

## Message from the CEO

# Practicing Management That Allows All Employees to Shine and the ANA Group to Return to a Growth Trajectory.

### What I Want Most to Communicate Today

1. Under the current ANA Group Corporate Strategy, the Air Transportation Business posted profit at a level exceeding expectations, and we are steadily recovering our financial base.
2. Our current challenges are (1) Improving the profitability of domestic routes, (2) Resolving aircraft utilization constraints, and (3) Expanding the ANA Economic Zone. The resolutions to these challenges will allow for profit growth over the medium term.
3. We focused management discussions on long-term growth in fiscal 2024 and bolstered our value creation story.
4. We redefined our material issues for the first time in ten years. We intend to enhance corporate value by addressing eight material issues that are linked to corporate strategy.
5. We will accelerate growth investments in human capital, DX, and our fleet. We seek to improve return on equity and take all possible measures to manage risk.
6. We intend to expand our international route network (passenger and cargo) over the medium term and leverage this network as a growth driver for ANA Group profits.
7. We will strengthen the foundations supporting safety, the environment, human rights, and governance, while reducing the cost of capital.
8. We visualized the connection between human capital and financial value creation. We will next attempt to visualize social value in the same manner.
9. We will take an earnest look at the factors behind the sluggish share price growth and eliminate those factors one by one. We are committed to strengthening shareholder returns in the future.
10. We will practice management that allows all employees to shine, and create a company that supports the dreams of all children, who will be responsible for the world as future leaders.

### SHIBATA Koji

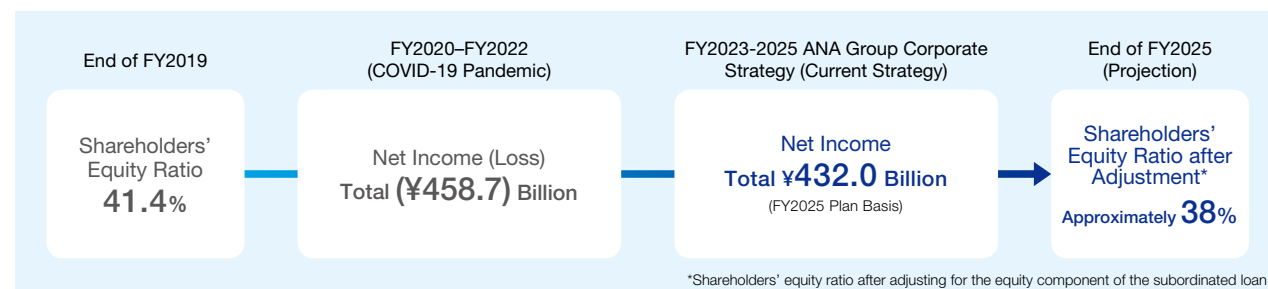
Representative Director,  
President & Chief Executive  
Officer

## Momentum From a Solid Recovery to a New Stage of Growth

### Solid Air Transportation Business Performance Supports a Recovery of the Financial Base Lost During the COVID-19 Pandemic

Four years have passed since I took office as president in April 2022. Thanks to Business Structure Reform, which we implemented in the wake of the COVID-19 pandemic, as well as consistent implementation of FY2023-2025 ANA Group Corporate Strategy, we posted a record high operating income of ¥207.9 billion in fiscal 2023 and ¥196.6 billion in fiscal 2024, both results higher than at any time before the pandemic. I am proud to say that this achievement was driven by our strong International Passenger Business and is the fruit of the efforts of every ANA Group employee who performed with dedication to safe operations and creating added value.

## Message from the CEO



Fiscal 2025 is the final year of the current strategy, and we plan for operating revenues of ¥2,370 billion and operating income of ¥185 billion. While we expect profit to be lower year on year, we plan to see an increase in real operating income after excluding special factors. Our aim will be to make steady progress toward our profit targets while keeping a close eye on U.S. tariff policies and global economic trends.

### Substantial Profit Levels P.33 >

Meanwhile, our financial base has been recovering steadily. Over the past three years, we have largely recovered from the large losses incurred during the COVID-19 pandemic, and we expect shareholders' equity ratio to be around 38% at the end of fiscal 2025, after adjusting for the equity component of the subordinated loan. In addition, Nippon Cargo Airlines joined the ANA Group in August of this year—a move that is laying the foundation for developing the cargo business into a growth business. We view fiscal 2025 as a period to prepare for the next stage of growth, and we will engage in a comprehensive effort to solidify our footing to return to a growth trajectory.

### Overcoming Three Challenges to Enlarge Profit Growth Potential

Meanwhile, given our stabilized performance, we will take our medium-term challenges head-on, as we see these issues also as upside potential in terms of profit recovery and growth.

**The first challenge is to improve the profitability of our Domestic Passenger Business.** The ANA brand alone serves approximately 44 million passengers annually through the Domestic Passenger Business. However, due to changes in demand structure triggered by the COVID-19 pandemic and cost increases caused by the weak yen and other factors, domestic airlines are facing challenges to the profitability of their domestic routes. In light of this situation, the Ministry of Land, Infrastructure, Transport and Tourism launched an Expert Panel on the Future of Domestic Air Transportation in May 2025 to discuss measures for maintaining and expanding domestic air travel in the future. The ANA Group will continue offering opinions and submitting requests to the panel, even as we endeavor to respond to the situation through self-help measures, which include raising fares and downsizing aircraft to meet supply-demand balance.

