

Redefining Material Issues

Material Issue Review

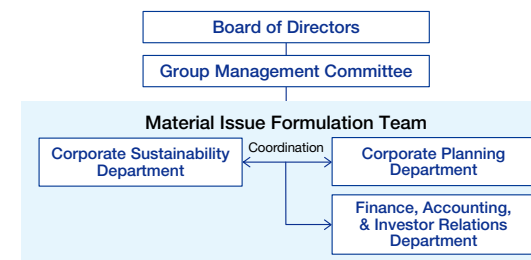
We first identified material issues in 2015 (People, Environment, and Regional Revitalization), making partial revisions in the interim. In response to the significant changes in social and economic conditions (megatrends, risks and opportunities, business strategies, stakeholder demands, etc.) over recent years, we decided to completely revise our material issues, taking about one year for the process. We plan to deliberate and formalize medium-term strategies and measures based on eight newly identified material issues.

The Specific Review Process

We conducted our material issue review according to the process detailed below. We performed an impact assessment to identify material issues, incorporating the concept of double materiality. We then consulted with various internal and external stakeholders, including employees, executives, investors, and experts. We intend to consider initiatives and KPIs to address these new material issues in conjunction with the next ANA Group Corporate Strategy.

Material Issue Review Framework

The Corporate Sustainability Department, Corporate Planning Department, and Finance, Accounting, & Investor Relations Department came together to formulate a plan, which they submitted to management. The plan emphasized integration with the ANA Group value creation and corporate strategy.



Step 1

Identify and Finalize Issues (Long List)

Based on the following information and other sources, we identified issues closely related to the ANA Group and created a long list of initial candidates for material issues.

Internal

- Initial discussions of the next ANA Group Corporate Strategy
- Interviews with members of relevant departments

External

- Opinions from investors, experts, etc.
- Legal disclosure standards and guidelines (ESRS¹, ISO 26000, etc.)
- World Economic Forum Global Risks Report

¹ ESRS: Specific standards for companies to disclose sustainability-related information based on the EU Corporate Sustainability Reporting Directive (CSRD).

Conduct Impact Assessment

We conducted an impact assessment on the Company (impact of social issues on the ANA Group) and impact on society (impact of our business activities on the environment and society) for each item in the long list (Double Materiality Assessment). We considered three factors in our impact assessment: (1) Impact of management decision-making; (2) Tie-in to the next ANA Group Corporate Strategy; and (3) Measurability.



Step 2

Impact on the Company		Financial Impact
Assessment Method		Overview
Interviews	Officers	We conducted interviews with the chair, president, other directors, Audit & Supervisory Board members, and executive officers.
Questionnaires and Interviews	Employees Responsible for ESG	We issued questionnaires and conducted interviews related to risks and opportunities (risk and opportunity details; degree of impact) with 17 departments, group companies, EPOs, and EPLs ² most closely related to the material issue candidates. Based on this information, we designated candidates as <i>most important</i> where the likelihood of occurrence was high and fiscal single-year impact was likely to be ¥50 billion or greater.
Workshop	Employees	We held a workshop bringing together employees from 35 departments and group companies engaged with human rights and environmental initiatives. We discussed and identified the risks inherent in day-to-day operations. (FY2022)
Survey	—	We conducted a risk assessment on climate change and biodiversity based on TCFD/TNFD scenario analysis.
Other	—	We performed importance assessments by comparing candidates with management discussions for consistency (e.g., initial discussions regarding the next ANA Group Corporate Strategy).
Impact on Society		Social Impact
Assessment Method		Overview
Survey	Civil Society	We collected information in connection with our airline-related business from data published directly by 14,000 major NGOs worldwide, conducting an analysis and assessment based on information volume and content in the context of social issues. We designated the top ten issues in terms of information volume as <i>most important</i>.
External Dialogue	Business Partners, Business Partner Employees	We obtained information through dialogue with suppliers, which we have conducted to date as part of our business and human rights initiatives.

² EPO: Employee(s) responsible for promoting ESG management

EPL: Employee(s) responsible for driving organization ESG management

Step 3

Dialogue With Experts

We conducted a dialogue with three experts, our director in charge, and the material issue formulation team to confirm the validity of our identification process and social impact assessment.

