 million passengers on scheduled international flights for in 2021 (14.4% increase year on year). Passengers on scheduled domestic flights numbered 1.76 billion (33.0% increase). At the same time, scheduled global air cargo volume increased 15.5%. (Source: IATA Global Outlook for Air Transport, 2022)

In Japan, passengers on trunk routes* increased 47.0% year on year to 22.06 million. The number of passengers on local routes* increased 47.3% to 27.64 million. In total, passengers on scheduled domestic flights increased 47.2% to 49.69 million. Cargo volume increased 12.1% to 0.47 million tons. The number of passengers carried by Japanese airlines on international flights increased 120.6%

to 1.76 million, while the volume of international cargo handled by Japanese airlines increased 29.8% to 1.76 million tons. (Source: Ministry of Land, Infrastructure, Transport and Tourism Air Transportation Statistics)

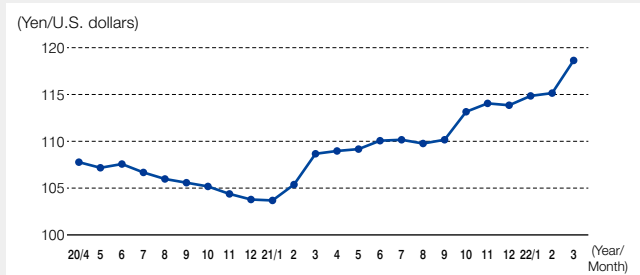
* Trunk routes refer to routes connecting Sapporo (New Chitose), Tokyo (Haneda), Tokyo (Narita), Osaka (Itami), Osaka (Kansai), Fukuoka, and Okinawa (Naha) airports with one another. Local routes refer to all other routes.

Monthly Prices for Dubai Crude Oil and Singapore Kerosene



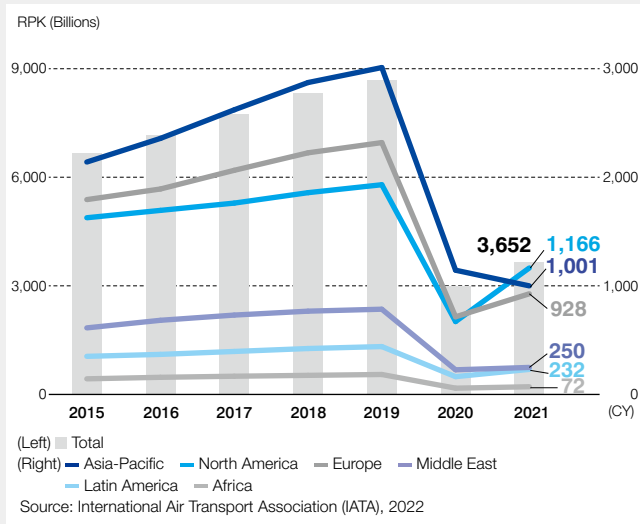
Source: Bloomberg

Monthly Yen-Dollar Exchange Rate



Source: Bloomberg

Global Air Transportation Passenger Volume by Region



Source: International Air Transport Association (IATA), 2022

Performance for Fiscal 2021

Overview of the ANA Group

The ANA Group (“the group”), led by holding company ANA HOLDINGS INC., consists of 134 subsidiaries (including ALL NIPPON AIRWAYS CO., LTD.) and 41 affiliates. A total of 55 companies are treated as consolidated subsidiaries, with another 14 treated as equity-method subsidiaries and affiliates. Group employees numbered 42,196 individuals, a decrease of 4,384 compared to the previous fiscal year-end.

Despite a still-challenging situation for the airline industry, demand is on a recovery track, especially for domestic flights, and there are signs of recovery in demand for international flights as entry restrictions are gradually eased.

So too did the group’s operating revenues increase over the previous fiscal year, when impact was significant from the COVID-19 pandemic, due to a gradual recovery in the movement of people. In terms of costs, while the scope of flight operations was greatly expanded from the previous fiscal year, operating expenses were held at the same level thanks to ongoing rigorous cost management. However, due to the continuing impact of the pandemic, losses were recorded at each profit stage.

In terms of financial position, in addition to recording a net loss, retained earnings decreased due to the application of the Accounting Standard for Revenue Recognition, etc. In addition, we raised ¥170.0 billion by issuing convertible bonds with stock acquisition rights and straight bonds for future capital expenditures.

Consolidated Operating Revenues, Operating Expenses, and Operating (Loss) Income

In fiscal 2021, consolidated operating revenues amounted to ¥1,020.3 billion, a ¥291.6 billion (40.0%) increase over the previous fiscal year, when impact was significant from the COVID-19 pandemic. This increase came as the company took full advantage of passenger demand recovering in stages and steady cargo demand.

We succeeded in making cost reductions of approximately ¥325.0 billion (including subsidies for employment adjustment) through our own efforts in rigorous cost management. However, operating loss was ¥173.1 billion (versus an operating loss of ¥464.7 billion in the previous fiscal year), mainly due to a delayed recovery in passenger demand amid the COVID-19 pandemic.

Review by Segment

The Group operates four reportable segments: Air Transportation, Airline Related, Travel Services, and Trade and Retail.

Segment Information

(Fiscal Year)	Operating Revenues			Operating (Loss) Income			EBITDA		
	2021	2020	Change	2021	2020	Change	2021	2020	Change
Air Transportation	¥ 885,096	¥ 604,014	¥281,082	¥(162,932)	¥(447,894)	¥284,962	¥(22,379)	¥(278,942)	¥256,563
Airline Related	206,806	222,139	(15,333)	(660)	3,691	(4,351)	4,390	8,764	(4,374)
Travel Services	46,282	45,050	1,232	(2,105)	(5,084)	2,979	(1,971)	(4,568)	2,597
Trade and Retail	81,694	79,958	1,736	549	(4,282)	4,831	1,642	(2,915)	4,557
Subtotal	1,219,878	951,161	268,717	(165,148)	(453,569)	288,421	(18,318)	(277,661)	259,343
Others	38,130	36,643	1,487	1,388	(34)	1,422	1,886	410	1,476
Adjustments	(237,684)	(259,121)	21,437	(9,367)	(11,171)	1,804	(9,367)	(11,171)	1,804
Total (Consolidated)	¥1,020,324	¥ 728,683	¥291,641	¥(173,127)	¥(464,774)	¥291,647	¥(25,799)	¥(288,422)	¥262,623

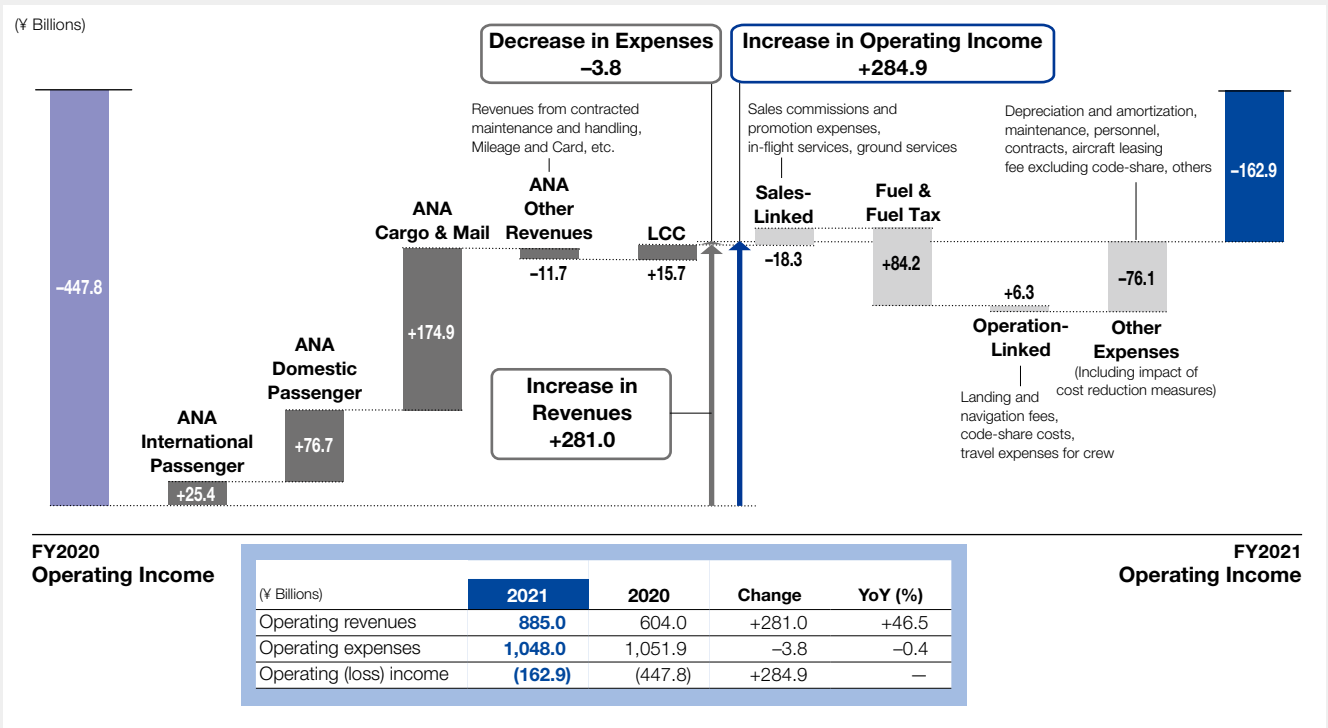
Notes: 1. “Others” represents all operating segments that are not included in reportable segments, including facility management, business support, and other operations.
2. Adjustments of segment profit represent the elimination of intersegment transactions, group management expenses of ANA HOLDINGS INC., and other certain items.
3. Segment operating income is reconciled with operating income in the consolidated financial statements.
4. EBITDA = Operating income + Depreciation and amortization

Air Transportation Business

Air Transportation Business operating revenues amounted to ¥885.0 billion, a year-on-year increase of 46.5%. This was mainly due to increased passenger demand and record-high cargo revenues as we captured strong demand proactively, despite severe effects amid the COVID-19 pandemic. Our losses were improved versus the previous fiscal year due to steady implementation of *Business Structure Reform* and reductions in fixed costs such as depreciation and amortization, maintenance expenses, and personnel expenses. However, operating loss amounted to ¥162.9 billion (versus an operating loss of ¥447.8 billion in the previous fiscal year).

Due to the deteriorating situation in Ukraine, the Haneda–London and Haneda–Paris routes were temporarily suspended from March 2022. However, the Haneda–Frankfurt and Narita–Brussels routes continued operation, circumventing Russian airspace. On the other hand, the impact of the situation on revenues was limited due to expanding flight operations in the International Cargo Business on U.S. routes, which have been performing well.

Changes in Operating Income (Loss) (FY2021 vs FY2020)



Results by business are as follows.

ANA International Passenger Business

Passenger demand remained significantly sluggish due to the resurgent spread of COVID-19 and the outbreak of mutated strains. However, both passenger numbers and revenues outperformed the previous fiscal year amid newly recovering business demand, mainly for overseas assignments and citizens returning home, and newly recovering demand for connecting flights from Asia to North America following the relaxation of entry restrictions in various countries.

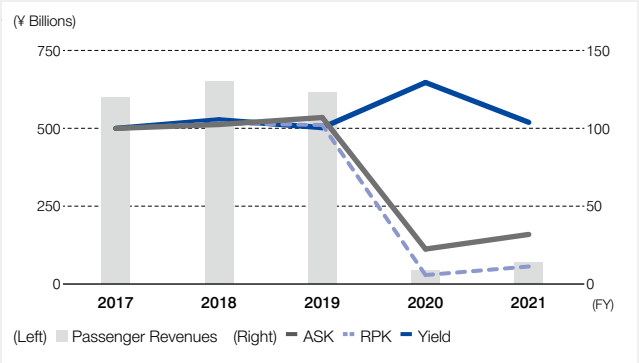
In order to maximize revenues per flight, including cargo, we made efforts to dynamically adjust our route network and operate extra flights, such as transferring some North American routes to go to and from Narita Airport, rather than Haneda, starting in July.

(Fiscal Year)	2021	2020	YoY (%)
ASK (Millions)	20,524	14,465	+41.9
RPK (Millions)	5,550	2,840	+95.4
Number of passengers (Thousands)	825	427	+93.2
Load factor (%)	27.0	19.6	+7.4*
Passenger revenues (¥ Billions)	70.1	44.7	+56.8
Unit revenues (¥)	3.4	3.1	+10.5
Yield (¥)	12.6	15.7	-19.7
Unit price (¥)	84,978	104,648	-18.8

* Difference

In terms of sales and services, we launched *Face Express*, a new boarding procedure using facial recognition technology, on some routes to and from Narita Airport in July. In addition, we have endeavored to improve convenience by introducing *ANA Travel Ready*, a service that allows passengers to pre-register and confirm their travel documents online for some routes departing from Japan from February 2022 to ensure smooth boarding.

As a result, available seat-kilometers (ASK) and revenue passenger-kilometers (RPK) increased 41.9% and 95.4%, respectively, while load factor increased 7.4 points to 27.0%. Passenger numbers increased 93.2% to 0.82 million, while unit price decreased 18.8% to ¥84,978. Passenger revenues increased 56.8% to ¥70.1 billion.



* Figures for ASK, RPK, and Yield are indexed using the figures for fiscal 2017 as 100.

ANA Domestic Passenger Business

Although demand was sluggish in the first half of the fiscal year due to repeated declarations of a state of emergency, demand began to recover in the third quarter after the declarations were lifted, and passenger numbers and revenues reached their highest levels on a quarterly basis amid the COVID-19 pandemic. Demand declined again with the spread of mutant strains in the fourth quarter and priority preventative measures applied to prevent the spread of COVID-19. However, demand began to recover strongly from mid-March 2022, when it was clear that the measures were to be lifted. As a result, both passenger numbers and revenues for the full year outperformed levels from the previous fiscal year, when impact was significant from the COVID-19 pandemic.

In the route network, we adjusted the scale of flight operations in line with demand trends, and especially since October, we have proactively captured the gradual recovery in demand by dynamically operating extra flights, including during weekends, the year-end and New Year holidays, spring break periods, etc.