**The second challenge is eliminating the constraints of grounded aircraft.** A total of 13 aircraft were out of service as of the end of fiscal 2024, mainly due to the need to inspect and replace parts for two types of engines in accordance with manufacturer instructions. Combined with delays in the delivery of new aircraft due to manufacturing delays for Boeing aircraft, the pace of fleet growth required to support business expansion has been slower than anticipated originally. We expect it will be about two more years before all constraints are resolved. In addition to close coordination with manufacturers, our entire organization will

work as one to secure additional engines and improve operating efficiency to maximize the use of a limited fleet and minimize opportunity loss. The ANA Group's supply capacity will gradually improve as the number of grounded aircraft decreases and we begin receiving new aircraft.

**The third challenge is expanding the ANA Economic Zone.** Our strategy to establish a revenue pillar in the Non-Air Business is still only halfway. ANA Pay members now exceed 1.3 million, and we are preparing for the commercial launch of *flying cars* in fiscal 2027, conducting demonstration flights during the Expo 2025 Osaka, Kansai, Japan. These and other initiatives are beginning to bear the seeds of future revenues. However, Travel Services and the ANA Economic Zone sales using miles are below plan by a significant margin, and we must take an honest look at addressing the real cause of the issue. We have learned much from trial and error over the past few years. Making use of the experience, we will present a concrete path forward under the next ANA Group Corporate Strategy to transform these businesses into steady earnings contributors. Among approaches, we expect to pursue selection and focus for synergies with our mainstay Air Transportation Business.



## Message from the CEO

### Refining Our Value Creation Story and Envisioning the Future

#### Laying the Groundwork to Practice Management from a Long-Term Perspective

As of fiscal 2024, we shifted the focus of management discussions to more long-term topics. In the next few paragraphs, I will discuss three particularly important points from the topics discussed by the ANA Group to create a new future.

##### The first point is about the ANA Group Vision of 2035.

Before considering the next ANA Group Corporate Strategy, we conducted a scenario analysis of future organic growth, divided into a base case, an upside case, and a downside case. During the process, we took into account the business environment and airline demand forecasts through the year 2035, 10 years from now. In terms of profits, we are challenging ourselves to achieve operating income of ¥300 billion as soon as possible, with even higher levels of profit beyond. From the perspective of management over a

10-year span, I consider the five points in the accompanying table to be particularly important.

**The second point is that we clarified our corporate and social visions, as well as our business model, to improve the clarity with which we show our value creation story.** We delved deeply into the image of the ANA Group management vision, *Uniting the World in Wonder*, coming up with a more well-defined idea. My basic management philosophy is that air transportation is an indispensable social infrastructure allowing people around the world to interact, and that by serving in this role, we create encounters and mutual understanding, which in turn fosters friendships and trust, leading to world peace and economic development. This idea of contributing to peaceful and prosperous societies by connecting people together is the core of our vision for society.

**Corporate Vision** (P.9 >) **Vision for Society** (P.10 >)

And the engine to make this idea a reality is our **business model**. The formula for success that the ANA Group has cultivated since our founding is the pursuit of two areas in

parallel: (1) Quantitative growth to expand the connection of people and product and (2) Qualitative deepening to expand the ANA Group fan base. In our mainstay Air Transportation Business, we can dramatically increase customer convenience through the network effect of expanding capacity in terms of routes and the number of flights. However, we cannot expect true growth unless it is accompanied by quality that ensures people trust and choose ANA Group quality and services. Quantity and quality are not two separate things, but rather a synergistic relationship, one enhancing the other. We believe that the pursuit of a good balance between these two strengths is a policy that will maximize our value creation cycle.

**The third point is redefining our material issues.** We identified material issues (people, environment, and regional revitalization) originally in 2015, making partial revisions along the way to reflect changes in the environment. Given that the risks and opportunities for the ANA Group have become more diverse and complex, changing significantly over this period, we decided to look at material issues again from scratch for the first time in about ten years. After lively Management Meeting discussions, we identified eight new material issues. Throughout the process, we were particularly conscious of the need to improve the linkage between material issues and our business model. Material issues are not merely a response to ESG issues, but are a management strategy themselves, and we identified priority issues in terms of risks and opportunities related to financial impact and social/environmental impact. We are convinced that focusing on these eight material issues will surely lead to improved corporate value, and we intend to formulate specific action plans and KPIs based on this guiding compass in conjunction with the next ANA Group Corporate Strategy.

I will explain my thoughts and the targets for each of the eight new material issues in the next section of my message.