Experts*

ADACHI Eiichiro
Senior Counselor, The Japan Research Institute, Limited

ISHIDA Hiroshi
Executive Director, Caux Round Table Japan

HIBI Yasushi
Director, Conservation International Japan

* Title at the time (December 2024)

Key Comments from the Experts

- The company is proceeding under an appropriate identification process.
- Not all issues can be addressed, so prioritization is the best course of action.
- When assessing the material issue matrix, it would be helpful to tell a story about how each item is expected to change over time.



Step 4

Management Discussion and Approval

Management discussed material issues selected via the material issues assessment and based on dialogue with experts at the Management Committee on two separate occasions. The Board of Directors also discussed material issues in two separate meetings. After certain revisions, the Company selected eight material issues.

Key Comments from Management

- It is important that executives recognize the significance of increasing the number of material issues from the current three to eight. The reasons for this increase must be communicated widely and understood by employees. (Board Chair)
- Safety is paramount. From that understanding, we must express clearly that safety encompasses not only flight operations, but also employees and information security. (ANA HD President)
- We must think through the potential KPIs to ensure the effectiveness of this initiative. (Outside Director)



Redefining Material Issues

New Material Issues for the ANA Group

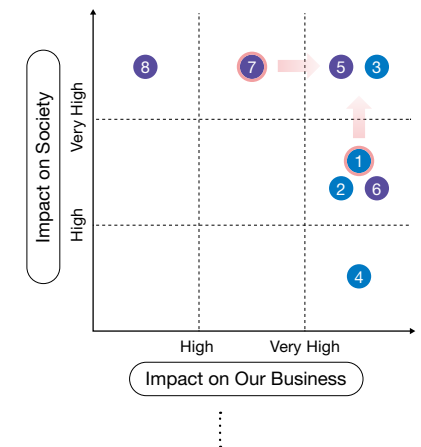
The following are the eight newly identified material issues for the ANA Group that will serve as a compass for value creation. By addressing these material issues, we will create social value and economic value as we pursue the vision of the ANA Group.

Category	Area	Material Issue	Background	Vision
Material Issues for Competitive Advantage	Social Infrastructure for Air Transportation	① Focus on Air Transportation to Create Global Connections	<ul style="list-style-type: none"> Air transportation is an essential means of travel for the island nation of Japan Domestic population decline, deterioration of local economies, development of high-speed rail networks, etc. Expanding personal travel and logistics on a global scale 	We contribute to the development of the global economy and world peace by facilitating the rapid movement of people and goods, thereby enriching lives, deepening mutual understanding among peoples, and expanding connections among people, goods, and services. We also uplift Japan by communicating the attractiveness of Japan to the world, pursuing regional revitalization through active measures.
	Human Capital	② Employee Growth and Team Spirit	<ul style="list-style-type: none"> Human capital is the greatest driver of value creation and a source of differentiation The strength of the group is teamwork, emerging from the spirit of <i>Wakyo</i> (close cooperation) The consistent recruitment and training of employees is vital to the continuation and enhancement of our route network 	We offer the greatest support possible to ensure every employee feels a sense of fulfillment and accomplishment as they grow through their work, contributes their talents, and plays an active role. We also encourage employees to take on challenges, fostering the <i>Anshin, Attaka, Akaruku-genki!</i> (Trustworthy, Heartwarming, Energetic) culture to create an organization capable of change.
	Customers	③ Improve Convenience and Create Emotional Experiences	<ul style="list-style-type: none"> The need to respond quickly to the demand of today's customers for more options Developing attractive products and services is essential to growing our customer base 	We develop attractive products and services that increase customer mobility and transportation options. We seek to improve customer satisfaction, leveraging the strengths of the ANA Group in customer-oriented services to offer exciting opportunities and emotional experiences. We continue to strengthen our brand power as we focus closely on customer orientation to create greater trust and empathy.
	DX	④ Transform Our Business Using Digital Technologies and Data	<ul style="list-style-type: none"> Digital technology is essential to respond to changes in consumer needs and work environments Using data within the ANA Group effectively is an essential part of expanding the ANA Economic Zone 	We build customer experiences and operations on a foundation of data, maximizing the use of digital technology. We strive for customer convenience in every scenario, while achieving labor savings and efficiencies through business process transformation. In this way, we aim to maximize the power of our people and shift away from a labor-intensive business.