ANA Domestic Passenger Business Results

(Fiscal Year)	2021	2020	YoY (%)
ASK (Millions)	34,288	26,896	+27.5
RPK (Millions)	16,382	11,567	+41.6
Number of passengers (Thousands)	17,959	12,660	+41.9
Load factor (%)	47.8	43.0	+4.8*
Passenger revenues (¥ Billions)	279.8	203.1	+37.8
Unit revenues (¥)	8.2	7.6	+8.1
Yield (¥)	17.1	17.6	-2.7
Unit price (¥)	15,584	16,043	-2.9

* Difference

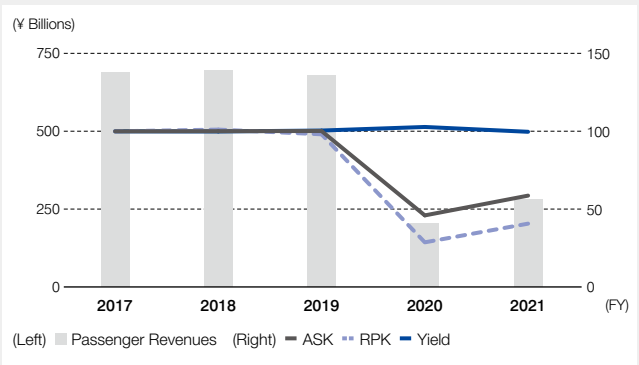
ANA Cargo and Mail Business

The International Cargo Business saw continued strong air cargo demand, especially for commercial products such as automobile-related components, semiconductors, and pharmaceuticals, mainly due to more active cargo demand thanks to economic recovery and a shift to air transportation in response to congestion in marine transportation. Against the backdrop of this strong demand, we launched Boeing 777F aircraft on the Narita–Los Angeles route in April, the Narita–Hong Kong and Narita–Taipei routes in October, and the Narita–Qingdao route in November. In addition to maximizing the use of cargo freighters, we actively captured cargo demand by dynamically operating cargo-only flights using passenger aircraft to expand capacity.

As a result, international cargo volume for fiscal 2021 amounted to 0.976 million tons (up 49.1% year on year), while cargo revenues amounted to a record-high ¥328.7 billion (up 104.8%). Available ton-kilometers (ATK) increased 51.8% year on year and revenue ton-kilometers (RTK) increased 59.5%.

In terms of sales and services, we introduced new Boeing 787-9 aircraft in December to improve comfort. This aircraft features new specifications for domestic flights, with all its seats upgraded to new models equipped with personal monitors. In addition, we strove to further stimulate demand by carrying out a boarding campaign and providing in-flight services tied to the animated TV series *Demon Slayer: Kimetsu no Yaiba* and by launching two specially designed aircraft featuring characters from the show.

As a result, ASK and RPK increased 27.5% and 41.6%, respectively, while load factor increased 4.8 points to 47.8%. Passenger numbers increased 41.9% to 17.95 million, while unit price decreased 2.9% to ¥15,584. Passenger revenues increased 37.8% to ¥279.8 billion.



* Figures for ASK, RPK, and Yield are indexed using the figures for fiscal 2017 as 100.

The Domestic Cargo Business dynamically implemented measures to increase revenues, including operating extra flights, mainly on trunk routes like Haneda–Sapporo and Haneda–Okinawa and utilizing wider-body aircraft, given strong growth in parcel transportation due to increased demand for e-commerce. As a result, ATK for the fiscal year rose 35.2% year on year while RTK increased 17.3%. Cargo volume increased 15.3% to 0.251 million tons, and cargo revenues increased 19.4% to ¥24.9 billion.

Operating revenues for international and domestic mail business amounted to ¥5.4 billion and to ¥2.6 billion, year-on-year increases of 84.8% and 4.5%, respectively.

As a result, the ANA Cargo and Mail Business recorded fiscal 2021 operating revenues of ¥361.7 billion, a year-on-year increase of 93.6%.

Management's Discussion and Analysis

ANA Cargo and Mail Business Results

(Fiscal Year)	2021	2020	YoY (%)
Cargo and mail services revenues (¥ Billions)	361.7	186.8	+93.6
International ATK (Millions)	6,966	4,588	+51.8
cargo			
RTK (Millions)	5,186	3,251	+59.5
Cargo volume (Thousand tons)	976	655	+49.1
Cargo revenues (¥ Billions)	328.7	160.5	+104.8
Unit price (¥/kg)	337	245	+37.4
Mail revenues (¥ Billions)	5.4	2.9	+84.8
Domestic cargo			
ATK (Millions)	957	708	+35.2
RTK (Millions)	281	240	+17.3
Cargo volume (Thousand tons)	251	218	+15.3
Cargo revenues (¥ Billions)	24.9	20.8	+19.4
Unit price (¥/kg)	99	96	+3.6
Mail revenues (¥ Billions)	2.6	2.5	+4.5

LCC (Peach Aviation)

On domestic routes, we launched the Kansai–Memanbetsu route in July and the Fukuoka–Ishigaki route in October, while assessing the recovery in demand following the lifting of emergency declarations and priority measures to prevent the spread of COVID-19. In August, we began code-sharing and mileage partnerships with ANA on Narita and Chubu routes, expanding options for ANA brand customers and improving convenience. In addition, from the winter schedule onward, we expanded our network by transferring some routes from ANA to Peach.

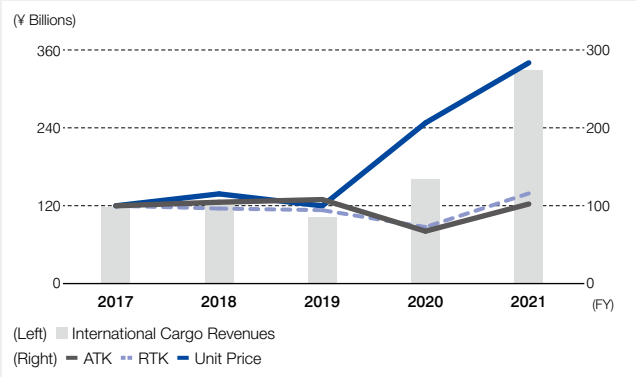
In terms of sales and services, we sold *Tabi Kuji* on Peach flights and in dedicated vending machines, offering travelers a random destination. The *Tabi Kuji* comes with Peach points that can be used to purchase airline tickets to the designated destination, missions at the destination, etc. Through these offerings providing new travel experiences leaving our customers’ destinations to chance and other measures, we have strengthened our sales promotion measures for generating new travel demand.

As a result, ASK and RPK increased 59.4% and 101.7%, respectively, while load factor increased 12.9 points to 61.6%. Passenger

Others

Other operating revenues in the Air Transportation Business amounted to ¥135.4 billion, an 8.0% decrease year on year. Results include revenues from mileage memberships, in-flight sales, contracted maintenance, etc.

International Cargo Business Results



* Figures for ATK, RTK, and Yield are indexed using the figures for fiscal 2017 as 100.

numbers increased 105.1% to 4.26 million, while unit price decreased 16.4% to ¥8,862. Operating revenues increased 71.3% to ¥37.8 billion.

LCC Business Performance (Peach Aviation Limited)

(Fiscal Year)	2021	2020	YoY (%)
ASK (Millions)	7,863	4,932	+59.4
RPK (Millions)	4,846	2,403	+101.7
Number of passengers (Thousands)	4,267	2,080	+105.1
Load factor (%)	61.6	48.7	+12.9*
Passenger revenues (¥ Billions)	37.8	22.0	+71.3
Unit revenues (¥)	4.8	4.5	+7.5
Yield (¥)	7.8	9.2	−15.0
Unit price (¥)	8,862	10,606	−16.4

* Difference

New initiatives to increase revenues amid the pandemic included holding in-flight weddings by renting out parked international aircraft. We also utilized ANA Blue Base, the ANA Group comprehensive training center, to offer tours to experience the jobs of pilot, maintenance crew, and cabin attendant, as well as to offer facility tours.

Operating Expenses

Air Transportation Business operating expenses decreased ¥3.8 billion year on year to ¥1,048.0 billion. Specific expense amounts and explanations of year-on-year changes are described below.

Breakdown of Operating Revenues and Expenses

(Fiscal Year)	2021	2020	Change
Segment operating revenues	¥ 885,096	¥ 604,014	¥281,082
International Passenger	70,151	44,726	25,425
Cargo	328,750	160,503	168,247
Mail	5,448	2,948	2,500
Domestic Passenger	279,877	203,119	76,758
Cargo	24,932	20,881	4,051
Mail	2,666	2,550	116
LCC revenues	37,813	22,071	15,742
Other revenues	135,459	147,216	(11,757)
Segment operating expenses	1,048,028	1,051,908	(3,880)
Fuel and fuel tax	193,966	109,670	84,296
Landing and navigation fees	42,981	45,847	(2,866)
Aircraft leasing fees	113,054	107,592	5,462
Depreciation and amortization	140,553	168,952	(28,399)
Aircraft maintenance	96,181	109,467	(13,286)
Personnel	158,505	163,776	(5,271)
Sales commissions and promotion	27,618	47,289	(19,671)
Contracts	168,836	182,869	(14,033)
Others	106,334	116,446	(10,112)
Segment operating (loss) income	¥ (162,932)	¥ (447,894)	¥284,962

<Fuel and Fuel Tax>

Fuel and fuel tax expenses amounted to ¥193.9 billion, a ¥84.2 billion (76.9%) increase year on year. This expense accounted for 18.5% of Air Transportation Business operating expenses, compared with 10.4% in the previous fiscal year.

This ¥84.2 billion increase was mainly due to an increase in ANA unit price factors (including hedging effectiveness) of approximately ¥51.0 billion, and increases in consumption volume factors of approximately ¥27.5 billion for ANA and approximately ¥6.0 billion for the LCC.

During fiscal 2021, we engaged in the same measures related to fuel tax reduction as we followed in the previous fiscal year.

<Landing and Navigation Fees>

Domestic and international passenger flights increased 31.0% and 32.2%, respectively (excluding Peach Aviation flights). Freightier flights increased 24.7%. Landing and navigation fees amounted to ¥42.9 billion, down ¥2.8 billion (6.3%) year on year due to measures to reduce landing fees and other costs, despite the increased number of flights.

<Aircraft Leasing Fees>

Aircraft leasing fees increased ¥5.4 billion (5.1%) to ¥113.0 billion, mainly due to increases in domestic code-share flights operated by other airlines along with a gradual recovery in passenger demand.

<Depreciation and Amortization>

Depreciation and amortization expenses decreased ¥28.3 billion (16.8%) year on year to ¥140.5 billion. This was due to the effects of early retirement of aircraft implemented in the previous fiscal year as part of *Business Structure Reform*.

<Aircraft Maintenance>

Aircraft maintenance expenses decreased ¥13.2 billion (12.1%) to ¥96.1 billion. This was mainly due to a decrease in maintenance frequency linked to early retirement of aircraft implemented in the previous fiscal year.

<Personnel>

Personnel expenses decreased ¥5.2 billion (3.2%) year on year to ¥158.5 billion, mainly due to controlled salaries and bonuses.

<Sales Commissions and Promotion>

Sales commissions and promotion expenses decreased ¥19.6 billion (41.6%) year on year to ¥27.6 billion due to the application of the Accounting Standard for Revenue Recognition, etc.

<Contracts>

Contract expenses decreased ¥14.0 billion (7.7%) year on year to ¥168.8 billion. Ground handling contracts and other contracted operations were lower than the previous fiscal year due to the impact of COVID-19.

<Others>

Other expenses decreased ¥10.1 billion (8.7%) year on year to ¥106.3 billion. This was mainly due to limiting advertising and other expenses.

Management's Discussion and Analysis

Airline Related

In the sale of in-flight meals online, which we began in the previous fiscal year, we expanded the product lineup in November and continued efforts to increase sales, including newly launching sales of in-flight meals for ANA's international business class flights. However, operating revenues declined from the previous fiscal year due to a decrease in the volume of system development work handled as a result of investment limitations within the Group.

As a result, fiscal 2021 operating revenues amounted to ¥206.8 billion, a ¥15.3 billion (6.9%) decrease year on year. Operating loss amounted to ¥0.6 billion (versus operating income of ¥3.6 billion in the previous fiscal year).

Performance in the Airline Related Segment

(¥ Millions)			
(Fiscal Year)	2021	2020	Change
Segment operating revenues	¥206,806	¥222,139	¥(15,333)
Segment operating expenses	207,466	218,448	(10,982)
Segment operating (loss) income	¥ (660)	¥ 3,691	¥ (4,351)

Travel Services

In addition to the cancellation of all overseas tours organized by the group, domestic travel volume declined versus the previous fiscal year, when the *Go To Travel Campaign* had a positive effect. However, contract revenues increased due to the transfer of digital marketing and other functions from within the group.

As a result of the above, fiscal 2021 Travel Services operating revenues amounted to ¥46.2 billion, a ¥1.2 billion (2.7%) increase year on year. Operating loss amounted to ¥2.1 billion (versus operating loss of ¥5.0 billion in the previous fiscal year).

In April, to strengthen sales in the digital domain, we transferred our Travel Services business to ANA X Inc., which handles the platform business utilizing customer data, and established ANA Akindo Co., Ltd., a regional revitalization company. We will promote efforts to create a world in which people live in a mileage-based ecosystem, including the launch of ANA Pocket, a mobile app service that allows users to earn points from travel not only by air but also by foot, train, or other means. These points can be converted into miles or other coupons.

Performance in the Travel Services Segment

(¥ Millions)			
(Fiscal Year)	2021	2020	Change
Segment operating revenues	¥46,282	¥45,050	¥ 1,232
Domestic package products	26,243	38,530	(12,287)
International package products	171	492	(321)
Other revenues	19,868	6,028	13,840
Segment operating expenses	48,387	50,134	(1,747)
Segment operating (loss) income	¥ (2,105)	¥ (5,084)	¥ 2,979

Trade and Retail

Despite reductions in revenue due to application of the Accounting Standard for Revenue Recognition, etc. from the fiscal year under review, revenue increased at ANA FESTA airport shops in conjunction with a gradual recovery in passenger demand, and transaction volume in the electronics business increased due to strong demand in the semiconductor market.

As a result, Trade and Retail recorded operating revenues of ¥81.6 billion, up ¥1.7 billion (2.2%) year on year. Operating income amounted to ¥0.5 billion (versus an operating loss of ¥4.2 billion in the previous fiscal year).

Performance in the Trade and Retail Segment

(¥ Millions)			
(Fiscal Year)	2021	2020	Change
Segment operating revenues	¥81,694	¥79,958	¥ 1,736
Segment operating expenses	81,145	84,240	(3,095)
Segment operating income (loss)	¥ 549	¥ (4,282)	¥ 4,831

Others

Although transaction volume declined in the building and facility maintenance and management business due to impact from COVID-19, transaction volume increased in the real estate business, including housing development and property management.

As a result, the Others business recorded operating revenues of ¥38.1 billion, a ¥1.4 billion (4.1%) increase year on year. Operating income amounted to ¥1.3 billion (versus operating loss of ¥0.0 billion in the previous fiscal year).

Performance in the Others Segment

(¥ Millions)			
(Fiscal Year)	2021	2020	Change
Segment operating revenues	¥38,130	¥36,643	¥1,487
Segment operating expenses	36,742	36,677	65
Segment operating income (loss)	¥ 1,388	¥ (34)	¥1,422

Non-Operating Income / Expenses,
Special Income / Expenses

Fiscal 2021 non-operating and special income and expenses amounted to a loss of ¥2.2 billion. Depreciation and amortization expenses on inactive aircraft was transferred to non-operating expenses, which resulted in the recording of grounded aircraft expenses.