**Relationship Between Material Issues, Business Model, and Corporate Value** (P.28 >)

#### Main Points of the ANA Group Vision of 2035

1	<b>Expand profit growth drivers</b>	We see the expansion of arrival and departure slots at Narita Airport (2029) as an excellent opportunity to expand our international operations (passenger and cargo) business portfolio by capturing the flow of people and goods, particularly between Asia and North America.
2	<b>Revive our stable revenue base</b>	Even as the population declines in Japan, we intend to return the Domestic Passenger Business to a stable revenue platform, while at the same time contributing to Japan's economic recovery and regional development by revitalizing Japan through increased demand for domestic travel by inbound travelers and through other means.
3	<b>Control the cost of capital</b>	We intend to generate stable profits through a muscular business structure and resilience to risk events.
4	<b>Balance social responsibility and business profitability</b>	We aim to be profit-neutral with respect to environmental measures, making decisions and taking measures appropriately in response to increasingly restrictive environmental regulations in Japan and internationally.
5	<b>Reinforce strengths that serve as the source of value</b>	We strive to create a corporate culture carried forward to future generations, where employees find fulfillment in their work, act autonomously, endeavor, and engage with team spirit.



## Message from the CEO

# Accelerating Investment in Growth and Establishing a Competitive Advantage

## Stepping Up Investments in Human Capital, DX, and Fleet

Having discussed long-term growth, our next order of business is to step up growth investments in human capital, DX, and fleet. If our human capital—the source of value creation—pursues DX to add value and makes the most effective use of our fleet, we expect to enhance our competitive advantage while improving capital profitability.

The most important investment we can make is in **human capital**. We intend to conduct human capital management through *employee growth and team spirit* as a material issue. In fiscal 2025, we welcomed 3,104 new employees and implemented a base pay increase for a third consecutive year. I am happy to see that employees are raising their expectations for the future of the ANA Group, finding increased motivation to work. Engagement scores in fiscal 2024 were at an all-time high, and turnover, which increased temporarily during the COVID-19 pandemic, is now declining. The value relevance analysis we performed in fiscal 2024 proved with quantitative data that the ANA Group emphasis on engagement and teamwork has

enhanced corporate value.

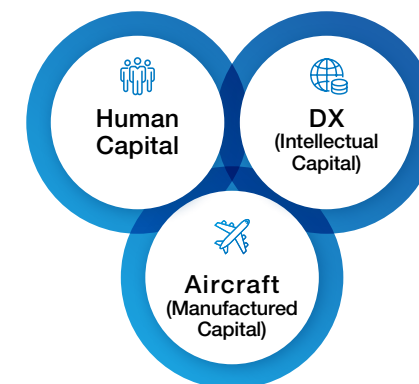
Performing a Value Relevance Analysis Visualizing the Relationship Between Non-Financial and Financial Results (P.46 >)

I believe that the essence of teamwork, which is one of the strengths of the ANA Group, is the understanding, trust, and seamless relationships that employees have with each other. Good performance is produced by approaching the other party or other departments to have honest discussions, collaborate, and cooperate, even when things might be difficult to say or achieve. However, we have by no means perfected this strength, and there is no guarantee that it will remain a strength in the many years to come. To maintain and enhance our strengths, we must keep our eyes on the direction the Company is heading (shared vision), respect each other (mutual respect), and encourage each employee to think and act on his or her own (independence). We invest management resources in people, goods, and money without hesitation to achieve these goals and to enhance our human capital, which is the most important element of all.

The next matter is investment in **DX**. The material issue in this context is **transforming our business using digital technologies and data**.

While we may be behind our overseas competitors in several areas, including the use of smart services and reducing labor in aircraft operations, we believe that, on the flip side, we have room to make dramatic improvements in group operations through changes in these areas. In fiscal 2025, we began holding monthly meetings of directors assigned responsibility in this area. We also began DX study sessions for directors and general managers to discuss medium-term measures for DX. These study sessions and discussions have been more in-depth than before, strengthening the mechanism for directors and general managers to view DX as their own personal responsibility and take the initiative in leading business reform. We are beginning to see steady results toward transformation, including the use of AI and mathematical optimization to

Growth Investment Trinity



generate schedules and create shifts for ground staff. The ANA app and website now offer a function to check lounge congestion at Haneda Airport. The use of generative AI in day-to-day operations is also becoming common throughout the group. We will not stop at these operational efficiency improvements. We intend to take an aggressive approach to DX by offering travel suggestions optimized for each customer based on our accumulated data and knowledge, and create revenue opportunities in the Non-Air Business as another means to establish a competitive advantage by **improving convenience and creating emotional experiences**.

We will also accelerate investment in **aircraft**, which are indispensable for expanding the **social infrastructure for air transportation**. At the end of February 2025, we decided to place an order for 77 new aircraft based on discussions of our targets for 2035, as I mentioned earlier. As of the end of fiscal 2024, we had 278 aircraft in our fleet. By 2030, this number will increase to 320—exceeding the number before the pandemic—as part of an aggressive push to grow our International Business. There are still many blank areas in South America, the Middle East, and Africa that are not served by our direct ANA Group flights. Providing infrastructure to move people around the world where they want to go in a short period of time through a full network spanning the globe is a social role that only airlines



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can fulfill. While we continue pursuing an alliance strategy based on joint ventures, we will ensure that business opportunities, such as the expansion of slots at Narita Airport and the increase in passenger flow in the Asia-Pacific region, will lead to profitable growth.