Material Issues for Sustainable Growth	Management Foundation	Safety	⑤ Ensuring Safety and Peace of Mind	<ul style="list-style-type: none"> Safety is the most important foundation of ANA Group management Safety is linked directly to stakeholder trust 	We ensure operational safety, workplace safety, food safety, systems robustness, and information security. Employees strive to enhance their own expertise and skills, while we accumulate expertise and collaborate with suppliers as an organization. Through this approach, we consistently pursue quality in our aircraft and operations, placing the highest priority on the safety and peace of mind of our customers to secure trust in the ANA Group.
		Governance	⑥ Improve Business Resilience	<ul style="list-style-type: none"> The Air Transportation Business is subject to a high risk of performance fluctuation due to changes in the external environment 	We enhance business resilience by continuing to improve the functions of the Board of Directors and by strengthening the group's overall risk management structure. We aim for management that co-creates value with stakeholders through a business cycle of highly transparent information disclosures, proactive dialogue, and incorporating feedback into strategy.
	Environment		⑦ Contribute to Global Environmental Conservation	<ul style="list-style-type: none"> Reducing CO₂ emissions and other environmental burdens is a pressing issue for companies Risks include increased costs due to tighter international environmental regulations and the introduction of a carbon tax Recognition of the impact of our business activities on the environment and the need to fulfill our responsibilities 	We strive to lead industry-wide decarbonization efforts and make contributions to becoming nature positive, ensuring that we fulfill our social responsibility as a public transportation provider. We also engage in the proper management of resources and reduction of food waste. Through these efforts, we aim to become the environmental leading airline group, contributing to the creation of sustainable societies.
	Human Rights		⑧ Respect the Human Rights of All People Involved in Our Business	<ul style="list-style-type: none"> ANA Group businesses are supported by people around the world We must practice management that respects the human rights of all people in the supply chain, including group employees 	We practice management that respects the human rights of all people in our supply chain. We aim to eliminate any negative impacts on human rights and to create positive impacts by earning the trust of society, communicating to the public how ANA Group management ensures respect for human rights.

Material Issue Matrix

We plotted material issues in terms of the impact on society and the impact on our business. Note that the arrows indicate the medium- and long-term time horizons for material issues we expect to increase in importance.

