



Annual Report 2023

Fiscal 2022 (Year ended March 2023)





Management Vision

Uniting the World in Wonder

ANA inspires our employees, customers, and society
to explore endless possibilities with diverse connections
that begin in the sky.

'Waku waku' is what moves people to push what's possible.

It's Japanese for the joy and excitement
of discovering the unknown.

And when passed from person to person,
becomes a force that creates a brighter world,
united in wonder.

The sky is full of possibilities, which has allowed us to
bring together people, products and experiences for decades.

Now, we're expanding our horizons and spreading
'waku waku' across the world.

So, we wonder, can we make travel more enjoyable?

Can we renew the way we transport products?

Can we bring excitement to life, while being kind to the earth?

Together with an elevated experience in the sky,
we can explore more incredible discoveries that
will lead to a better tomorrow.

Here is where our new adventure begins.

When people connect across borders and
unite beyond countries,

the world offers endless opportunities.

Together, let our hearts wonder and fill the world with *'waku waku.'*



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Contents of This Report
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 2023, 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, 2022 to March 31, 2023 (including some activities in and after April 2023).
• 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.

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.

ANA Group Safety Principles

Management Vision

Uniting the World in Wonder

ANA inspires our employees, customers, and society to explore endless possibilities with diverse connections that begin in the sky.

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.

SHIBATA Koji

President &
Chief Executive Officer

United in Purpose to Deepen Trust and Co-Create Value with Our Stakeholders

I Looking Back on My First Year as President and CEO

Fiscal 2022 was a turning point for the ANA Group. We overcame a business crisis unlike any experienced in the past, as restrictions began to ease and passenger demand began to recover. Throughout my first year as president, I considered carefully what we should change and what we should not change in the post-COVID-19 era. We united the ANA Group, calling on employees to exhibit and value mutual respect, communicating how their efforts led to results, and

sharing the importance of continuing to take on challenges with hope and pride. As a result, we returned to full-year profitability for the first time in three fiscal years and shared the joy of achieving an ambitious goal with group employees.

The end of the three-year journey through the long tunnel of the COVID-19 pandemic was not only through our own efforts but also through the support of our stakeholders. These stakeholders included

national and local governments, companies and organizations, financial institutions, shareholders, and customers who continued fly with the ANA Group. Once again, I wish to express my appreciation to everyone.

What We Learned at the Far Side of the Tunnel

In our 70-year history, the ANA Group endured numerous risk events. The terrorist attacks on the U.S. in 2001 and the Lehman Brothers collapse in 2008 are just two examples. But the COVID-19 pandemic was truly the largest crisis ever in terms of scale and duration. We must be sure that we remember the experiences gained through overcoming for future management. When I look back at what the pandemic taught us, the following three points stand out clearly.

First, that the greatest strength of our group is our employees. Our organizational culture is one of cooperation and collaboration that transcends departmental and occupational barriers. Despite the challenging business environment during the COVID-19 pandemic, the ANA Group remained close to our customers in daily operations. While adhering strictly to safety, our employees worked together, sharing their knowledge and wisdom to overcome the challenges. This success was only possible by preserving our corporate culture, with every employee acting under our founding spirit, *Hardship Now, Yet Hope for the Future*, walking the path of *Wakyo* (close cooperation), and embodying *Anshin, Attaka, Akaruku-genki!* (Trustworthy, Heartwarming, Energetic!).

As shown in the engagement score of the ANA's Way Survey (ANA Group Employee Engagement Survey), employees have a high level of attachment to the company and gain a sense of fulfillment in their work. Through more than 2,000 town meetings held yearly with management, we communicated to every employee a correct understanding of our situation with the pandemic, and every employee acted accordingly. This engagement is how we worked together and moved forward in alignment, even during the most difficult times. We reaffirmed that enhancing the power of our people and the power of our organization is of the utmost importance to achieve sustainable corporate value enhancement.

The second point is the importance of risk management. In point of fact, six months prior to the outbreak

of COVID-19, we discussed at a management meeting how to deal with a *Lehman shock*-level crisis should one occur. In retrospect, we may not have been prepared fully for COVID-19, which was an event far beyond the *Lehman Shock*. Perhaps we should have imagined the possibility of a much larger risk event. However, thanks to this preparation, we responded quickly and flexibly to COVID-19 by securing cash on hand and engaging in emergency cost reduction measures in the face of an uncertain future. Early on, we formulated a business structure reform plan, retired aircraft earlier than scheduled, and asked employees to cooperate in terms of compensation. These measures led directly to a recovery in business performance. Although we have always taken every conceivable precaution to manage risk, I now understand firsthand how important it is to identify major risks during times of normal operations. And when risks do emerge, how to assess the situation appropriately, make decisions with courage, and implement decisions rapidly.