Creating new demand for domestic routes will also take our utmost efforts, even as we continue to downsize aircraft as a basic strategy. The key is to deliver Japan's widespread and diverse attractions as experiential value to overseas customers. For example, my hobby of fishing is one of the attractions of Japan. I have visited many different fishing spots in Japan and overseas. Japan has a wide variety of fish and amazing fishing in different regions because of its long north-south topography, in addition to all styles of fishing, including ocean, rivers, and lakes. Beyond fishing, we believe that Japan's rich nature, history, traditional culture, food culture, and hospitality are attractions that Japan should be proud to share with the world. At the same time, we want to contribute to revitalizing local economies and foster spiritual richness by communicating these attractions to more people overseas, having them visit various parts of Japan in person.

## Strengthening Our Foundations and Bolstering Risk Resilience

### Strengthening the Foundations of Safety, Environment, Human Rights, and Governance

We identified and plan to accelerate efforts for four material issues as the foundation for sustainable growth: **Ensure safety and peace of mind, contribute to global environmental conservation, respect the human rights of all people involved in our business, and improve business resilience.** In several Management Meeting discussions, several Board members emphasized that **safety** is of exceptional importance, and it should be made clear that safety is an absolute social responsibility for an

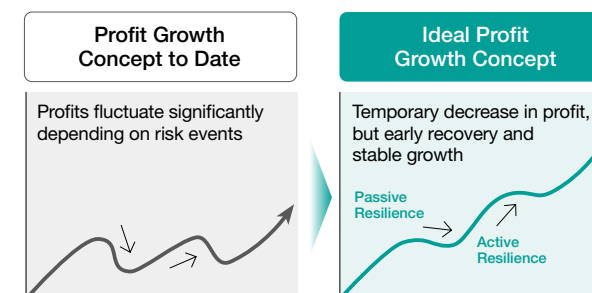
airline. We installed a safety clock at the ANA Blue Base training facility that indicates the time elapsed since the 1971 Shizukuishi collision. We are absolutely committed to ensuring that we never have to set the hands of this clock back to zero, and we will continue our efforts to protect safety and security, no matter how the times may change.

**Environmental** initiatives are an important management issue for protecting the global environmental, particularly in response to climate change. At the same time, worldwide climate change policies and CORSIA\* trends are in flux, requiring a flexible approach to business decisions. Our fiscal 2025 plan calls for roughly ¥3 billion in environment-related measures, but costs could increase significantly in the medium term if environmental regulations in Japan and abroad become stricter, while the price of sustainable aviation fuel (SAF) and carbon credits remains high. We will not simply stand on the sidelines in the face of this risk. The Company is engaged in proactive measures to be profit-neutral, including securing a stable supply of domestically produced SAF, carbon credits through increased cooperation with partners, state-of-the-art equipment with superior fuel efficiency, and other specific measures. Recognizing that addressing climate change is a key strategy for the future of the airline industry, we will pursue a balance between sustainability and profit generation.

Respect for **human rights** is also an expected responsibility of a global company. The ANA Group began efforts from early in our history, issuing human rights reports and conducting other activities. I constantly remind our employees that they should never hesitate to speak up if they experience harassment in the workplace. This is true for every potential source, not only from fellow employees, but also from any person involved in the group's business. We have observed positive effects of our response to human rights, including improved engagement of our contractors and building stronger relationships of trust with

stakeholders. We continue in our commitment to respect human rights, driven by a recognition that our activities in this respect also represent an investment in human capital in the broadest sense.

What supports this foundation is efforts to improve business resilience. In terms of **governance**, we continue to focus on enterprise risk management. In fiscal 2024, we categorized risks that may cause uncertainties in business into 11 areas, designating these as risks to manage. In fiscal 2025, we intend to establish a more effective operational cycle and a system assigning responsibility for each risk. At the same time, we intend to improve the "passive" resilience of our businesses to minimize damage in the event of risk events. One example here is reducing our fixed cost ratio. We will also pursue "active" resilience to support our businesses by reorganizing our business portfolio. The Air Transportation Business is one in which demand fluctuates widely, and growing profits consistently is a challenge. This situation is precisely why we believe that strengthening passive and active approaches to curb profit volatility is essential for reducing the cost of capital and, ultimately, for sustainable corporate value enhancement.



\* CORSIA: Carbon Offsetting and Reduction Scheme for International Aviation

## Message from the CEO

### Delivering Dreams to Future Stakeholders

#### Moving Into a Phase of Enhanced Shareholder Returns

While earnings have recovered to levels exceeding those before the COVID-19 pandemic, our current share price is still well below the ¥4,753 posted in January 2018, which was our highest closing price in the last 10 years. We recognize that the sluggish share price is due to a combination of factors, but we are taking an earnest look at two of the most significant factors, which are the level of shareholder returns and our shortcomings in presenting a concrete growth strategy for the future.

We are aware that our dividend forecast of ¥60 per share for fiscal 2025 is lower than the ¥75 per share in fiscal 2018, and that the dividend does not fully reflect a return of current profits to shareholders. Our strategy has been to prioritize the recovery of our financial base, lost during the COVID-19 pandemic, and make investments to boost the morale of group employees. We are now moving into a phase of strengthening shareholder returns, given that we are building profit at a pace faster than anticipated. As viable options for enhancing shareholder returns, we will consider share buybacks, which we have not conducted since fiscal 2017, and interim dividends, which we have never adopted due to the risk of performance fluctuations. We will publish a clear path for future growth strategy in our next ANA Group Corporate Strategy, which we expect to release later this fiscal year.