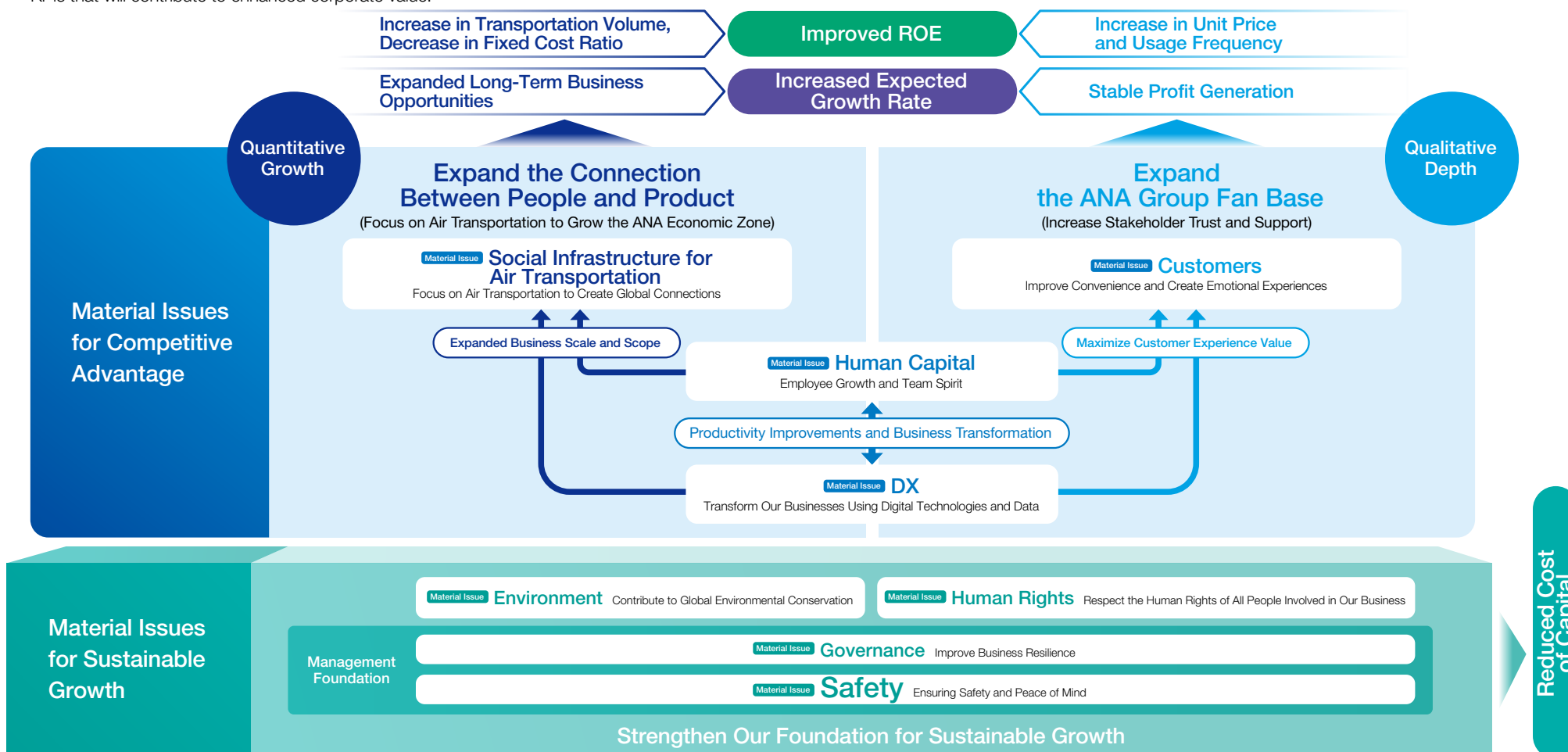
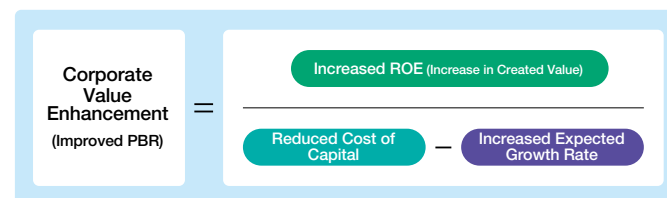


Impact on Our Business	High	High likelihood of occurrence and projected impact on cash flow of between ¥5 billion and ¥50 billion in a single fiscal year, or high level of importance within the next ANA Group Corporate Strategy
	Very High	High likelihood of occurrence and projected impact on cash flow of ¥50 billion or greater in a single fiscal year, or very high level of importance within the next ANA Group Corporate Strategy
Impact on Society	High	Information available from major NGOs
	Very High	Top 10 issues in terms of information disclosure volume by the world's leading NGOs