Non-Operating (Loss) Income / Expenses

(¥ Millions)			
(Fiscal Year)	2021	2020	Change
Interest income	¥ 297	¥ 663	¥ (366)
Dividend income	988	1,446	(458)
Foreign exchange gain, net	2,540	4,143	(1,603)
Gain on sales of assets	4,256	3,422	834
Gain on donation of non-current assets	653	2,405	(1,752)
Subsidies for employment adjustment	23,955	43,470	(19,515)
Interest expenses	(25,343)	(16,689)	(8,654)
Equity in losses of unconsolidated subsidiaries and affiliates	(2,031)	(3,630)	1,599
Loss on sales of assets	(677)	(2,825)	2,148
Loss on disposal of assets	(7,974)	(5,609)	(2,365)
Commission fee	—	(7,742)	7,742
Loss on valuation of derivatives	—	(8,044)	8,044
Grounded aircraft expense	(12,697)	—	(12,697)
Gain on sales of investment securities	8,278	328	7,950
Compensation payments received	—	1,770	(1,770)
Gain on sales of property and equipment	20,032	2,834	17,198
Loss on valuation of investment securities	(5,337)	(8,384)	3,047
Impairment loss	(9,357)	(4,231)	(5,126)
Business restructuring expense	—	(86,350)	86,350
Loss on cancellation of contracts	(4,055)	—	(4,055)
Other, net	4,225	2,425	1,800
Total	¥ (2,247)	¥(80,598)	¥ 78,351

Net (Loss) Income Attributable to Owners of the Parent

As a result, loss before income taxes amounted to ¥175.3 billion, a reduction of ¥369.9 billion versus the previous fiscal year. After income taxes, municipal taxes, business taxes, and other adjustments, net loss attributable to owners of the parent amounted to ¥143.6 billion, an improvement of ¥260.9 billion versus the previous fiscal year. Loss per share amounted to ¥305.37 (compared to loss of ¥1,082.04 in the previous fiscal year).

Comprehensive loss amounted to ¥93.7 billion, an improvement of ¥259.4 billion compared to the previous fiscal year, mainly due to smaller net loss attributable to owners of the parent.

Cash Flows

Basic Approach

The ANA Group's fundamental approach to cash management is to conduct continuous investments strategically to strengthen competitiveness over the medium and long term, while maintaining financial soundness.

We secure funds for working capital and capital expenditures (mainly aircraft) through self-financing, bank loans, or through the issuance of bonds. Our basic policy is to secure stable sources of liquidity and funds necessary for business operations. As of March 31, 2022, we have secured commitment line agreements totaling ¥148.0 billion with several financial institutions.

The group has access to the Japan Bank for International Cooperation (JBIC)'s guarantee system for investments in aircraft, our primary assets.

Overview of Fiscal 2021

Free cash flow resulted in proceeds of ¥153.6 billion (sum of cash flows from operating activities and investing activities). Net cash proceeds from financing activities totaled ¥93.6 billion. As a result, cash and cash equivalents increased ¥250.7 billion from the beginning of the fiscal year, amounting to ¥621.0 billion at the end of the fiscal year.

Cash Flows from Operating Activities

After adjusting the ¥175.3 billion in loss before income taxes for depreciation and amortization, notes and accounts payable, notes and accounts receivable, and other non-cash items, net cash used in operating activities amounted to ¥76.4 billion, an improvement of ¥194.0 billion versus the previous fiscal year.

Management's Discussion and Analysis

Cash Flows from Investing Activities

Net cash provided by investing activities totaled ¥230.0 billion, compared to an outflow of ¥595.7 billion in the previous fiscal year. Net cash used in investing activities amounted to ¥35.5 billion when excluding cash movements that resulted in net inflow of ¥265.5 billion related to the acquisition and sale of time deposits and negotiable deposits of more than three months.

Free Cash Flow

Net cash used in operating activities totaled ¥76.4 billion. Since net cash provided by investing activities was ¥230.0 billion, free cash flow for fiscal 2021 amounted to net inflow of ¥153.6 billion, compared to net expenditures of ¥866.2 billion for fiscal 2020. Substantial free cash flow amounted to an outflow of ¥111.9 billion, an improvement of ¥261.5 billion year on year, when excluding cash movements associated with the acquisition and sale of time deposits and negotiable deposits of more than three months.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥93.6 billion. This result was mainly due to the procurement of funds through the issuance of convertible bonds, despite a decrease of ¥1,004.5 billion compared to the previous fiscal year, when we procured funds through borrowings, public offerings, and third-party allotments.

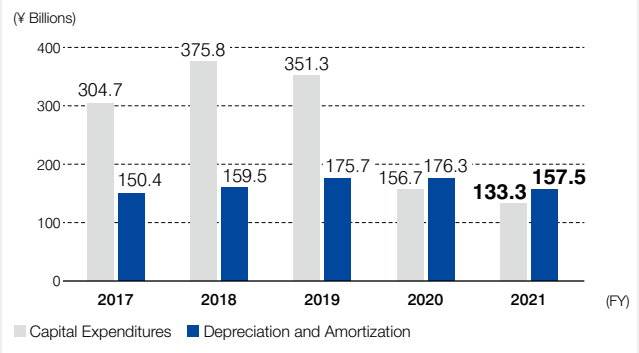
Capital Expenditures and Aircraft Procurement

Capital Expenditures

From fiscal 2020, the ANA Group has been temporarily restraining the scale of investment, particularly in aircraft, and reviews the timing of investment as appropriate. Capital expenditures for fiscal 2021 amounted to ¥133.3 billion, a decrease of 14.9% year on year.

By segment, Air Transportation Business capital expenditures decreased 13.7% year on year to ¥130.5 billion. Airline Related Business expenditures decreased 90.4% to ¥0.1 billion, while Travel Services Business expenditures increased 203.7% to ¥0.4 billion. Trade and Retail Business expenditures decreased 62.4% to ¥0.4 billion, and Others decreased 59.4% to ¥0.3 billion.

Capital Expenditures* / Depreciation and Amortization



* Capital expenditures contains only fixed assets.

Fundamental Approach to Aircraft Procurement

Aircraft are major investments used over the long term (10-plus years). Decisions regarding the selection of aircraft types suited to routes and networks and the pursuit of the best fleet composition are among the most important issues for airline management.

The ANA Group fleet strategy is based on three basic policies: (1) Strengthening cost competitiveness by introducing fuel-efficient aircraft, (2) Optimizing supply to demand by increasing the ratios of narrow- and medium-body aircraft; and (3) Enhancing productivity by integrating aircraft types.

Fundamentally, the group purchases and owns strategic aircraft we intend to use over the medium to long term. We employ operating leases to procure aircraft for use over the short term or for capacity adjustment. The group may also utilize sale-leaseback transactions as a means to diversify corporate financing methods. In these and other ways, the group selects the most economical aircraft procurement method.

Aircraft Procured in Fiscal 2021

Based on our fleet strategy, total number of aircraft was 276 as of the end of fiscal 2021, a decrease of 17 compared to the end of the previous fiscal year.

During the fiscal year, the ANA Group added 14 new aircraft. These additional aircraft included three Boeing 787-9s, one Airbus

A380, five Airbus A321-200neos, four Airbus A320-200neos, and one Airbus A321-200neoLR. At the same time, we sold or returned from lease a total of 31 aircraft, consisting of ten Boeing 777-300s, four Boeing 777-200s, three Boeing 767-300s, five Boeing 737-700s, and nine Airbus A320-200s.

The table below shows changes in the number of aircraft.

Changes in the Number of Aircraft in Fiscal 2021				() changes	
Aircraft	Number of Aircraft		Owned		Leased
Airbus A380	3	(+1)	3	(+1)	0
Boeing 777-300	20	(-10)	11	(-10)	9
Boeing 777-200	10	(-4)	8	(-2)	2 (-2)
Boeing 777F	2		2		0
Boeing 787-10	2		2		0
Boeing 787-9	39	(+3)	33	(+3)	6
Boeing 787-8	36		31		5
Boeing 767-300	18	(-3)	18	(-3)	0
Boeing 767-300F (Freighter)	9		6		3
Airbus A321-200neoLR	1	(+1)	0		1 (+1)
Airbus A321-200neo	22	(+5)	0		22 (+5)
Airbus A321-200	4		0		4
Airbus A320-200neo	18	(+4)	11		7 (+4)
Airbus A320-200	29	(-9)	0		29 (-9)
Boeing 737-800	39		24		15
Boeing 737-700	0	(-5)	0	(-5)	0
De Havilland Canada DASH 8-400	24		24		0
Total	276	(-17)	173	(-16)	103 (-1)

Figures for Airbus A320-200neoLRs, Airbus A320-200neos, and Airbus A320-200s included 37 aircraft (all leased) operated by Peach Aviation Limited. Separate from the figures above, as of March 31, 2022, 19 aircraft were leased outside the group (17 as of March 31, 2021).

Aircraft Procurement Plan for Fiscal 2022

We plan to add a total of 18 aircraft during fiscal 2022. These additional aircraft consist of five Boeing 787-10s, five Boeing 787-9s, two Airbus A321-200neoLRs, and six Airbus A320-200neos.

Meanwhile, the group plans to retire eight aircraft, consisting of two Boeing 777-300s, three Boeing 767-300s, and three Airbus A320-200s.

Financial Position

Assets

Total assets as of March 31, 2022 amounted to ¥3,218.4 billion, an increase of ¥10.5 billion compared to March 31, 2021.

Total current assets amounted to ¥1,293.9 billion, up ¥67.6 billion from the end of the previous fiscal year due to increases in operating accounts receivable and others. Cash and deposits amounted to ¥452.6 billion, a decrease of ¥12.0 billion compared to the end of the previous fiscal year. Marketable securities decreased ¥2.6 billion to ¥498.3 billion. As a result, liquidity on hand amounted to ¥950.9 billion, down ¥14.7 billion year on year. Total non-current assets at the end of the fiscal year stood at ¥1,922.8 billion, down ¥56.6 billion from one year earlier. This was mainly due to a reduction in aircraft as a result of sale and recording of impairment losses.

Liabilities

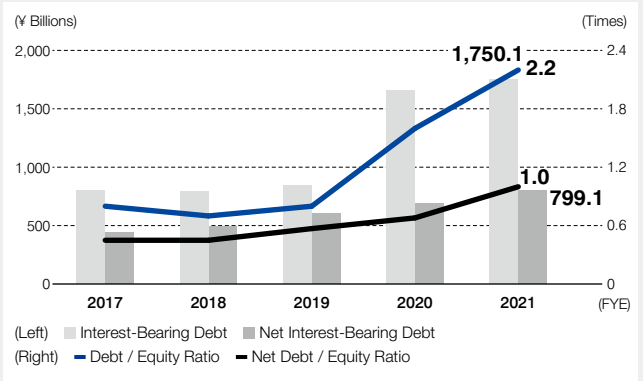
Total liabilities as of March 31, 2022 amounted to ¥2,415.0 billion, up ¥219.4 billion from one year earlier.

Total current liabilities totaled ¥687.8 billion at the end of the fiscal year, an increase of ¥184.4 billion. This is mainly due to application of the Accounting Standard for Revenue Recognition, etc., and the recording of contract liabilities from the beginning of the fiscal year under review. Total long-term liabilities amounted to ¥1,727.1 billion, an increase of ¥34.9 billion.

Interest-bearing debt, including finance lease obligations, increased ¥94.6 billion to ¥1,750.1 billion, mainly due to the issuance of euro-yen convertible bonds with stock acquisition rights. The debt/equity ratio amounted to 2.2 times, an increase of 0.6 points compared with the end of the previous fiscal year. Net debt/equity ratio on a net interest-bearing debt basis was 1.0 times.

Given the current external environment, we intend to maintain the current level of cash on hand for the time being. However, we plan to reduce total assets over the medium term and shift to more efficient financial management.

Interest-Bearing Debt / Debt/Equity Ratio*



* Excluding off-balanced lease obligations

Interest-Bearing Debt

(End of Fiscal Year)	2021	2020	Change
Short-term debt:	¥ 236,902	¥ 173,036	¥ 63,866
Short-term loans	100,070	100,070	0
Current portion of long-term loans	62,775	69,443	(6,668)
Current portion of bonds with stock acquisition rights	70,000	0	70,000
Finance lease obligations	4,057	3,523	534
Long-term debt*:	¥1,513,206	¥1,482,416	¥ 30,790
Bonds	185,000	165,000	20,000
Convertible bonds with stock acquisition rights	220,000	140,000	80,000
Long-term loans	1,102,218	1,168,252	(66,034)
Finance lease obligations	5,988	9,164	(3,176)
Total interest-bearing debt	¥1,750,108	¥1,655,452	¥ 94,656

* Excluding current portion of long-term loans and current portion of bonds

Net Assets

Net assets as of March 31, 2022 amounted to ¥803.4 billion, a decrease of ¥208.9 billion compared to the end of the previous fiscal year.

Shareholders' equity decreased by ¥258.3 billion from the end of the previous fiscal year to ¥702.3 billion. This was due to a decrease in retained earnings resulting from a net loss and the application of the Accounting Standard for Revenue Recognition, etc.

Total accumulated other comprehensive income amounted to ¥94.8 billion, an increase of ¥48.3 billion compared to the end of the previous fiscal year. This was mainly due to an increase in deferred gain on derivatives under hedge accounting.

As a result, total shareholders' equity decreased ¥209.9 billion from the end of the previous fiscal year, amounting to ¥797.2 billion. Shareholders' equity ratio decreased 6.6 points to 24.8%.

Book value per share (BPS) at the end of the fiscal year was ¥1,695.06, compared to ¥2,141.49 as of the end of the previous fiscal year.

Bond Ratings

The company has obtained credit ratings on its various long-term bonds from the Japan Credit Rating Agency, Ltd. (JCR) and Rating and Investment Information, Inc. (R&I).

Bond ratings as of March 31, 2022 were as follows:

Bond Ratings	JCR	R&I
Issuer rating	A-	BBB+
Outlook	Stable	Stable

Retirement Benefit Obligations

The ANA Group has established a defined contribution pension plan and a defined benefit pension plan. The defined benefit plans consist of defined benefit corporate pension plan and lump-sum retirement benefit plans. Certain employees are entitled to additional benefits upon retirement.

Certain consolidated subsidiaries adopting defined-benefit corporate pension plans and lump-sum retirement benefit plans use a simplified method for calculating retirement benefit expenses and liabilities.

Retirement Benefit Obligation and Related Expenses

(Fiscal Year / End of Fiscal Year)	2021	2020
Retirement benefit obligation	¥(217,959)	¥(224,180)
Plan assets at fair value	61,524	64,064
Unfunded retirement benefit obligation	(156,435)	(160,116)
Liability for retirement benefits	(157,395)	(160,885)
Asset for retirement benefits	960	769
Net liability arising from defined benefit obligation in the consolidated balance sheet	(156,435)	(160,116)
Net periodic benefit costs	14,364	15,297
Main basis for actuarial calculations		
Discount rates	0.1-1.2%	0.1-1.2%
Expected rates of return on plan assets	1.0-2.5%	1.0-2.5%
Contribution to defined contribution pension plans	¥ 3,884	¥ 4,467

Fuel and Exchange Rate Hedging

The ANA Group pursues and conducts optimal hedge transactions that reduce the impact of volatility in fuel prices and foreign exchange rates to control the risk of fluctuations in earnings. The objective of this hedging is to both stabilize profitability and equalize expenses in response to rising fuel surcharges and foreign currency revenues associated with growth in ANA's international business.