We think the current share price, indicating a PBR of about 1.2 times as of July 2025, is undervalued considering the value of the ANA Group's non-financial capital, which does not show up on the balance sheet. Employees and teamwork (human capital) to support world-class operations and quality, a wide variety of aircraft to expand and optimize capacity (manufactured capital), and a global airline network and strong relationships with stakeholders (social and

relationship capital). These non-financial capitals are the source of the high level of trust from our customers and stable cash flows. Moving forward, we will visualize the social value that the group creates and deepen dialogue with investors.

#### Enhancing Corporate Value by Practicing Management That Allows Employees to Shine

I believe we deliver the best value to our customers only when every employee works with vitality and enthusiasm. That belief is why I so value the time I spend visiting the front lines and listening to feedback from our employees. For example, I visited the Maintenance Division last year. The employees talked about the increase in work using an endoscope to inspect the inside of engines and offered a proposal about adopting the latest tools to reduce the burden and improve efficiency. I approved the proposal immediately, as the improvement would contribute to controlling maintenance costs in addition to facilitating engine inspections. Swan Bakery Akabane is a store operated by ANA WING FELLOWS VIE OJI that employs people with disabilities. When I heard the store was observing its 20th anniversary, I rushed to the location to hold a small celebration. I was deeply moved by the pride our employees took in working for the ANA Group and the way they served customers with all their hearts. I was convinced once again that an environment in which diverse human capital lets their abilities and individuality shine is what makes a company truly resilient. Employee job satisfaction and pride are important barometers to measure whether the cycle of value creation beginning with human capital is continuing to improve.

My ideal for One Team is one in which every employee acts autonomously as a professional, while also being united and supportive of each other under a common philosophy of creating a future of hopes and dreams. The ANA Group efforts to connect Japan with the rest of the world contribute to a bright future and peaceful societies, just as the bright blue sky spreads across the windows of our aircraft. I will



Celebration at AWO Swan Bakery



Evening Visit to the Maintenance Division



Visit to ANA Kansai Airport Co., Ltd.



Visit at the Peach Training Facility

take responsibility for building a strong team to make this ideal a reality.

When I was a child growing up on Kakeroma Island in the Amami Islands, I saw ships from far away docked near my home. I dreamed of someday going abroad. I chose to fulfill my childhood dreams through the aircraft of ANA, and my goal is to create a company where children—the shapers of the future world—become inspired to dream even bigger by the ANA Group business and ANA Group employees. With all employees together, the ANA Group will continue to take on the challenge of creating and delivering excitement to people around the world. I look forward to your continued support.

August 2025

**SHIBATA Koji**

Representative Director,  
President & Chief Executive Officer



## Message from the CFO



**NAKAHORI Kimihiro**

Member of the Board,  
Executive Vice President,  
Group Chief Financial Officer

## Establishing a Balance Between Financial Soundness and Capital Efficiency

### Enhancing Corporate Value to Meet the Expectations of the Capital Market

#### 1 Fiscal 2024 in Review

##### Q What do you see as the reasons for the continued strong performance in fiscal 2024?

Consolidated operating revenues reached a record high of ¥2,261.8 billion, while operating income amounted to ¥196.6 billion, the second highest mark ever and far exceeding the initial plan for the fiscal year (¥170.0 billion). This strong performance was largely due to our ability to expand top-line revenue while maintaining high yield and unit price amid a solid recovery in passenger and cargo demand.

In particular, the International Passenger Business captured strong inbound travel demand to Japan and demand for business travel from Japan, driving overall profits for the group. In addition, the Domestic Passenger

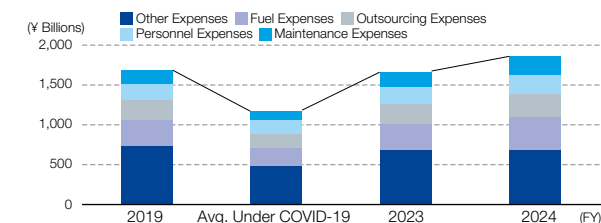
Business contributed to solid performance through record-setting unit revenue and load factor.

Consolidated	FY2023	FY2024	
	Results	Results	Year-on-Year
Operating revenues (¥ Billions)	2,055.9	2,261.8	+205.9
Operating income (¥ Billions)	207.9	196.6	-11.2
Net income (¥ Billions)	157.0	153.0	-4.0
Earnings per share (¥)	335.1	325.6	-9.5
ROE	16.5%	14.1%	-2.4pt
Shareholders' equity ratio (End of Period)	29.3%	31.2%	+1.9pt

##### Q Operating expenses are apparently on the rise. What are the reasons and what is the outlook for the future?

We attribute the upward trend in operating expenses to a number of factors, including changes in the external environment, one-time factors, and investments for future growth. Among other changes in the external environment, the further weakening of the Japanese yen, rising prices, and reduced subsidies and tax exemptions pushed expenses higher in general. Among expenses, maintenance expenses increased notably, mainly due to the temporary factors of maintenance postponed due to the COVID-19 pandemic and engine maintenance in response to an engineering order from the engine manufacturers. We expect this situation to resolve within the next two years. Other strategic investments also contributed to higher personnel and other expenses, as we stepped up investments in human capital, which represent the foundation of growth as we look ahead to business expansion in the medium to long term.