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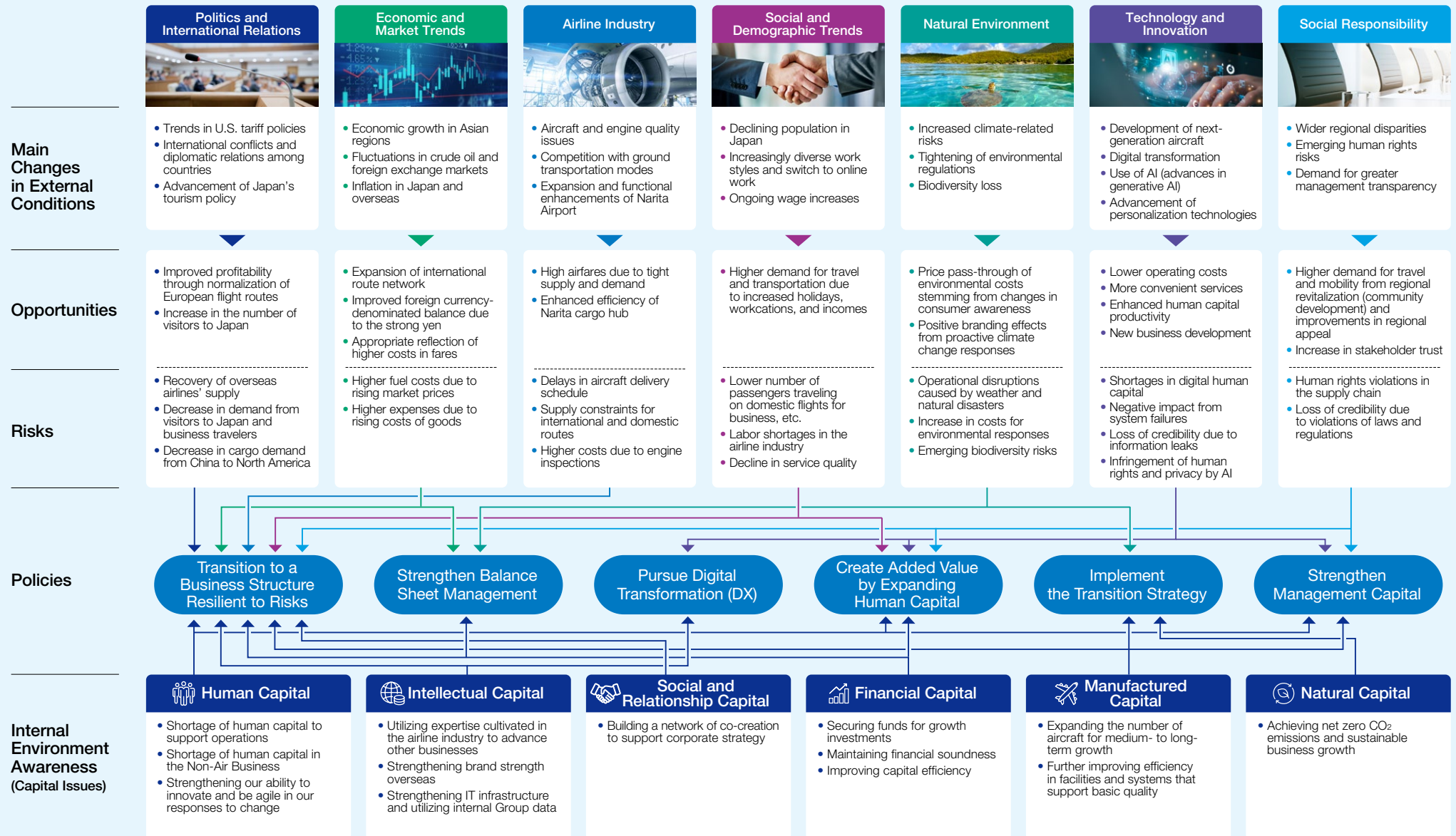
Relationship Between Material Issues, Business Model, and Corporate Value

We established new material issues based on matters raised by investors and experts in response to our previous material issues. Based on this feedback, we conducted in-depth discussions and deliberations on the relationship between material issues, our business model, and corporate value. We expect the four material issues tied to our competitive advantage will result in higher ROE and expected rate of growth, both in terms of quantity and quality, as we expand the connection between people and product while expanding the ANA Group fan base through our business model. We also expect the four material issues tied to sustainable growth will result in a lower cost of capital as we strengthen the critical foundations of ANA Group management. We plan to create our next ANA Group Corporate Strategy in the near future. In the process, we will examine strategies, initiatives, and KPIs that will contribute to enhanced corporate value.