The third point is the enormous and irreplaceable value that the ANA Group provides to society. The COVID-19 pandemic resulted in an extended period of restrictions on activity. People could not visit family and friends. Businesses could not have face-to-face meetings with suppliers. No one could travel, even if they wanted to. Of course, I understood that certain things can be done online rather than in person. But I also felt a real sense that there is joy in going somewhere physically, taking pleasure in sightseeing and food through all five senses. Meeting and interacting with others in person. I saw in a new light how the airline business provides not only transportation, but also service indispensable to rich and fulfilling lives. Our role is to create global connections and encounters. We are truly a bridge across the sky. Looking back on my life, the people I have met, the countries I have visited, and the events I have experienced are the sustenance of my life today. These memories are a great source of inspiration for taking on new challenges and helping when I face difficulties, becoming a force behind the progress in my professional and personal life. The joy that people derive from real-life experiences is a fundamental human need. The value the ANA Group provides to society by connecting people, goods, and services will never disappear in the post-COVID-19 era.

I FY2023-25 ANA Group Corporate Strategy: Toward Our 2030 Management Vision

A New Corporate Strategy Redefines the Value that the ANA Group Provides to Society

While many group employees were concerned about our future in the face of the COVID-19 pandemic, we saw the 70th anniversary of our founding as an opportunity for growth, and we updated the Group Management Vision for the first time in 10 years. We supported the creation of this vision through the Future Creation Project, filling our vision with employee aspirations and my own thoughts as well. Uniting the World in Wonder. This statement expresses our desire to become an indispensable presence in society through group employees who work energetically toward a bright future and who provide value that exceeds the expectations of our customers. Our vision also expresses our will to expand business domains beyond the core framework of airlines to next-generation mobility and from the real to the virtual as we emphasize the value of creating connections among people, goods, and services. The vision is a compass pointing toward the new future of a unified ANA Group, a future redefined now that we have passed the COVID-19 pandemic.

The Aims of Our New ANA Group Corporate Strategy

We finalized our FY2023-25 ANA Group Corporate Strategy in February 2023. Over the next three years, we intend to shore up our financial foundation while accelerating business transformation, ensuring full-fledged growth in fiscal 2026 and beyond. Even post-COVID-19, the central pillar of group growth will be our Air Transportation Business, and the international passenger business, in particular. The driver of the recent recovery in group performance has been increased demand from visitors to Japan, supported by pent-up consumption demand and a weaker yen. High yields due to tight supply and demand have also been a factor. The competitive environment surrounding international routes is changing dramatically. These changes include restructuring among overseas competitors, the unstable international situation, and extended restrictions of transit over Russian airspace. In response, we intend to assess future trends accurately while executing a strategy from a global perspective on route network restructuring and greater collaboration with other airlines. The recovery in business demand has slowed in our domestic passenger business. At the same time, leisure demand now exceeds pre-COVID-19 levels. We also expect an increased use of domestic travel by visitors to Japan in the future. The other day, I invited an overseas friend with whom I have been close for many years to my hometown, Kakeroma Island in the Amami Archipelago. He was impressed by the natural beauty of the island, which is registered as a World Natural Heritage site, the clean air, clear waters, and many native species of plants and wildlife. Every region of Japan has its own appeal. By attracting tourists, including visitors from foreign countries, we will contribute to solving rural issues such as population decline and economic contraction. In our cargo business, we entered into an agreement in July 2023 to purchase all shares of Nippon Cargo Airlines (NCA) from NYK Line. NCA is an airline specializing in cargo transportation, operating wide-body freighters on long-haul routes in Europe and the U.S. Combining NCA with our own cargo business, which is strong in China and Asia, we believe we can create an optimal balance in our network. Although demand and unit

prices have come down from a peak when port congestion was more pronounced, the scale of international cargo revenues has increased significantly compared to pre-COVID-19 levels. The ANA Group cargo business is changing its freighter network, operations, sales, and systems, which will help stabilize earnings and increase profits in the Air Transportation Business.