The group conducts fuel hedging (for ANA) three years in advance of the applicable period after considering fuel surcharge revenues.

The group hedges U.S. dollar payments for ANA HOLDINGS and ANA related to fuel expenses three years in advance and U.S. dollar payments associated with capital expenditures for aircraft and other items five years in advance of the payment periods. Based on a balance of foreign currency revenues, revenues linked to foreign exchange market fluctuations, and foreign currency expenses with respect to U.S. dollar payments, the group uses forward exchange agreements to hedge any portion of foreign currency expenses in excess of foreign currency revenues.

Allocation of Profits

Basic Policy on Allocation of Profits

We recognize that shareholder returns are an important management priority for the group.

The group strives to bolster shareholder returns while maintaining financial soundness. This goal will be accomplished as we secure the funds needed in light of earnings fluctuations and to conduct growth investments (aircraft, etc.) to support future business development. We examine the shareholder returns in terms of dividend levels and share buybacks on an ongoing basis, while considering the level for free cash flow. Our basic policy is to pay a year-end dividend of surplus once a year. Our General Meeting of Shareholders is the decision-making body for the distribution of surpluses.

Dividends for Fiscal 2021 and Plans for Fiscal 2022

We deeply regret to announce that we will not be paying a dividend for the fiscal year under review due to the tremendous impact of COVID-19 on the group's business performance. For the time being, our top priority will be to maintain and strengthen our financial base. However, we intend to continue implementing *Business Structure Reform* on a steady basis, striving to improve earnings and resume dividend payments as quickly as possible.

Operating Risks

As a corporate group whose core business is air transportation, we consider safety to be our most important social mission. We consider damage or impediment to this mission to be the most important risk. These risks include the risk of infectious diseases, which continue to have a significant impact; the risk of climate change, for which urgent measures are needed worldwide; risks related to the international situation; which is increasingly affected by the globalization of business, and risks related to investments required to strengthen our non-air businesses.

The following is a summary of risks that the group believes may have a significant impact on investor decisions. The following matters are based on the group's judgment as of the end of the period under review. As these statements include future projections, these matters may not conform to reality. In addition, other matters not mentioned below may affect the group.

Further, forward-looking statements that follow are based on group judgments as of the end of the fiscal year under review.

Important Factors

The ANA Group has experienced the significant negative impact of COVID-19, resulting in declining operating revenues.

Given these unprecedented circumstances, we have reduced personnel expenses, and depreciation and maintenance expenses through the early retirement of aircraft, wide-body aircraft, in the previous fiscal year. We have also carefully scrutinized and limited capital investment in aircraft and other equipment, revising the timing of implementation. During the consolidated fiscal year under review, we raised ¥170.0 billion through issues of convertible and straight bonds. We also refinanced ¥100.0 billion from private banks. These and other measures resulted in ¥950.9 billion in liquidity on hand (cash and deposits plus marketable securities) as of the end of the fiscal year. In the future, we will raise more funds as necessary to secure liquidity on hand for every group company. Accordingly, it is our judgment that there are no material uncertainties regarding the going concern assumption for the ANA Group.

(1) Most Important Risk

The most important risk to the ANA Group is the risk of damage or impairment to safety.

Summary

Safety is the foundation of our business and our promise to the public. In case of any event that damages or impedes safety, it will have a major negative impact on the group. In particular, any human casualties could shake the foundations of the group's social credibility and trust. In the event of an airline accident or other incident that results in personal or property damage, we may be held liable for compensation for such damages. If safety is impaired or compromised, the impact could be far-reaching, even leading to a decline in group revenues over the medium term as customers become hesitant to fly with the group or choose to fly with another airline.

In the event that a manufacturing defect or other issue is discovered in an aircraft, we may be forced to suspend the operation of said aircraft as a precautionary measure to ensure safety. Taking such measures may reduce group revenues or damage competitiveness in the industry due to flight cancellations or reductions caused by a shortage of aircraft.

Changes and Outlook

We believe this risk continues to be the most important risk for the ANA Group.

Response

The ANA Group has an organization dedicated to the promotion of safety. This team conducts safety quality audits and has built a sustainable mechanism to ensure safety. Beyond reactive safety risk management, we engage in safety risk management that incorporates preventive and predictive measures. We pursue further safety improvements through risk management focusing factors that include the Three Task Categories (First Time Task, Procedure Changes, and Task After Extended Time Gap) and fatigue risk management for flight crew and flight attendants. Further, we provide visibility to safety through safety performance indicators (SPI) and engage in numerous other means to improve safety further. At the same time, we conduct ongoing and recurring education and training for flight crew, flight attendants, and other employees involved directly in aircraft operations. We also provide constant safety awareness activities for all employees in the ANA Group. In these ways, and through the ANA Group Safety Education Center, we strive to foster and strengthen a corporate group culture committed to safety. We also work closely with aircraft manufacturers and other parties to exchange information and opinions that support safety and high-quality operations.

(2) Major Risks

1. The ANA Group continues to experience the significant impact of infectious disease.

Summary

The negative impact of COVID-19 has yet to subside. If governments or local authorities impose restrictions or bans on travel, or tighten immigration controls, passenger demand will decline sharply, which will have a significant impact on group revenues. In such an event, controlling Air Transportation Business expenditures will not be easy, since aircraft expenses, personnel expenses, and other fixed costs account for a large portion of the business. Even if official measures taken by governments and local authorities are lifted, the impact may be ongoing if customers continue to suspend their business trips and leisure travel.

During the demand recovery phase, the group's plans for business capacity could be affected by overseas contractors, etc., who have temporarily reduced the scale of their operations. These contractors, etc., may require time to restore their capacity to accept our business contracts.

Changes and Outlook

The recent outbreak of COVID-19 has once again highlighted the major nature of this risk. In general, climate change (global warming) is said to increase the risk of infectious disease. While scientific evidence has yet to be established, we believe this risk will be increasingly important to address in the future.

Response

The ANA Group secured passenger aircraft and freighters as resources allowing for a proactive response to the movement of goods, even when personal travel has declined. At the same time, we are able to serve personal travel to limited demand in the most appropriate approach through our three brands: ANA, Peach, and AirJapan.

We are currently diversifying our business portfolio. We plan to strengthen our non-air businesses built on a growing platform business founded on the ANA Mileage Club, which has nearly 38 million members worldwide as of March 2022.

2. Addressing climate change issues is becoming even more important and urgent.

Summary

Aircraft operations emit CO₂ and other greenhouse gases. Reducing these emissions is a pressing matter for the group.

The ANA Group is working to achieve net-zero CO₂ emissions by 2050. To this end, we aim to replace aircraft with more fuel-efficient models and utilize sustainable aviation fuel (SAF). SAF is jet fuel produced from sustainable sources that emit less CO₂ during the entire process from raw material production and collection to combustion. At this point in time, there are no technical prospects indicating that SAF will be in sufficient supply on a stable basis at a reasonable price.

If SAF is not in stable or sufficient supply, the group may be forced to purchase CO₂ emission credits or allowances from other industries, which may increase operating expenses. If SAF prices remain high, the operating cost of aircraft may increase, affecting group profitability. High operating costs could also affect competitiveness against other modes of transportation, such as railway and ocean transportation, as we must pass on costs in the form of higher fares.

In the event that group plans to reduce CO₂ emissions do not progress as targeted, customers may choose other modes of transportation, such as rail, which emit relatively lower levels of CO₂. If an adequate supply of SAF cannot be sourced in Japan, group aircraft may encounter restrictions or limitations in access among certain countries or regions that have adopted strict environmental standards.

Changes and Outlook

An awareness of climate change is spreading rapidly worldwide, and we believe addressing this risk has become an extremely high priority. We also believe that more stringent and sophisticated measures may be required to address this risk in the future.

Response

In addition to taking proactive measures, including replacing aircraft with newer, more fuel-efficient types, we will work with other companies in the industry and SAF manufacturers to establish a cross-sector cooperative relationship. In this way, we will strive to develop and secure SAF supply as we collaborate with other companies and industries to solve this issue.

The ANA Group discloses information in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on our corporate website.

3. Increased risks due to instability in the international situation

Summary

The ANA Group has expanded our international business in search of further growth opportunities. However international affairs have become unstable due to U.S.–Chinese frictions, the Russia–Ukraine situation, and other factors. Uncertainties regarding future events are on the rise. International air transportation has grown against the backdrop of economic globalization. However, if this trend stagnates or reverses due to conflicts among major powers, or if peace fails due to war or conflict, ANA Group revenues could be affected negatively due to slow demand for business travel or a decrease in demand for tourism.

Instabilities in the international situation could affect not only our international business but also our domestic business, caused by lower inbound demand (foreign tourists visiting Japan), etc. In addition, instabilities could increase the cost of doing business, as aircraft may be rerouted, unable to fly over war or conflict zones. The impact of these costs could be far-reaching.

Changes and Outlook

The expansion and acceleration of economic globalization, which has progressed since the end of the Cold War, is now subject to uncertainties. We believe the need has increased to manage and address the international situation as a risk.

Response

In developing our international business, we focus not only on short-term profitability when building an airline network but also on the risks associated with the global situation. We will continue to focus on this risk in the future. The ANA Group will also take care that we do not rely overly on passenger acquisition in certain countries or regions overseas, but rather strive for a balanced approach.

In the event that an emergency response is required to an escalation in the global situation, we will be flexible in altering flight plans and routes to mitigate the impact.

4. The impact of a system failure is significant.

Summary

The group seeks to systematize business operations to provide air transportation services of ever-higher quality and efficiency. The potential impact of system failures on our business continues to increase, regardless of whether the failure is caused by internal or external factors, such as a cyberattack. In the event of a systems failure related to aircraft operations, it may become difficult to operate aircraft. And in the event of a failure in peripheral systems such as reservations, payments settlements, and boarding management, it may become impossible to accept and settle reservations or manage boarding at airports. In effect, the group would not be able to provide air transportation services.

Changes and Outlook

We believe the risk of system failures increases with increases in systems sophistication, interconnectivity, and access. Further, we are seeing an increasing number and sophistication of cyberattacks in society in general. We believe there is a growing social demand to prevent and reduce this risk.

Operating Risks

Response

We established the Group IT Management Department as a specialized organization with responsibility for systems operations and management for the ANA Group. This department is also responsible for preventing systems failures and to build a comprehensive and multifaceted operating system to reduce the impact of system failures and to restore systems as soon as possible. The group is also bolstering our response to intangible aspects through improved education and system failure-response training for our employees.

5. Dealing with the risk of information leakage is increasingly important.

Summary

The ANA Group retains a great deal of information, which includes the personal data of nearly 38 million ANA Mileage Club members worldwide as of March 2022. In the event of an unauthorized leakage of such information, the ANA Group may be sued for damages, ordered to pay fines and penalties by governments, and lose the trust of our customers and society, thereby experiencing competitive disadvantage.

Changes and Outlook

We believe the need to address this risk appropriately is only rising in light of heightened social awareness regarding the handling of information, based on increasingly strict laws and regulations.

Response

We engage in appropriate information management in accordance with the laws and regulations of each country. We also implement computer virus countermeasures, email security checks, monitoring for unauthorized operations, restrictions on employee access to information, and information management training for all employees. In addition, we take measures to prevent cyberattacks and information leaks, engaging in ongoing inspections of group systems to detect and respond to aging systems and vulnerabilities as early as possible.

6. Human rights risk involves expanding factors demanding greater attention.

Summary

Any violation of human rights will bring social criticism or boycotts, whether the violation occurs within our group or within the business chain related to our business, including contractors, suppliers, and business partners.

Changes and Outlook

As we respond to the shrinking labor force in Japan and expand our businesses overseas, our base of human resources becomes more diverse. In light of growing social and international awareness of human rights, we believe in the need to address this risk from multiple perspectives.

Response

The ANA Group conducts business operations in line with the Guiding Principles on Business and Human Rights endorsed by the United Nations Human Rights Council. We conduct internal human rights-related training and awareness activities, as well as periodic monitoring at management-level meetings. In addition, we strive to manage this risk appropriately through the direct confirmation and investigation of external parties as necessary.

7. The risk of severe natural disasters is increasing.

Summary

Air transportation has the advantage of being relatively more resilient to natural disasters among most transportation systems, as this means of travel connects points by air. Even if certain airports fail to function, alternative flights can be provided using nearby airports. However, the ANA Group business is based and concentrated in the Tokyo metropolitan area. Therefore, major restrictions or disruptions to flight operations could occur if the Haneda or Narita airports are impacted severely by a natural disaster.

Changes and Outlook

In general, climate change (global warming) is said to lead to more frequent and severe natural disasters. We believe this risk will be increasingly important to address in the future.

Response

We formulated a business continuity plan (BCP) and regularly review the plan to ensure we restore operational functions quickly and fulfill our mission as a public transportation service in the event of a large-scale natural disaster, such as an earthquake directly under the Tokyo metropolitan area. We have backup systems in place for the various core functions essential to our flight operations. These systems include satellite phones, emergency provisions, employee safety confirmation systems, etc. In addition, we conduct regular disaster drills in cooperation with related parties, including airport companies, etc.

8. The ANA Group business is affected significantly by market fluctuations, including foreign exchange rates, crude oil prices, and interest rates.

Summary

a. Foreign exchange rates

Since the aircraft used by the group are manufactured by overseas manufacturers, a significant depreciation of the yen will increase the cost of aircraft procurement. Aircraft fuel, which accounts for a major portion of our operating expenses, relies on the import of crude oil, which is used as a raw material. Here as well, operating expenses will increase if the yen depreciates significantly. The yen depreciation boosts yen-equivalent revenues earned overseas by the ANA Group. However, the group has more foreign currency-denominated expenses than foreign currency-denominated revenues, and the effect will not offset the entire increase in expenses.

The group also takes measures to mitigate the impact of exchange rate fluctuations through hedging transactions, etc. And while these measures may mitigate or equalize the impact, they do not completely eliminate the impact. Nor can these measures be expected to be effective in controlling costs in all cases.

b. Crude oil prices

The price of jet fuel is linked to the price of crude oil. A sharp rise in crude oil prices inevitably leads to an increase in aircraft fuel costs. In certain of our businesses, the ANA Group adopts measures that include assessing and collecting fuel surcharges based on fuel prices. However, these revenues do not always offset the entire increase in fuel costs. The group also takes measures to mitigate the impact of crude oil prices through hedging transactions, etc. And while these measures may mitigate or equalize the impact, they do not completely eliminate the impact. Nor can these measures be expected to be effective in controlling costs in all cases.

c. Interest rates

The ANA Group business operations leverage aircraft financing and other external funds. A significant rise in interest rates could affect the group in the form of increased financing costs.