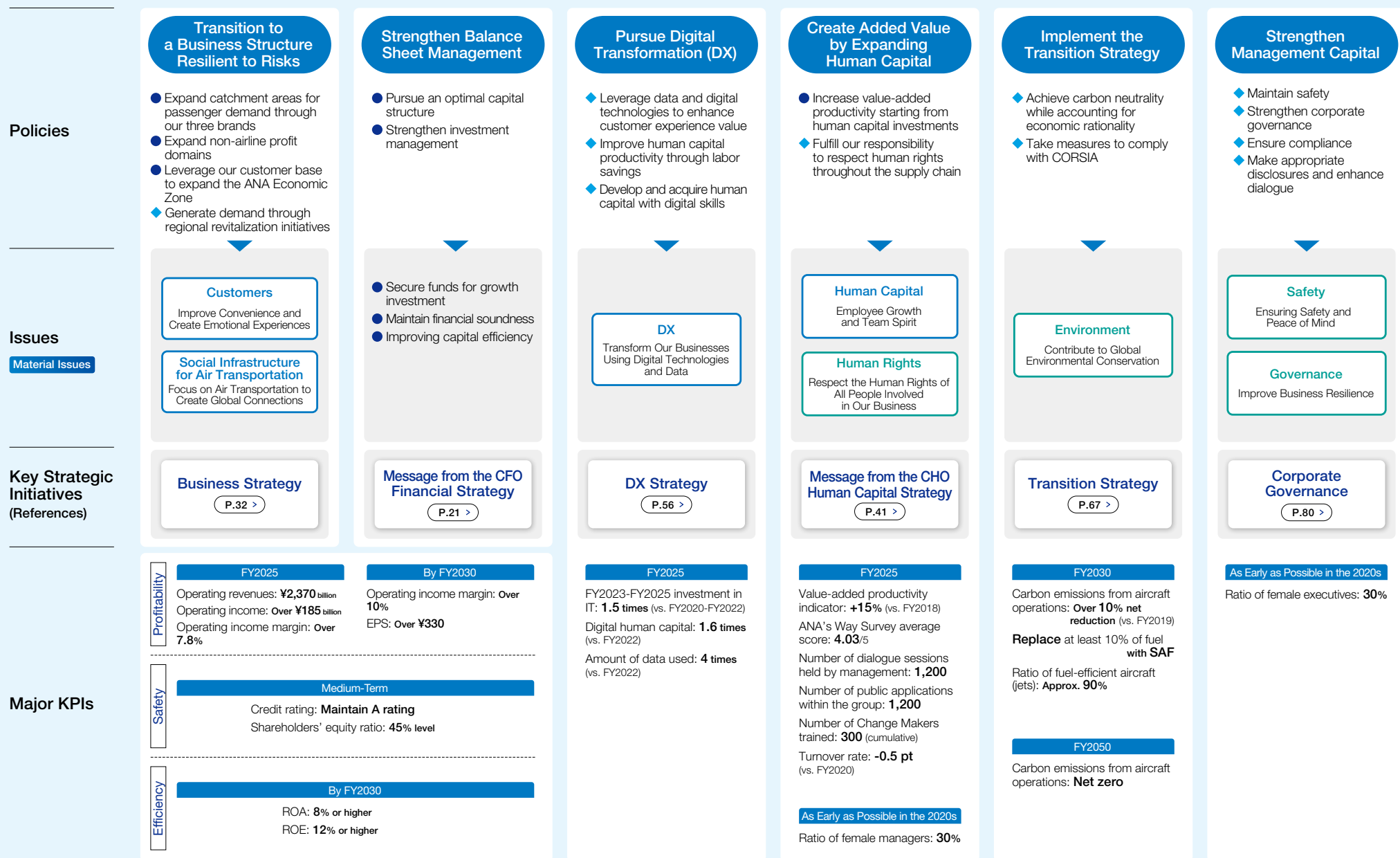
Business Environment Analysis

We conducted a multifaceted analysis of the business environment surrounding the group, examining opportunities, risks, and internal capital challenges. We formulated six strategic response policies based on this analysis, aiming to enhance sustainable growth in corporate value by advancing specific initiatives aligned with each policy.