Our future outlook and policy are based on the premise that we will generate revenues that outweigh any temporary cost increases due to a weaker yen and inflation. From this basis, we will continue to implement disciplined cost control for enhanced profitability in the future, while addressing one-time cost increases appropriately.



## Message from the CFO

### 2 Balance Sheet Management

#### Q How do you plan to optimize the balance sheet in light of the future business environment?

We will engage in balance sheet management for both financial soundness and capital efficiency. While we continue to repay interest-bearing debt, we plan to add aircraft at an accelerated pace for further growth. We will also increase revenue while improving asset efficiency, which will lead to shareholder returns. The three specific initiatives to support priority measures will be the following:

##### 1. Optimize liquidity on hand

We will use liquidity on hand, which we secured generously during the COVID-19 pandemic, to repay interest-bearing debt and for growth investments, such as aircraft. Through this process, we will reduce interest-bearing debt gradually to about ¥500 billion, which is an appropriate level in normal times.

##### 2. Repay interest-bearing debt on a consistent basis

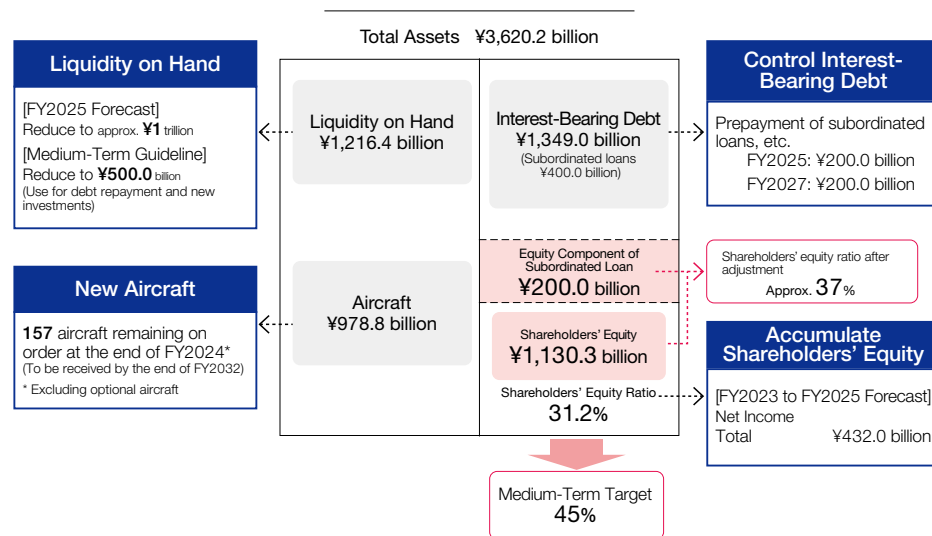
Of the ¥400 billion in subordinated loans borrowed during the pandemic, prepayment conditions have been met for ¥200 billion, and we are on track to repay the loan at the end of October 2025. We intend to repay the remaining ¥200 billion in a timely manner, dealing with the impact of future changes in lease accounting standards.

##### 3. Accumulate shareholders' equity and strengthen our financial foundation

We aim to achieve a shareholders' equity ratio of 45% in the medium term through the steady accumulation of profits and use of bond-type class shares. With a shareholders' equity ratio of 37% (as of March 31, 2025), after adjusting for the equity component of the subordinated loan,

we think the Company's substantial financial base has already recovered to a level close to that of pre-COVID-19, and we expect to strengthen this base further in the future.

#### Balance Sheet as of March 31, 2025



#### Q What led up to the decision to issue bond-type class shares?

We decided to issue bond-type class shares as a new financing option to achieve the two objectives of (1) Securing funds for investment in growth and (2) Improving financial soundness and capital efficiency, achieving a high level of balance while enhancing flexibility and agility in fundraising.

##### Background (1) Securing Funds for Investment in Growth

We anticipate great growth opportunities ahead for the Air Transportation Business, given the Japanese government's target of 60 million inbound travelers in 2030 and the 2029 expansion of the Narita Airport. To take advantage of this business environment for growth, we must secure funds for growth investments, including strategic investments, such as aircraft replacements and the additional orders announced in February 2025.

##### Background (2) Maintaining a Balance Between Financial Soundness and Capital Efficiency

With the rapid recovery in business performance, our financial base is recovering at a pace faster than expected. At the same time, we recognize that the cost of equity has increased

significantly in the wake of the COVID-19 pandemic. To increase corporate value, we must ensure a stable equity spread, where ROE exceeds the cost of equity. Our challenge here is to improve capital efficiency while maintaining financial soundness.