Changes and Outlook

Although market fluctuations have always been a possibility, we believe the potential of this risk has increased in light of growing uncertainties regarding international and economic conditions.

Response

As described above, we take measures to control, mitigate, and equalize risks through the use of hedging transactions, etc. As a group, we strive to enhance resilience to market fluctuations. To this end, we engage in more fundamental measures that include increasing foreign currency-denominated revenues to build a revenue structure that is resilient to the effects of exchange rates, replacing our fleet with new aircraft having superior fuel efficiency, diversifying our business portfolio to develop businesses less susceptible to market fluctuations, and procuring funds under appropriate financial discipline.

9. Investments designed to strengthen competitiveness and achieve new growth also entail risks.

Summary

At present, the ANA Group is experiencing the severely negative impact of the COVID-19 pandemic. We are considering and executing investments to overcome the pandemic, restore business stability, and achieve growth for the future. However, these investments also entail risks.

We make investments in our Air Transportation Business that include new aircraft to maintain and improve our competitiveness against other companies, as well as to reduce greenhouse gas emissions. However, potential risks include the possibility that these investments will not have the expected effect in the event that the shrinking market does not recover to expected levels in the wake of COVID-19, that unexpectedly large changes in social behavior patterns occur due to spread of various online technologies, or that unexpectedly large changes in globalization of economic activities arise due to international circumstance.

In addition, we strive to increase the risk tolerance of the group through the consideration and execution of investments in related businesses that we expect to have synergies with the Air Transportation Business and similar businesses. These businesses may utilize expertise from the Air Transportation Business, namely, customer-related businesses (platform-type businesses), drone businesses, Mobility as a Service (MaaS) businesses, space-related businesses, etc. While we expect these investments to be highly impactful when they produce the expected results, these investments may not produce the expected results in all cases.

Changes and Outlook

Given the current and severe impact of the pandemic, we believe that risk management related to investments has become even more important.

Response

When considering and executing investments, we strive to manage risk appropriately, not only through discussions and deliberations at board of directors' meetings and other management-level meetings,

but also through our investment management committee, which oversees investments for the group. In this way, we ensure a hierarchical and multi-layered management system that incorporates pre-investment evaluation and post-investment withdrawal standards.

10. A declining population may cause existing markets to contract, or make it more difficult to secure a workforce.

Summary

The most significant business foundation of the ANA Group exists in Japan. But as Japan's population continues to decline, the size of this market may contract in the future. Given the characteristics of air transportation, which is responsible for business and leisure travel demand, the population-related market size may be affected by changes in working-age populations, which decline at a faster rate than the general population.

Population declines may also have an impact on the ability to secure the labor force necessary for business operations. In this event, unit labor costs may increase or business operations may be limited due to labor shortages.

Changes and Outlook

Although we do not expect a significant impact in the immediate future, we believe there is a high probability that this risk will materialize over the medium to long term.

Response

We take into account and reflect assumptions of social change (declining populations, etc.) when forming corporate strategies. We also strive to revitalize the market as a whole by utilizing our LCC brand. Over the medium to long term, we will continue to expand our international business, which addresses a market likely to continue growing in the future.

To secure a sufficient workforce, we will improve our ability to compete in recruitment via proactive investment in people. These investments will include allocating and expanding education and training opportunities appropriately. To prepare for the decline in the working population, we will pursue mechanization, labor savings, and unattended operations, which we understand may not represent a source of differentiation with other companies.

11. Expansion of high-speed rail networks, etc., may intensify competition between air and land transportation.

Summary

Further expansion of the high-speed rail network in Japan is scheduled in the future, and competition with the shinkansen bullet train and other railways may become more intense. The extension of bullet train lines and the acceleration of existing lines may impact the group's domestic operations. This impact could include a decline in market share or a drop in unit prices due to intensified price competition.

Changes and Outlook

We believe this risk is likely to emerge in the future.

Response

We take into account and reflect assumptions of changes in the competitive environment such as an extension of high-speed rail networks, etc., when forming corporate strategies. We also strive to revitalize the market as a whole by utilizing our LCC brand. Over the

Operating Risks

medium to long term, we will continue to expand our international business, which addresses a market likely to continue growing in the future.

(3) Other Risks

a. Risks related to transportation and aviation policies

Certain key airports, such as Haneda, have already reached a maximum number of slots for departures and arrivals. Given that the throughput capacity is essentially up to national policy, such airports may limit the future business development of the group. Further, future policies could result in the reduction or recovery of slots at these airports currently in use by our group.

b. Risks related to taxation and taxes and public dues

Our Air Transportation Business is subject to taxes and public dues that include airport landing fees, parking fees, and navigation and facility usage fees. These fees run in addition to fuel tax and other taxes.
Any raises to existing taxes or new taxes and public dues could have a negative impact on the group.

c. Risks related to economic fluctuations

Medium- to long-distance air transportation is more susceptible to economic fluctuations than regular short-distance transportation.

d. Risks related to profit structure, financial platform, and funds procurement

The Air Transportation Business uses costly aircraft and incurs many expenses (fuel, maintenance, etc.) linked to flight operations, regardless of the volume of passengers and cargo carried. A significant decline in demand could cause a major reduction in profitability.
In addition, the group has recorded deferred tax assets. However, these assets may be reversed in the event of a decrease in expected future taxable income.
The ANA Group may procure funds necessary for capital investment, etc., from financial institutions and the market. However, if the group is constrained in its ability to procure funds due to changes in creditworthiness or market turmoil, such events may have a negative impact on the group.

e. Risks related to business portfolio

In addition to the Air Transportation Business, which accounts for a large percentage of group revenues and earnings, many of the group's other businesses are related to air transportation, such as travel services and airline-related businesses. Any significant negative impact on the Air Transportation Business could affect other businesses materially.

f. Risks related to lawsuits

Lawsuits filed in Japan or overseas related to group business activities could have a negative impact on the group.

Glossary

Passenger Business Terms

Available Seat-Kilometers (ASK)

A unit of passenger transport capacity, analogous to "production capacity." Total number of seats x Transport distance (kilometers).

Revenue Passenger-Kilometers (RPK)

Total distance flown by revenue-paying passengers aboard aircraft. Revenue-paying passengers x Transport distance (kilometers).

Load Factor

Indicates the seat occupancy ratio (status of seat sales) as the ratio of revenue passenger-kilometers to available seat-kilometers. Revenue passenger-kilometers / Available seat-kilometers.

Yield

Unit revenues per revenue passenger-kilometer. Revenues / Revenue passenger-kilometers.

Unit Revenues

Quantitatively measures revenue management performance by showing unit revenues per available seat-kilometer (Revenues / Available seat-kilometers). Calculated as yield (Revenues / Revenue passenger-kilometers) x load factor (Revenue passenger-kilometers / Available seat-kilometers).

Unit Cost

Indicates cost per unit in the airline industry. Calculated as cost per available seat-kilometer.

Revenue Management

This management technique maximizes revenues by enabling the best mix of revenue-paying passengers through yield management that involves optimum seat sales in terms of optimum timing and price based on network and fare strategy.

Optimizing Supply to Demand

Involves flexibly controlling production capacity (available seat-kilometers) according to demand trends in ways such as increasing or decreasing the frequencies on routes and adjusting aircraft size.

VFR (Visiting Friends and Relatives)

Refers to travel for the purpose of visiting friends and relatives.

Cargo Business Terms

Available Ton-Kilometers (ATK)

A unit of cargo transport capacity expressed as "production capacity." Total cargo capacity (tons) x Transport distance (kilometers).

Revenue Ton-Kilometers (RTK)

Total distance carried by each revenue-paying cargo aboard aircraft. Revenue-paying cargo (tons) x Transport distance (kilometers).

Freighter

Dedicated cargo aircraft. Seats are removed from the cabin space where passengers would normally sit, and the space is filled with containers or palletized cargo.

Belly

The space below the cabin on passenger aircraft that is used to transport cargo.

Airline Industry and Company Terms

IATA

The International Air Transport Association. Founded in 1945 by airlines operating flights primarily on international routes, functions include managing arrival and departure slots at airports and settling receivables and payables among airline companies. Approximately 290 airlines are IATA members.

ICAO

The International Civil Aviation Organization. A specialized agency of the United Nations created in 1944 to promote the safe and orderly development of international civil aviation. More than 190 countries are ICAO members.

Star Alliance

Established in 1997, Star Alliance was the first and is the world's largest airline alliance. ANA became a member in October 1999. As of July 2022, 26 airlines from around the world are members.

Code-Sharing

A system in which airline alliance partners allow each other to add their own flight numbers on other partners' scheduled flights. The frequent result is that multiple companies sell seats on one flight. Also known as jointly operated flights.

Antitrust Immunity (ATI)

Granting of advance approval for immunity from competition laws when airlines operating international routes cooperate on planning routes, setting fares, conducting marketing activities, or other areas, so that the airlines are not in violation of the competition laws of such countries. In Japan, the United States, and South Korea, the relevant department of transportation grants ATI based on an application (in countries other than these three, it is common for a bureau such as a fair trade commission to be in charge), but in the European Union the business itself performs a self-assessment based on the law. ATI approval is generally based on the two conditions that the parties do not have the power to control the market and approval will increase user convenience.

Joint Venture

A joint business in the international airline industry between two or more airlines. Restrictions such as bilateral air agreements between countries and caps on foreign capital investments still exist in the international airline industry. Therefore, airlines form ATI-based joint ventures, instead of the commonly known methods used in other industries such as capital tie-ups and M&As, etc. By forming joint ventures, airlines in the same global alliance are able to offer travelers a broader, more flexible network along with less expensive fares, thus strengthening their competitiveness against other alliances (or joint ventures).

Full Service Carrier (FSC)

An airline company that serves a wide range of markets based on a route network that includes code-sharing connecting demand. FSCs offer multiple classes of seats and provide in-flight food and beverages that are included in advance in the fare paid. FSCs are also called network carriers or legacy carriers when compared with low cost carriers (LCCs).

Low Cost Carrier (LCC)

An airline that provides air transportation services at low fares based on a low-cost system that includes using a single type of aircraft, charging for in-flight services, and simplifying sales. Fundamentally, LCCs operate frequent short- and medium-haul point-to-point flights (flights between two locations).

Maintenance, Repair, and Overhaul (MRO) Business

A business that is contracted to provide aircraft maintenance services using its own maintenance crew and other personnel, along with dedicated facilities. Services include the maintenance, repair, and overhaul of aircraft and other equipment owned by airlines.

Consolidated Financial Statements

Consolidated Balance Sheet

ANA HOLDINGS INC. and its consolidated subsidiaries
As of March 31, 2022

As of March 31	Yen (Millions)		U.S. dollars (Thousands)
	2022	2021	2022
ASSETS			
Current assets:			
Cash and deposits	¥ 452,679	¥ 464,739	\$ 3,698,660
Marketable securities	498,310	500,980	4,071,492
Notes and accounts receivable	149,437	107,573	1,220,990
Accounts receivable from and advances to unconsolidated subsidiaries and affiliates	3,787	3,763	30,942
Lease receivables and investments in leases	17,628	19,112	144,031
Inventories	44,074	38,855	360,111
Prepaid expenses and other	128,251	91,511	1,047,887
Allowance for doubtful accounts	(245)	(231)	(2,001)
Total current assets	1,293,921	1,226,302	10,572,113
Property and equipment:			
Land	44,385	48,748	362,652
Buildings and structures	260,000	301,266	2,124,356
Aircraft	1,783,736	1,943,795	14,574,197
Machinery and equipment	99,234	101,014	810,801
Vehicles	33,353	33,525	272,514
Furniture and fixtures	60,933	64,772	497,859
Lease assets	10,612	10,660	86,706
Construction in progress	176,446	198,389	1,441,670
Total	2,468,699	2,702,169	20,170,757
Accumulated depreciation	(1,118,362)	(1,255,862)	(9,137,690)
Net property and equipment	1,350,337	1,446,307	11,033,066
Investments and other assets:			
Investment securities	113,968	129,930	931,187
Investments in and advances to unconsolidated subsidiaries and affiliates	31,632	34,245	258,452
Lease and guaranty deposits	15,003	15,526	122,583
Deferred tax assets	273,452	219,618	2,234,267
Goodwill	20,230	22,346	165,291
Intangible assets	73,050	87,839	596,862
Other assets	46,840	25,770	382,711
Total investments and other assets	574,175	535,274	4,691,355
TOTAL	¥3,218,433	¥3,207,883	\$26,296,535

As of March 31	Yen (Millions)		U.S. dollars (Thousands)
	2022	2021	2022
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term loans	¥ 100,070	¥ 100,070	\$ 817,632
Current portion of long-term debt	136,832	72,966	1,117,999
Accounts payable	126,273	182,241	1,031,726
Accounts payable to unconsolidated subsidiaries and affiliates	3,322	2,508	27,142
Advance ticket sales	—	44,718	—
Contract liabilities	256,023	—	2,091,862
Accrued expenses	25,174	39,286	205,686
Income taxes payable	2,908	10,696	23,760
Other current liabilities	37,287	50,920	304,657
Total current liabilities	687,889	503,405	5,620,467
Long-term liabilities:			
Long-term debt	1,513,206	1,482,416	12,363,804
Liability for retirement benefits	157,395	160,885	1,286,011
Deferred tax liabilities	1,498	222	12,239
Asset retirement obligations	1,550	1,153	12,664
Other long-term liabilities	53,480	47,482	436,963
Total long-term liabilities	1,727,129	1,692,158	14,111,683
Equity:			
Common stock:			
Authorized – 1,020,000,000 shares;			
Issued – 484,293,561 shares in 2022 and 484,293,561 shares in 2021	467,601	467,601	3,820,581
Capital surplus	407,328	407,329	3,328,115
Retained earnings (Accumulated deficit)	(113,228)	145,101	(925,140)
Treasury stock – 13,956,694 shares in 2022 and 13,950,901 shares in 2021	(59,350)	(59,335)	(484,925)
Accumulated other comprehensive income:			
Unrealized gain on securities	32,311	38,468	264,000
Deferred gain (loss) on derivatives under hedge accounting	72,167	21,652	589,647
Foreign currency translation adjustments	3,688	2,666	30,133
Defined retirement benefit plans	(13,268)	(16,249)	(108,407)
Total	797,249	1,007,233	6,514,004
Non-controlling interests	6,166	5,087	50,379
Total equity	803,415	1,012,320	6,564,384
TOTAL	¥3,218,433	¥3,207,883	\$26,296,535

Consolidated Statement of Operations

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2022

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands)
	2022	2021	2022
Operating revenues	¥1,020,324	¥ 728,683	\$ 8,336,661
Cost of sales	1,049,414	1,000,000	8,574,344
Gross loss	(29,090)	(271,317)	(237,682)
Selling, general and administrative expenses	144,037	193,457	1,176,869
Operating loss	(173,127)	(464,774)	(1,414,551)
Other income (expenses):			
Interest income	297	663	2,426
Dividend income	988	1,446	8,072
Foreign exchange gain, net	2,540	4,143	20,753
Gain on sales of assets	4,256	3,422	34,774
Gain on donation of non-current assets	653	2,405	5,335
Subsidies for employment adjustment	23,955	43,470	195,726
Interest expenses	(25,343)	(16,689)	(207,067)
Equity in losses of unconsolidated subsidiaries and affiliates	(2,031)	(3,630)	(16,594)
Loss on sales of assets	(677)	(2,825)	(5,531)
Loss on disposal of assets	(7,974)	(5,609)	(65,152)
Commission fee	-	(7,742)	-
Loss on valuation of derivatives	-	(8,044)	-
Grounded aircraft expense	(12,697)	-	(103,742)
Gain on sales of property and equipment	20,032	2,834	163,673
Impairment loss	(9,357)	(4,231)	(76,452)
Business restructuring expense	-	(86,350)	-
Loss on cancellation of contracts	(4,055)	-	(33,131)
Other, net	7,166	(3,861)	58,550
Other income (expenses), net	(2,247)	(80,598)	(18,359)
Loss before income taxes	(175,374)	(545,372)	(1,432,911)
Income taxes:			
Current	2,682	3,990	21,913
Deferred	(35,817)	(141,672)	(292,646)
Total income taxes	(33,135)	(137,682)	(270,732)
Net loss	(142,239)	(407,690)	(1,162,178)
Net income (loss) attributable to non-controlling interests	1,389	(3,066)	11,348
Net loss attributable to owners of the parent	¥ (143,628)	¥ (404,624)	\$ (1,173,527)

Year Ended March 31	Yen		U.S. dollars
	2022	2021	2022
Per share of common stock:			
Basic net loss	¥(305.37)	¥(1,082.04)	\$(2.50)
Cash dividends applicable to the year	-	-	-

Net income per share assuming full dilution is not disclosed as the Company had no potentially dilutive shares outstanding during the years ended March 31, 2022 and 2021.