Business Environment Analysis

● Issues to be monitored over the short- to medium-term cycle (current FY2023-2025 ANA Group Corporate Strategy period) ◆ Issues to be monitored over the medium- to long-term cycle (up to FY2023/FY2050)



Strengthening Management Capital

	Current Status of Capitals (As of March 31, 2025)	Issue Recognition	Examples of Improvements	(Examples of Monitoring Indicators and Targets)	Our Vision and the Reasons Why
 Human Capital	The power of our people (highly engaged employees with specialized expertise and skills) and teamwork (collaboration and cooperation across organizational boundaries) <ul style="list-style-type: none"> Group employees: 44,019 ANA's Way Survey average score: 3.98/5 Ratio of female managers (ANA Group): 20.9% (As of April 1, 2025) Number of cross-department (cross-company) Good Job Program messages: 189,975 	<ul style="list-style-type: none"> Lack of workers to support airport operations and expand business scale Strengthening our ability to innovate and be agile in our responses to change 	<ul style="list-style-type: none"> Strengthened dialogue and feedback between management and employees in the field Facilitated communication across companies and organizations Recruited and developed professional human capital Advanced inclusive engagement where diverse human capital could demonstrate their individual strengths Fostered a culture that encourages change and excitement Revised wage levels and benefit programs Ensured employee safety and health Created comfortable work environments 	FY2025 Targets <ul style="list-style-type: none"> ANA's Way Survey average score: 4.03/5 No. of cross-department messages: 200,000 Value-added productivity indicator: +15% (vs. FY2018) Ratio of female executives and female managers: 30% (as early as possible in the 2020s) 	Human capital is the source of added value. Highly specialized human capital in our Air Transportation Business must demonstrate their individual skills and teamwork to provide high-quality services. Skills and teamwork are an absolute must for establishing a competitive edge over other companies. We must continue to strengthen human capital if the ANA Group is to continue sustainable growth.
 Intellectual Capital	Knowledge and expertise fostering customer satisfaction and high brand power <ul style="list-style-type: none"> ANA brand strength/SKYTRAX 5 Star for 12 consecutive years (2013-2024) Expertise cultivated in the Air Transportation Business Detailed manuals for maintaining high basic quality as an organization BlueLake data platform 	<ul style="list-style-type: none"> Utilizing expertise cultivated in aviation to advance Non-Air Business Improving brand recognition overseas Strengthening IT infrastructure and fostering a culture of data usage 	<ul style="list-style-type: none"> Strengthened overseas branding and shared organizational expertise across departments to maximize its use Expanded BlueLake data use Fostered a culture of data use Strengthened data management and digital governance Secured digital talent and supported their development 	FY2025 Targets <ul style="list-style-type: none"> Continue SKYTRAX 5-Star status Amount of data used: 4 times (vs. FY2022) Monitoring Indicators (Indicators related to operational quality) <ul style="list-style-type: none"> Safety On-time performance Customer satisfaction 	The world-class, high-quality ANA brand is founded on the knowledge and expertise we have cultivated through the Air Transportation Business. Digital transformation will allow us to make full use of individual employee expertise across the entire Group, driving further growth in the Air Transportation Business and expanding the ANA Economic Zone through new value creation.
 Social and Relationship Capital	Strong relationships with stakeholders <ul style="list-style-type: none"> Number of airports served: 359 (including code-share) ANA Mileage Club members: 44 million Number of joint ventures: 3 (groups) (As of the end of April 2025) Number of Star Alliance member airlines: 25 Number of shareholders: 745,681 Individual and comprehensive cooperation agreements with local governments: 24 	<ul style="list-style-type: none"> Building a network of co-creation to support corporate strategy 	<ul style="list-style-type: none"> Expanded route network further Increased ANA Mileage Club membership Provided timely and appropriate information to the capital markets Increased opportunities for dialogue between management and stakeholders Supported regional revitalization through collaboration with local governments Conducted fair and transparent procurement across the supply chain based on the ANA Group Procurement Policy 	FY2025 Monitoring Indicators <ul style="list-style-type: none"> ANA Mileage Club members Contact center response rate, etc. 	We aim to continue to be an airline group of choice for creating meaningful connections that go beyond the movement of people and goods. Strong relationships with diverse stakeholders support business expansion, smooth operation, new service development, and regional economic revitalization (regional revitalization). We will continue to co-create value by building strong relationships of trust.