Given the situation, we chose the bond-type class shares as an option to resolve the issue, while giving maximum consideration to the interests of existing shareholders. The class shares are non-participating, with no dilution of voting rights and no dividends beyond the preferred dividends set at the time of issuance. The shares will also have minimal impact on key financial indicators related to common stock, such as ROE and EPS. While the shares will be treated as shareholders' equity for accounting purposes—and deemed 50% equity for rating purposes—we expect the cost of capital to be lower than that of common stock. These shares will help us strengthen our financial base and improve capital efficiency, as well as facilitate investments for future growth.



## Message from the CFO

### 3 Share Price and Shareholder Returns

#### Q The recovery in share price appears with be slow compared with the strong business performance. How do you assess the current share price?

As you noted, our share price remained around ¥3,000 against solid business performance in fiscal 2024. We attribute this gap in market valuation to a combination of factors. The major factors include concerns about the business environment, such as lower yield due to an easing in International Passenger Business supply and demand, as well as lower cargo demand due to U.S. tariff policy. We recognize that the level of shareholder returns has not met market expectations. At the same time, we have yet to present our medium- to long-term growth strategy for fiscal 2026 and beyond, which has had an overall impact.

In addition to rectifying these issues, we believe we must present our medium- to long-term growth path to investors in the form of concrete strategies and a convincing story if we are to see our share price rise in the future. To this end, we plan to publish the next ANA Group Corporate Strategy in the latter half of fiscal 2025. We are committed to achieving profit targets for the stand-alone fiscal year, and in parallel, we intend to step up information disclosure and dialogue with investors to tell our story of medium- to long-term growth to the capital market.

#### Share Price



#### Total Shareholder Return (TSR) (As of March 31, 2025)

Total Shareholder Return (TSR) (Share price at end of period - Share price at beginning of period + Dividends) / Share price at beginning of period

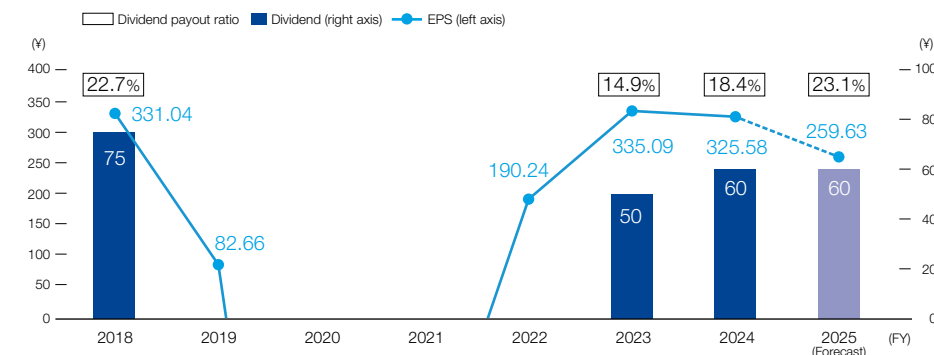
	Past Year	Past 3 Years	Past 5 Years
ANA HOLDINGS INC.	87.8%	111.8%	108.7%
TOPIX (including dividends)	98.5%	147.2%	213.4%

#### Q What will your basic approach to shareholder returns be in the future?

With the recovery of our financial base progressing at a faster pace than expected, we plan to move into a phase of strengthening shareholder returns. We resumed dividends for the first time in five fiscal years in fiscal 2023, raising dividends to ¥60 per share in fiscal 2024. We are serious about dealing with the current situation, where dividends have yet to reach the level when we delivered the highest profit before the COVID-19 pandemic (¥75 per share in fiscal 2018) and our total shareholder return (TSR) is well below that of TOPIX.

Our current corporate strategy placed the highest priority on restoring our financial base. Now that our credit rating reflects an accumulation of profits that exceeded expectations, we recognize the need to meet the expectations of our shareholders further. Specifically, we will consider share buybacks as one of the most promising options to enhance shareholder returns, as the increase in the number of outstanding shares is currently restraining the growth of earnings per share (EPS). We will also consider introducing an interim dividend to foster more flexible returns. We plan to present our new shareholder returns policy, including for the dividend payout ratio and overall cash allocation, in the next ANA Group Corporate Strategy.

#### Dividend Payout Ratio, Dividends, and EPS

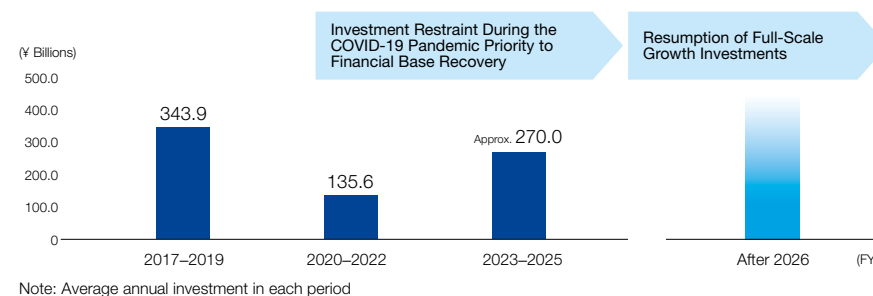


## Message from the CFO

### 4 Capital Expenditures

#### Q What is your future outlook for capital expenditures?

We curtailed investment significantly during the COVID-19 pandemic, but we are now in a phase of resuming growth investments full-scale. Capital expenditures during the current ANA Group Corporate Strategy have been in line with plan, averaging ¥270 billion per year. However, capital expenditures for fiscal 2025 will include investment in aircraft not planned when we formed the current strategy (partial payment for 77 aircraft ordered at the end of February 2025). We postponed the actual cash movement for the investment to the following fiscal year as the receipt of aircraft already orders has been delayed. As a result, capital expenditures in fiscal 2026 and beyond should increase to a level exceeding the pre-COVID-19 average (FY2017 to FY2019: ¥343.9 billion). We will present the specific scale of investment, priorities, and overall cash allocation when we publish the next ANA Group Corporate Strategy.