Consolidated Statement of Comprehensive Income

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2022

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands)
	2022	2021	2022
Net loss	¥(142,239)	¥(407,690)	\$(1,162,178)
Other comprehensive income (loss):			
Unrealized (loss) gain on securities	(6,104)	16,253	(49,873)
Deferred gain on derivatives under hedge accounting	50,438	36,242	412,108
Foreign currency translation adjustments	1,142	31	9,330
Defined retirement benefit plans	2,954	1,606	24,135
Share of other comprehensive income in affiliates	45	323	367
Total other comprehensive income	48,475	54,455	396,069
Comprehensive loss	¥ (93,764)	¥(353,235)	\$ (766,108)
Total comprehensive (loss) income attributable to:			
Owners of the parent	¥ (95,267)	¥(350,452)	\$ (778,388)
Non-controlling interests	1,503	(2,783)	12,280

Consolidated Statement of Changes in Equity

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2022

	Thousands		Yen (Millions)										
	Number of shares of common stock outstanding	Common stock	Capital surplus	Retained earnings (Accumulated deficit)	Treasury stock	Total shareholders' equity	Accumulated other comprehensive income						Total equity
							Unrealized gain on securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Non-controlling interests	
Balance at March 31, 2020	334,519	¥318,789	¥258,470	¥ 550,839	¥(59,435)	¥1,068,663	¥22,120	¥(14,595)	¥2,668	¥(17,828)	¥ (7,635)	¥ 7,842	¥1,068,870
Issuance of new shares	135,795	148,812	148,812			297,624							297,624
Net loss attributable to owners of the parent				(404,624)		(404,624)							(404,624)
Purchase of treasury stock	(5)				(13)	(13)							(13)
Disposal of treasury stock	32		(1)		113	112							112
Change in the parent's ownership interest due to transactions with non-controlling interests			48			48							48
Changes in scope of consolidation				(660)		(660)							(660)
Changes in scope of equity method				(454)		(454)							(454)
Net changes in the year						–	16,348	36,247	(2)	1,579	54,172	(2,755)	51,417
Total changes during the fiscal year		148,812	148,859	(405,738)	100	(107,967)	16,348	36,247	(2)	1,579	54,172	(2,755)	(56,550)
Balance at March 31, 2021	470,342	467,601	407,329	145,101	(59,335)	960,696	38,468	21,652	2,666	(16,249)	46,537	5,087	1,012,320
Cumulative effects of changes in accounting policies				(114,656)		(114,656)							(114,656)
Restated balance		467,601	407,329	30,445	(59,335)	846,040	38,468	21,652	2,666	(16,249)	46,537	5,087	897,664
Issuance of new shares													
Net loss attributable to owners of the parent				(143,628)		(143,628)							(143,628)
Purchase of treasury stock	(6)				(16)	(16)							(16)
Disposal of treasury stock			(1)		1	0							0
Change in the parent's ownership interest due to transactions with non-controlling interests													
Changes in scope of consolidation				(45)		(45)							(45)
Changes in scope of equity method													
Net changes in the year							(6,157)	50,515	1,022	2,981	48,361	1,079	49,440
Total changes during the fiscal year		0	(1)	(143,673)	(15)	(143,689)	(6,157)	50,515	1,022	2,981	48,361	1,079	(94,249)
Balance at March 31, 2022	470,336	¥467,601	¥407,328	¥(113,228)	¥(59,350)	¥ 702,351	¥32,311	¥ 72,167	¥3,688	¥(13,268)	¥94,898	¥6,166	¥ 803,415

	Thousands		U.S. dollars (Thousands)										
	Number of shares of common stock outstanding	Common stock	Capital surplus	Retained earnings (Accumulated deficit)	Treasury stock	Total shareholders' equity	Accumulated other comprehensive income						Total equity
							Unrealized gain on securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Non-controlling interests	
Balance at March 31, 2021	470,342	\$3,820,581	\$3,328,123	\$ 1,185,562	\$(484,802)	\$ 7,849,464	\$314,306	\$176,909	\$21,782	\$(132,764)	\$380,235	\$41,563	\$8,271,263
Cumulative effects of changes in accounting policies				(936,808)		(936,808)							(936,808)
Restated balance		3,820,581	3,328,123	248,753	(484,802)	6,912,656	314,306	176,909	21,782	(132,764)	380,235	41,563	7,334,455
Issuance of new shares													
Net loss attributable to owners of the parent				(1,173,527)		(1,173,527)							(1,173,527)
Purchase of treasury stock	(6)				(130)	(130)							(130)
Disposal of treasury stock			(8)		8	0							0
Change in the parent's ownership interest due to transactions with non-controlling interests													
Changes in scope of consolidation				(367)		(367)							(367)
Changes in scope of equity method													
Net changes in the year							(50,306)	412,737	8,350	24,356	395,138	8,816	403,954
Total changes during the fiscal year			(8)	(1,173,894)	(122)	(1,174,025)	(50,306)	412,737	8,350	24,356	395,138	8,816	(770,071)
Balance at March 31, 2022	470,336	\$3,820,581	\$3,328,115	\$ (925,140)	\$(484,925)	\$ 5,738,630	\$264,000	\$589,647	\$30,133	\$(108,407)	\$775,373	\$50,379	\$6,564,384

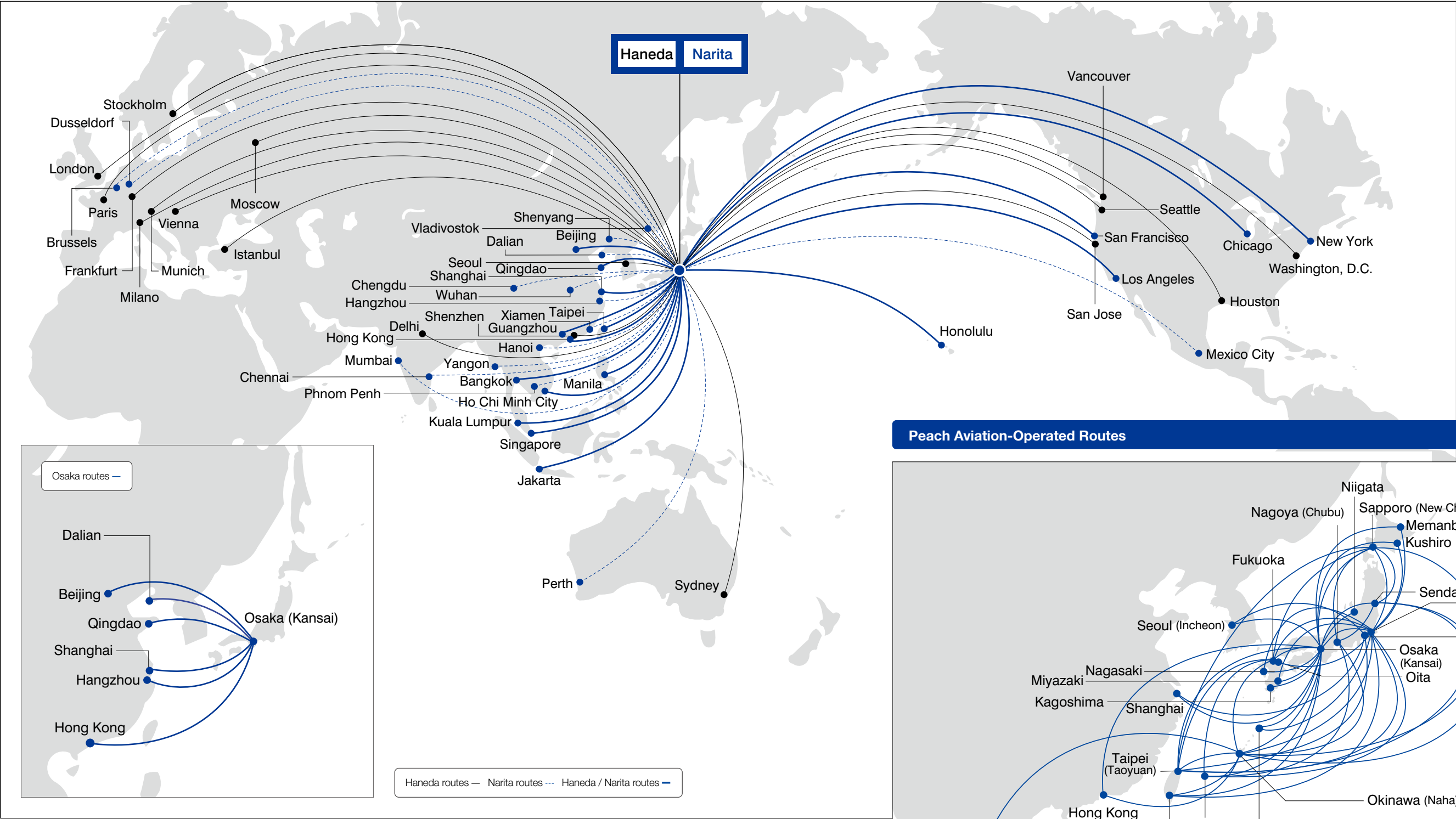
Consolidated Statement of Cash Flows

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2022

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands)
	2022	2021	
Cash flows from operating activities:			
Loss before income taxes	¥(175,374)	¥ (545,372)	\$ (1,432,911)
Adjustments for:			
Depreciation and amortization	157,505	176,352	1,286,910
Impairment loss	9,357	75,575	76,452
Amortization of goodwill	2,116	2,115	17,288
(Gain) loss on disposal and sales of property and equipment	(15,637)	10,759	(127,763)
Loss on cancellation of contracts	4,055	–	33,131
(Gain) loss on sales and valuation of investment securities	(2,941)	8,058	(24,029)
Increase (decrease) in allowance for doubtful accounts	770	(251)	6,291
Increase (decrease) in liability for retirement benefits	664	(44)	5,425
Interest and dividend income	(1,285)	(2,109)	(10,499)
Interest expenses	25,343	16,689	207,067
Subsidies for employment adjustment	(23,955)	(43,470)	(195,726)
Foreign exchange (gain)	(3,404)	(2,454)	(27,812)
(Increase) in notes and accounts receivable	(44,964)	(5,107)	(367,382)
Decrease in other current assets	20,687	52,880	169,025
Increase (decrease) in notes and accounts payable	2,473	(25,160)	20,205
Decrease in advance ticket sales	–	(67,109)	–
Increase in contract liabilities	15,445	–	126,194
Other, net	(43,432)	49,496	(354,865)
Subtotal	(72,577)	(299,152)	(592,997)
Interest and dividends received	1,682	2,427	13,742
Interest paid	(26,081)	(12,466)	(213,097)
Proceeds from subsidy income	26,046	38,001	212,811
Income taxes (paid) refunded	(5,483)	749	(44,799)
Net cash used in operating activities	(76,413)	(270,441)	(624,340)
Cash flows from investing activities:			
Increase in time deposits	(655,500)	(372,626)	(5,355,829)
Proceeds from withdrawal of time deposits	635,713	162,300	5,194,158
Purchases of marketable securities	(253,889)	(437,280)	(2,074,426)
Proceeds from redemption of marketable securities	539,230	154,870	4,405,833
Purchases of property and equipment	(120,591)	(134,174)	(985,301)
Proceeds from sales of property and equipment	87,055	54,415	711,291
Purchases of intangible assets	(12,773)	(22,536)	(104,363)
Purchases of investment securities	(2,975)	(7,168)	(24,307)
Proceeds from sales of investment securities	12,806	746	104,632
Proceeds from withdrawal of investments in securities	1,670	2,527	13,644
Other, net	(727)	3,167	(5,940)
Net cash provided by (used in) investing activities	230,019	(595,759)	1,879,393
Cash flows from financing activities:			
Increase in short-term loans, net	–	97,747	–
Proceeds from long-term loans	–	827,988	–
Repayment of long-term loans	(72,702)	(98,949)	(594,019)
Proceeds from issuance of bonds	169,799	–	1,387,360
Repayment of bonds	–	(20,000)	–
Repayment of finance lease obligations	(3,011)	(4,668)	(24,601)
Proceeds from issuance of shares	–	296,098	–
Proceeds from share issuance to non-controlling shareholders	–	318	–
Net decrease (increase) of treasury stock	(16)	99	(130)
Other, net	(424)	(461)	(3,464)
Net cash provided by financing activities	93,646	1,098,172	765,144
Effect of exchange rate changes on cash and cash equivalents	3,626	2,649	29,626
Net increase in cash and cash equivalents	250,878	234,621	2,049,824
Cash and cash equivalents at beginning of year	370,322	135,937	3,025,753
Net (decrease) resulting from changes in scope of consolidation	(163)	(236)	(1,331)
Cash and cash equivalents at end of year	¥ 621,037	¥ 370,322	\$ 5,074,246

Note: Including routes suspended due to COVID-19
Compilation by ANA HOLDINGS INC. (As of August 1, 2022)