 Financial Capital	Sound financial management supporting the generation of stable profits FY2024 Results <ul style="list-style-type: none"> Operating income margin: 8.7% ROA: 5.6% ROE: 14.1% EPS: ¥325.58 Shareholders' equity ratio: 31.2% Credit rating: R&I: A- (Stable); JCR: A (Stable) 	<ul style="list-style-type: none"> Maintaining or enhancing a stable financial base and improving capital efficiency 	Through FY2025 <ul style="list-style-type: none"> Give priority to financial base restoration Build shareholders' equity through profit accumulation Repay interest-bearing debt Maintain high level of cash on hand Maintain A credit rating FY2026 and After <ul style="list-style-type: none"> Reduce total assets Accumulate shareholders' equity 	Targets for FY2026 and After <ul style="list-style-type: none"> EPS: Higher than pre-COVID-19 levels Shareholders' equity ratio: 45% Targets for FY2030 <ul style="list-style-type: none"> Operating income margin: 10% or higher ROA: 8% or higher ROE: 12% or higher P/B ratio: 2 times or higher 	Our Air Transportation Business requires enormous sums of capital for aircraft procurement and other needs. Therefore, we must continue building relationships of trust with the capital and financial markets through sustained business growth and solid financial management, maintaining stable financing regardless of the ups and downs of business.
 Manufactured Capital	A wide variety of aircraft, support facilities, and systems <ul style="list-style-type: none"> ANA Group aircraft: 278 (including 8 freighters) Ratio of fuel-efficient aircraft: 83% ANA Blue Base training facility Maintenance facilities supporting safety Operating systems supporting basic quality 	<ul style="list-style-type: none"> Expanding the number of aircraft for medium- to long-term growth Improving efficiency further in facilities and systems that support basic quality 	<ul style="list-style-type: none"> Implemented fleet strategy based on network strategy Invested in aircrafts for sustainable growth Reorganized freighters by making NCA a subsidiary Increased fuel-efficient equipment Made investments in facilities and systems to improve basic quality further 	FY2025 Targets <ul style="list-style-type: none"> ANA Group aircraft: 283 Capital expenditures: ¥270 billion (average over FY2023-2025) FY2030 Plan <ul style="list-style-type: none"> ANA Group aircraft: 320 Ratio of fuel-efficient aircraft: 91% 	We procure aircraft systematically from a long-term perspective to expand business based on demand. At the same time, we introduce fuel-efficient aircraft and integrate our operating systems to deliver world-class air services with high added value in environmental performance and safety.
 Natural Capital	Effective use of resources through day-to-day efforts FY2024 Results <ul style="list-style-type: none"> CO₂ emissions: 8.9% reduction (vs. FY2019; aircraft operations) CO₂ emissions: 20.5% reduction (vs. FY2019; excluding aircraft operations) Resource waste rate: 57.6% reduction (vs. FY2019) Food waste rate: 4.1% 	<ul style="list-style-type: none"> Achieving net zero CO₂ emissions and sustainable business growth 	<ul style="list-style-type: none"> Made operational improvements and developed new aircraft technologies Shifted to low-carbon aviation fuel, including SAF Used Emission Trading Schemes Used Negative Emissions Technologies (NETs) Shifted to services that reduce resource and food waste rates Eradicated illegal wildlife trafficking in air transportation 	FY2030 Targets <ul style="list-style-type: none"> CO₂ emissions: 10% reduction (vs. FY2019; aircraft operations) Resource waste rate: Net reduction 10% of higher (vs. FY2019) Food waste rate: 3.8% or less 	Air travel and cargo transportation offer highly convenient means of long-distance, high-speed transportation. However, reducing the significant burden these modes of travel have on the environment is a critical issue. We intend to strengthen our efforts across a wide range of areas to balance transportation services for more abundant lives with environment preservation. To this end, we are stepping up efforts in climate change mitigation, primarily through the reduction of greenhouse gas emissions, biodiversity conservation, and the effective use of resources.