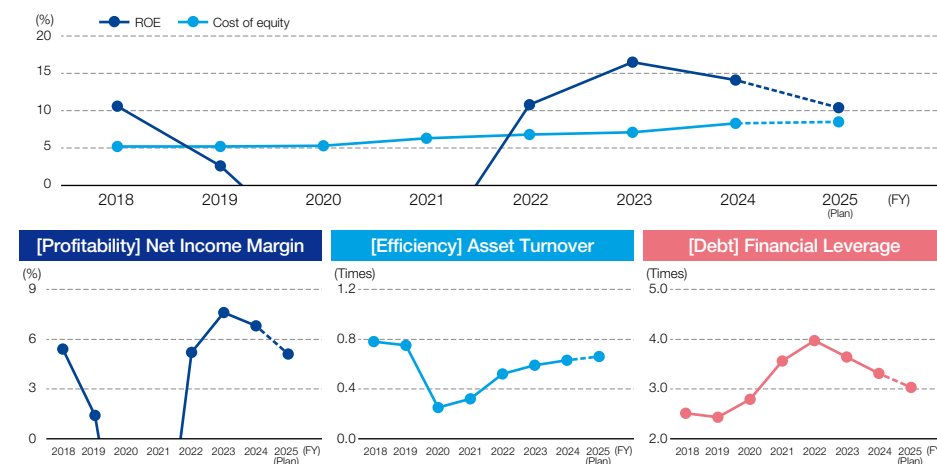
### 5 Cost of Capital and Return on Capital

#### Q The cost of capital appears to be on the rise. What are the factors behind this cost increase? Also, what level of ROE are you targeting for the future?

Cost of equity (calculated based on the capital asset pricing model, CAPM) increased from the 5% range prior to the pandemic to around 8% currently. The main reasons behind this increase are higher financial risk associated with increased interest-bearing debt (higher beta) and higher interest rates associated with changes in the Bank of Japan's monetary policy (increased risk-free rate). The increase in the risk-free rate has been a major factor in pushing up the cost of capital overall, especially in light of the Bank of Japan's recent lifting of its negative interest rate policy. In addition to these factors, we recognize that heightened geopolitical risks and other factors could be pushing up business risks in the airline industry as a whole.

Our medium-term ROE target is 12%. This target is in excess of the current cost of equity (around 8%) and ensures that the equity spread is sufficient to serve as a source of corporate value creation. We exceeded this target in fiscal 2023 (16.5%) and fiscal 2024 (14.1%); however, we believe we must achieve an ROE level of 12% consistently, while continuing to maintain the equity spread. Keeping in mind the possibility of further increases in the cost of capital, we will set appropriate targets and improve corporate value as we continue to engage in dialogue with investors.

#### ROE and Cost of Equity



## Message from the CFO

6

### Enhancing Corporate Value Over the Medium to Long Term (Achieving a PBR of 2 times)

#### Q Your medium- to long-term target is a PBR of 2 times. What are you doing to achieve this target?

To achieve this target PBR of 2 times, we plan to integrate efforts to improve ROE and PER, which are the components of the price-to-book ratio. Our basic approach recognizes that the first and most important priority is to secure an equity spread that generates a stable ROE above the cost of equity.

#### 1. Increase ROE (target: stable at 12% or more)

Improving ROE requires working from the perspectives of profitability, asset efficiency, and financial leverage.

- **Improve profitability:** We intend to strengthen our earning power by expanding the International Passenger Business, reforming the structure of our Domestic Passenger Business, and creating synergies with the acquisition of NCA.
- **Optimize asset efficiency:** We are increasing efficiency by stepping up investment management and improving aircraft utilization, while reducing the size of our cross-shareholdings (policy modified in April 2025).
- **Optimize financial leverage:** We will pursue an optimal capital structure by controlling interest-bearing debt and utilizing the issuance of bond-type class shares.

#### 2. Improve PER (gaining the confidence of the capital market)

To increase our PER, we must gain the confidence of the capital market in our potential for sustainable growth.

- **Reducing the cost of equity:** We reduce financial risk by steadily repaying interest-bearing debt and reducing performance volatility through fixed cost control, while reducing information asymmetry by enhancing sustainability disclosures.
- **Raising growth expectations and dialogue with the capital market:** Our next ANA Group Corporate Strategy, now under consideration, will redefine the value creation process and material issues of the ANA Group. We will formulate and execute high-probability strategies, disclosing progress in a highly transparent manner to deepen constructive dialogue with investors and ensure a management cycle that leads to enhanced corporate value.

We believe that through these and other efforts, we will achieve a PBR of 2 times.