ANA-Operated International Routes



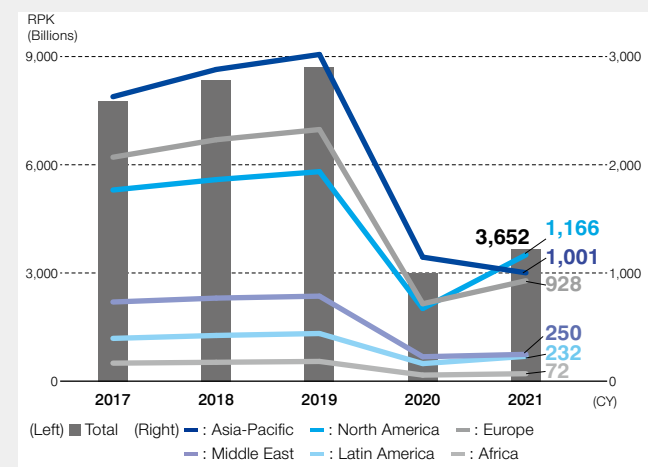
Peach Aviation-Operated Routes



Market Data

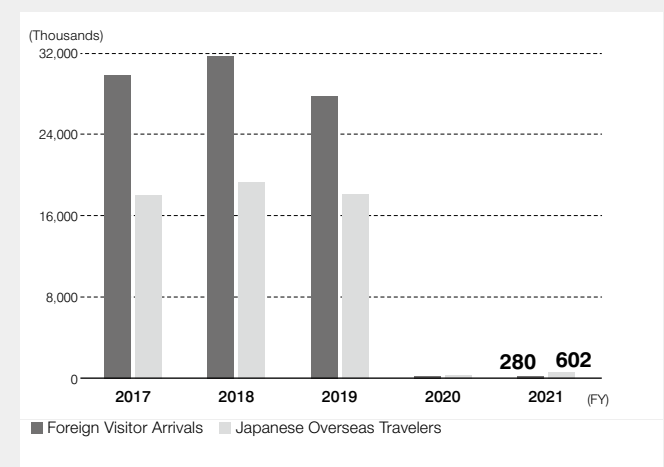
International Passenger Market

Global Air Transportation Passenger Volume by Region



Source: International Air Transport Association (IATA), 2022

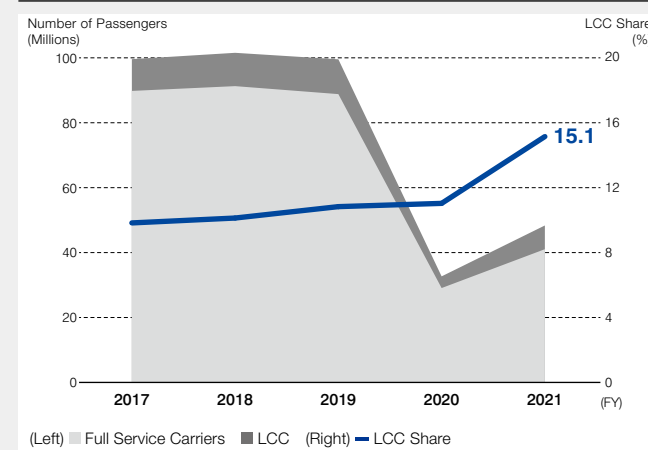
Foreign Visitor Arrivals / Number of Japanese Overseas Travelers



Source: Japan National Tourism Organization (JNTO), 2022

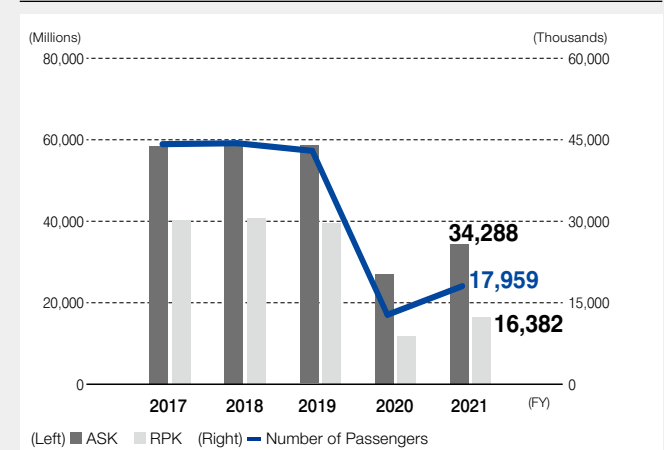
Domestic Passenger Market

Number of Domestic Passengers and LCC Share



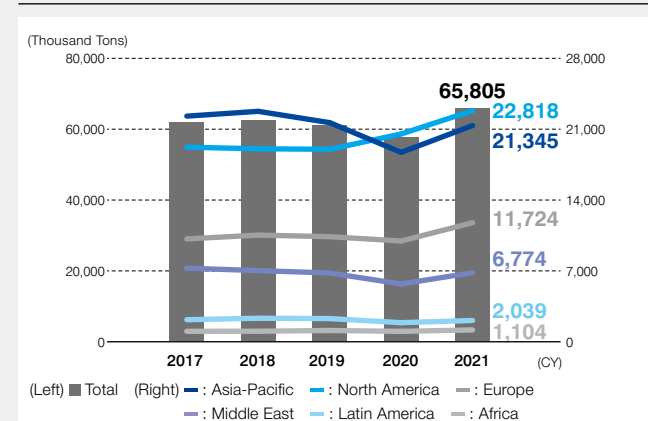
Source: Ministry of Land, Infrastructure, Transport and Tourism, fiscal 2021

ANA Domestic Passenger Business: ASK, RPK, and Number of Passengers



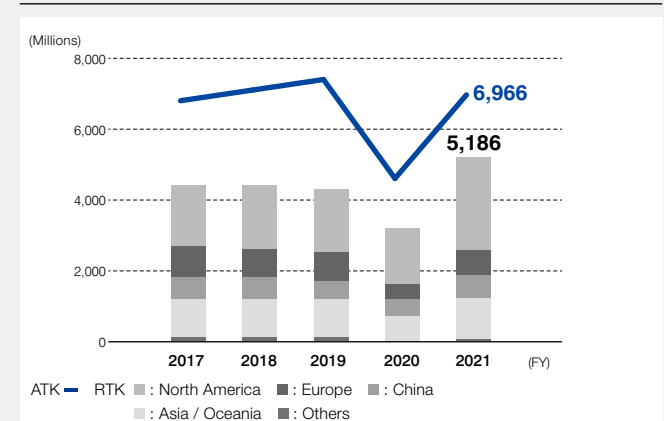
International Cargo Market

Global Freight Ton Carried by Region



Source: International Air Transport Association (IATA), 2022

ANA International Cargo Operations: ATK and RTK

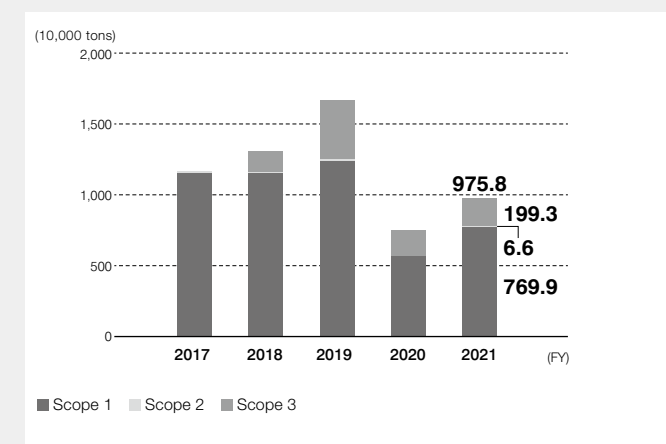


Notes: 1. Figures for China include the Hong Kong routes.
 2. Figures for Asia / Oceania include the Vladivostok routes.
 3. Figures for Others include RFS (Road Feeder Service).

Environmental and Social Data

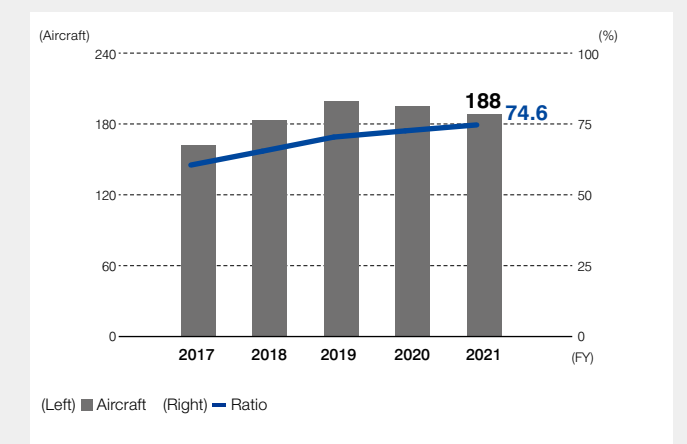
For further information, Fact Book 2022 can be downloaded from the ANA Group corporate website in PDF format.
<https://www.ana.co.jp/group/en/investors/irdata/annual/>

Environmental

CO₂ Emissions

* Fiscal 2017: Scope 3, categories 6 and 7 calculated / Fiscal 2018: Scope 3, categories 2-4, 6, and 7, calculated / Fiscal 2019-: Scope 3, all categories calculated

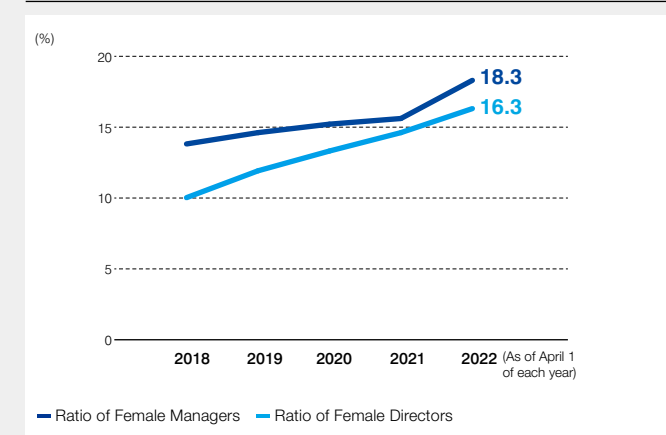
Fuel-Efficient Aircraft (No. / Ratio)



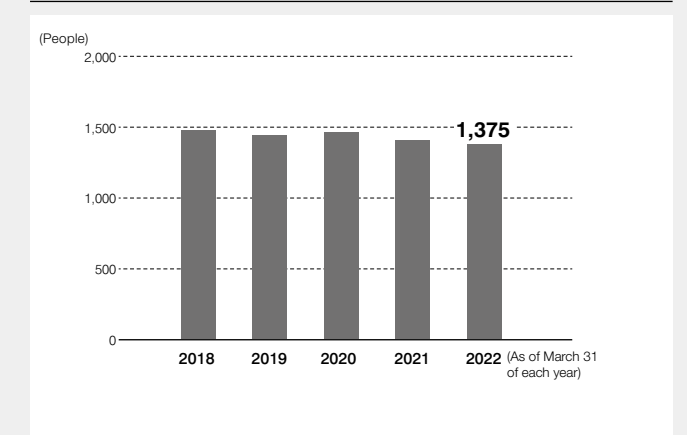
* ANA brand aircraft (jets) until fiscal 2018; ANA Group aircraft (jets) in fiscal 2019 and onward
 * Fuel-efficient aircraft: Boeing 777, 787, 737-700 and -800; Airbus A320neo and A321neo

Social

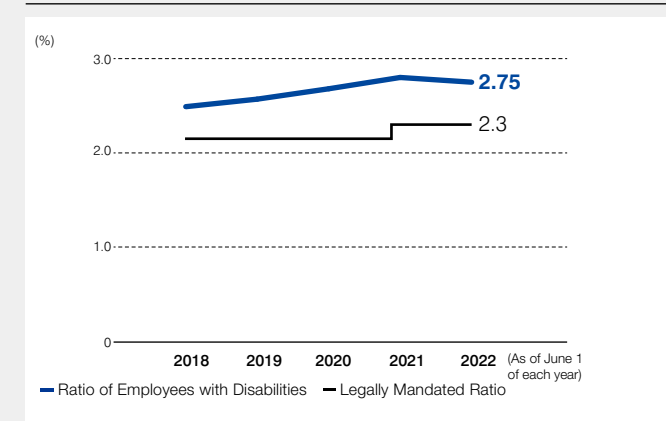
Ratio of Female Managers / Ratio of Female Directors (ANA)



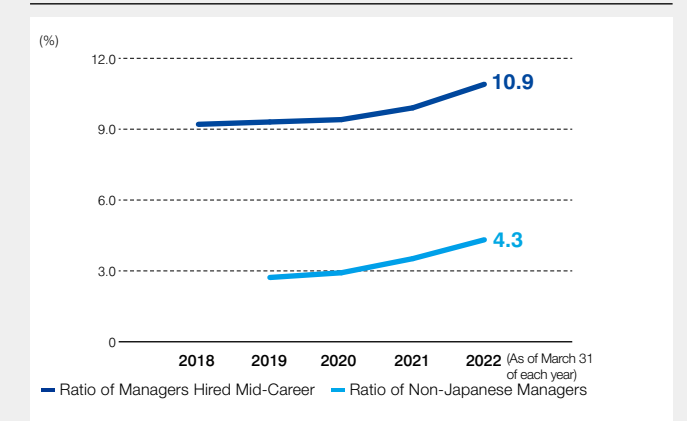
Number of Employees Hired Overseas (ANA)



Ratio of Employees with Disabilities (ANA)



Ratio of Managers Hired Mid-Career / Ratio of Non-Japanese Managers* (ANA)



* Ratio of non-Japanese managers is calculated excluding TC1 (Americas region) as defined by the International Air Transport Association (IATA).

Environmental Data

The following data is the environmental results related to the ANA Group. (Aggregate figures for fiscal 2021 are preliminary)
From fiscal 2019, we have also added the results of Peach Aviation.

Climate Change Countermeasures


(FY)	Unit	2017	2018	2019	2020	2021
Carbon dioxide (CO ₂) emissions* ¹						
Total (Aircraft, ground equipment and vehicles)	10,000 tons	1,161.1	1,156.0	1,245.8	548.0	776.3
Aircraft		1,147.6	1,142.8	1,233.2	538.7	767.2
Passenger		1,097.3	1,098.0	1,196.8	470.9	692.7
Cargo		50.4	44.9	37.4	67.8	74.5
Ground equipment and vehicles		13.5	13.2	12.6	9.3	9.1
A** Total (Scope 1, 2, and 3)	10,000 tons	1,161.6	1,306.3	1,682.2	723.3	975.8
Scope 1		1,152.0	1,147.0	1,237.3	541.4	769.9
Scope 2		9.2	8.9	8.4	7.0	6.6
Scope 3		0.4* ⁴	150.4* ³	436.4* ²	174.9	199.3
[Breakdown by Category]* ⁵						
1 Purchased goods and services	1,000 tons	—	—	986.6	624.9	548.8
2 Capital goods		—	926.4	788.6	361.3	327.2
3 Fuel- and energy-related activities (not included in Scope 1 or 2)		—	572.6	1,664.1	734.2	1,038.1
4 Upstream transportation and distribution		—	1.4	1.7	0.6	0.7
5 Waste generated in operations		—	—	30.8	17.5	13.6
6 Business travel		2.0	1.4	1.6	0.3	0.4
7 Employee commuting		1.8	2.0	9.4	9.9	8.9
11 Use of sold products		—	—	881.7	0.0	0.0
13 Downstream leased assets		—	—	* ⁶	* ⁶	55.6
Aircraft CO ₂ emissions per RTK	kg-CO ₂	0.96	0.97	1.01	1.21	1.09
Total energy consumption						
Total	Crude oil equivalent: 10,000 kl	448	446	480	212	300
Aircraft energy		441	439	474	207	295
Ground energy (non-aircraft operations)		6.5	6.4	6.3	4.8	4.7
Ozone depletion (ANA only)						
Fluorocarbon	Aircraft	kg	5.3	9.4	2.7	2.9
	Ground (non-aircraft operations)		—	—	—	254* ⁷
Halon	Aircraft		5.0	28.8	31.7	20.5
						12.8
B** Fuel-efficient aircraft (Fiscal year-end)* ⁸						
Number of aircraft ANA Group (jet aircraft)	Aircraft	162	183	199	195	188
Ratio	%	60.4	65.3	70.3	72.5	74.6

*1 We have not yet reflected the impact of Sustainable Aviation Fuel (SAF) on CO₂ emissions
*2 All categories under Scope 3 have been calculated beginning in fiscal 2019
*3 Scope 3, categories 2-4, 6, and 7 for fiscal 2018 were calculated and certified by a third party
*4 Scope 3, categories 6 and 7 for fiscal 2017 were calculated and certified by a third party
*5 Scope 3, categories 8, 9, 10, 12, 14, and 15 are not applicable
*6 Not applicable
*7 Calculated beginning fiscal 2020
*8 Boeing 777, 787, 737-700, -800, Airbus A320neo, and A321neo
*9 **A** to **B**: See graphs on P.131

Resource Savings

(FY)	Unit	2017	2018	2019	2020	2021
Waste produced						
Total	1,000 tons	37.5	34.3	22.9	12.7	13.7
General waste (Cabin waste and sewage included)		31.5	28.4	15.3	7.8	3.0
General waste (Ground waste included)		2.6	2.7	2.9	1.0	0.8
Industrial waste		3.4	3.2	4.7	3.8	9.9
Water consumption						
Total	10,000 kl	70.8	69.7	68.4	35.1	31.3
Clean water		61.4	61.1	60.7	30.6	26.9
Non-potable water		9.4	8.6	7.8	4.5	4.4

Social Data

→  Please visit our corporate website for more:
<https://www.ana.co.jp/group/en/csr/data/>

Human Resources Data (ANA)

	Unit	2018	2019	2020	2021	2022
Number of employees (As of March 31 of each year)	People	13,982	14,242	14,830	15,114	13,689
Average age of employees (As of March 31 of each year)	Years	37.4	37.5	38.0	37.9	38.9
Average years worked (As of March 31 of each year)	Years	13.8	14.2	13.6	12.5	13.4
C**5 Ratio of female managers (As of April 1 of each year, excluding individuals 60 years old and over)	%	13.9	14.6	16.9	17.0	18.3
Ratio of female directors (As of April 1 of each year)	%	9.3	11.1	12.5	14.6	16.3
D**5 Number of employees hired overseas (As of March 31)	People	1,475	1,442	1,464	1,404	1,375
Number of overseas managers hired locally (As of March 31 of each year)	People	135	161	157	173	198
E**5 Ratio of employees with disabilities* ¹ (As of June 1 of each year)	%	2.49	2.57	2.68	2.80	2.75
Number of employees on nursing care leave (As of March 31 of each year)	People	15	16	10	11	17
Number of employees on pregnancy or childcare leave / Male (As of March 31 of each year)	People	578/19	629/20	645/29	643/27	727/61
F**5 Ratio of managers hired mid-career (As of March 31 of each year)	%	9.2	9.3	9.4	9.9	10.9
Ratio of non-Japanese managers* ² (As of March 31 of each year)	%	—	2.7	2.9	3.5	4.3
Work-related accidents (As of March 31 of each year)		82	111	69	25	26
Ratio of employees with healthy BMI* ³ (As of March 31 of each year)						
Male	%	70.2	72.9	72.5	67.7	74.3
Female	%	72.0	72.6	73.0	70.1	69.1
Ratio of employees that smoke (As of March 31 of each year)						
Male	%	19.1	17.2	16.7	14.5	14.1
Female	%	3.9	3.7	3.1	2.6	2.3
Employee obesity rate* ⁴ (As of March 31 of each year)						
Male	%	15.7	11.1	12.9	8.2	11.2
Female	%	1.3	1.4	1.0	1.7	1.3

*1 Total of ANA HOLDINGS INC., ANA, and qualified ANA Group companies (total of 11 companies including 1 special subsidiary)
*2 Excluding TC1 (Americas region) as defined by the International Air Transport Association (IATA)
*3 Ratio of employees with BMI of 18.5%–25.0%
*4 Changing calculation standards from 2018
 Before 2017: Ratio of employees receiving guidance from designated healthcare professionals
 2018 and later: Ratio of employees meeting criteria for metabolic syndrome
*5 **C** to **F**: See graphs on P.131

Please visit our website for more details about the 37th Yen-Based Bond (Social Bond), issued in May 2019:
<https://www.anahd.co.jp/group/en/pr/201904/20190417.html>

Flight-Related Data (All Passenger Flights on ANA International and Domestic Services)

(FY)	Unit	2017	2018	2019	2020	2021
In-service rate	%	98.8	98.2	97.4	43.5	59.3
On-time departure rate* ⁶	%	86.1	88.4	88.7	97.3	94.5
On-time arrival rate* ⁶	%	84.0	86.5	87.5	96.8	93.6

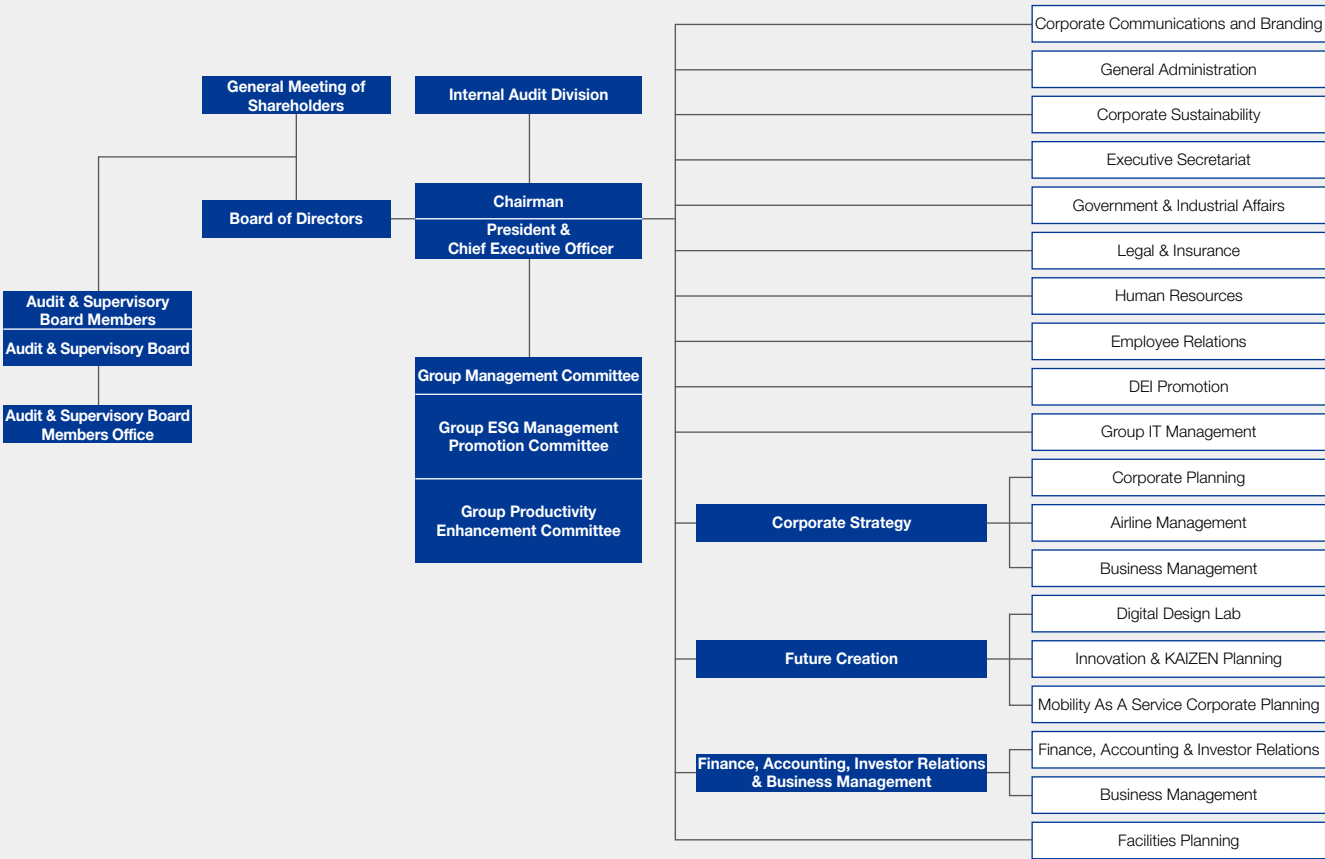
*6 Delays of 15 minutes or less, excluding canceled flights

Customer-Related Data

(FY)	Unit	2017	2018	2019	2020	2021
Number of customer feedback reports		114,273	105,723	117,628	59,862	69,661
[Breakdown by route type]						
Domestic	%	56.0	62.4	59.5	54.6	65.6
International	%	40.1	34.8	37.9	11.7	11.2
Other	%	3.9	2.7	2.7	33.7	23.2
[Breakdown by report type]						
Complaint	%	41.1	45.8	42.3	30.1	29.1
Compliment	%	18.5	19.8	21.1	20.8	28.3
Comment / Request	%	20.8	16.5	16.6	28.8	21.9
Other	%	19.5	17.8	20.1	21.3	20.7

The ANA Group Profile

ANA HOLDINGS INC. Organization (As of July 1, 2022)



Number of Subsidiaries and Affiliates (As of March 31, 2022)

Operating segment	Total of subsidiaries	of which, consolidated	of which, equity method	Total of affiliates	of which, equity method
Air Transportation	5	4	—	3	1
Airline Related	41	30	—	5	2
Travel Services	7	5	—	3	1
Trade and Retail	71	8	—	2	—
Others	10	8	1	28	9
Total	134	55	1	41	13

Major Subsidiaries (As of March 31, 2022)

Company name	Amount of capital (¥ Millions)	Ratio of voting rights holding (%)	Principal business
Air Transportation			
ALL NIPPON AIRWAYS CO., LTD.	25,000	100.0	Air transportation
Air Japan Co., Ltd.	50	100.0	Air transportation
ANA WINGS CO., LTD.	50	100.0	Air transportation
Peach Aviation Limited	100	77.9	Air transportation
Airline Related			
ANA Cargo Inc.	100	100.0	Cargo operations
Overseas Courier Service Co., Ltd.	100	91.5	Express shipping business
ANA Systems Co., Ltd.	80	100.0	Innovation and operation of IT systems
Travel Services			
ANA X Inc.	25	100.0	Planning and sales of travel products, and other customer-related businesses
Trade and Retail			
ALL NIPPON AIRWAYS TRADING Co., Ltd.	1,000	100.0	Trading and retailing

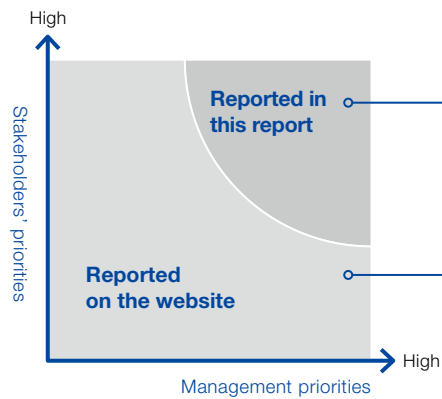
Note: No specified wholly owned subsidiaries as of the end of the fiscal year under review

Corporate Data (As of March 31, 2022)

Corporate Profile

Trade Name	ANA HOLDINGS INC.	Administrator of Register of Shareholders	Sumitomo Mitsui Trust Bank, Limited (Stock Transfer Agency Department)
Date of Foundation	December 27, 1952	Independent Auditor	Deloitte Touche Tohmatsu LLC
Head Office	Shiodome City Center, 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo 105-7140, Japan	American Depository	Receipts Ratio (ADR:ORD): 5:1 Exchange: OTC (Over-the-Counter) Symbol: ALNPY CUSIP: 032350100 Depository: The Bank of New York Mellon 240 Greenwich Street New York, NY 10286, U.S.A. Tel: 1-201-680-6825 U.S. Toll Free: 1-888-269-2377 (888-BNY-ADRS) URL: https://www.adrbnymellon.com
Number of Employees	42,196 (Consolidated)		
Paid-In Capital	¥467,601 million		
Fiscal Year-End	March 31		
Number of Shares of Common Stock	Authorized: 1,020,000,000 shares Issued: 484,293,561 shares		
Number of Shareholders	771,327		
Stock Listing	Tokyo		
Ticker Code	9202		

Scope of This Report



Annual Report (PDF)

<https://www.ana.co.jp/group/en/investors/irdata/annual/>

For Further Information (Website)

Corporate Profile <https://www.ana.co.jp/group/en/about-us/>
Investor Relations <https://www.ana.co.jp/group/en/investors/>
Sustainability <https://www.ana.co.jp/group/en/csr/>

Fact Book 2022

Fact Book 2022 can be downloaded from the Company's corporate website in PDF format. This document contains financial data and information on the domestic and international markets and LCC status. <https://www.ana.co.jp/group/en/investors/irdata/annual/>

Forward-Looking Statements

This report contains statements based on the ANA Group's current plans, estimates, strategies, and beliefs; all statements that are not statements of historical fact are forward-looking statements. These statements represent the judgments and hypotheses of the group's management based on currently available information. Air Transportation Business, the group's core business, involves government-mandated costs that are beyond the Company's control, such as airport utilization fees and fuel taxes.

In addition, conditions in the markets served by the ANA Group are subject to significant fluctuations. Factors that could affect actual results include, but are not limited to, economic trends, sharp changes in exchange rates, fluctuations in the price of crude oil, and disasters.

Due to these risks and uncertainties, the group's future performance may differ significantly from the contents of this report. Accordingly, there is no assurance that the forward-looking statements in this report will prove to be accurate.

Contact

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