Expanding Our Non-Airline Business through the Power of People

We intend to bolster the earnings base of our Non-Airline Business by concentrating resources on existing core businesses such as travel, trading, and real estate. At the same time, we will nurture businesses that will become new sources of revenue, including avatars, drones, metaverse, and flying cars. You may wonder if ANA Group human resources are over-specialized in the airline business, or whether we can monetize business models other than airlines. Certainly, many group employees have deep expertise in the airline business. But we also have a wealth of human resources from a wide variety of backgrounds and ideas. The Da Vinci Camp is a program under which employees, mainly from our current business divisions, propose businesses based on new ideas. The nearly 2,300 employees transferred to other companies, organizations, and municipalities during the COVID-19 pandemic received experience in fields completely different from aviation, bringing back outside knowledge and experience. Of course, we

require more human resources to take on new businesses, and we will bolster training by selecting motivated and capable employees for experiences in battlefields inside and outside the group. We have great expectations for our employees to demonstrate their true value in our Non-Airline Business, serving as another source of competitiveness.

Co-Creating an Economic Zone with Like-Minded Others

One of the processes toward my vision is to co-create an economic zone with our stakeholders. In terms of scale, several other companies already operate large economic zones. Our economic zone strategy is not necessarily to pursue scale alone, but to expand commercial distribution and interactions with people and companies that share the values of the ANA Group. From a base of nearly 40 million ANA Mileage Club members and ANA Card members who tend to engage in high-ticket purchases, we intend to offer miles as a hook to encourage consumers to use the breadth of services we offer and fulfill the hopes and dreams of an interconnected world. We are convinced that there is a large potential market in the process of creating value of the type that strengthens bonds between people and offers emotional experiences. We plan to expand the economic zone (market) as a place to co-create unique ANA Group value with stakeholders while building strong relationships of trust with customers and partner companies.

I Pursuing Sustainability from a Long-Term Perspective

Social and economic activities are finally normalizing in Japan as the government reduced COVID-19 to Category 5 under the Infectious Disease Control Law. During the three years of the COVID-19 pandemic, we were forced to prioritize our activities in response to the situation. Now that passenger demand is recovering steadily and we are seeing bright spots in the Group's return to growth, we will look to build sustainability from a long-term management perspective.

Practicing Human Capital Management

The first topic we will address to strengthen sustainability is to practice human capital management. Our current ANA Group Corporate Strategy defines human resources as a materiality. Although the COVID-19

pandemic forced employees to endure a difficult situation in terms of compensation, we returned bonuses in fiscal 2023 to a pre-COVID-19 basis, raised starting wages, and implemented a wage base increase for the first time in five years at ANA.

To expand the scale of our Air Transportation Business over the medium to long term, as well as to monetize Non-Airline Businesses, we must recruit and train employees to match an optimal human resources portfolio. We established a new Corporate Transformation Council under the direct control of the president in fiscal 2023 as a means to create human resources and an organizational culture capable of repeat transformations in response to changes in society.



Issues related to labor shortages in the airline industry are becoming apparent in certain airport operations, such as ground handling and security inspections. For the ANA Group to achieve sustainable growth, we must improve the attractiveness of the airline industry as a whole and secure human resources in a stable manner. We will contribute to the sustainable development of the airline industry by improving work environments and compensation, by raising productivity through innovation, and by collaborating actively with governments and related organizations.

We respect and value people, not only our employees but also their families and everyone involved in the supply chain who supports our businesses. Our ultimate goal is the happiness of all people in and around the ANA Group. Through the experience of the COVID-19 pandemic, I came to realize that in the process of achieving this goal, it is the everyday actions of group employees that raise corporate sustainability. These actions include building deep relationships of trust with a long list of stakeholders, including customers, business partners, partner airlines, national and local governments, financial institutions, and shareholders.

The Urgency in Responding to Environmental Issues

The second point is accelerating our environmental responsiveness. In October 2022, the ICAO General Assembly tightened CORSIA*1 rules. As a result, it is an almost certainty that member airlines will be obligated to offset carbon emissions beginning in 2024. The ANA Group updated our transition scenarios accordingly, and we are implementing fuel savings through operational improvements as one of numerous measures. However, catching up with international expectations in the speed of CO₂ reductions through self-help efforts alone will be a challenge. We are preparing for the use of carbon credits to a certain extent and engaging in deeper discussions with stakeholders, including the government and oil wholesalers, on the use of SAF*2. SAF is the most promising future response measure, and we are consulting with these parties to establish a system for a stable supply of SAF at competitive prices and quality. Whether

we respond promptly and appropriately to environmental issues is likely to affect not only the competitiveness of individual airline companies but also the international competitiveness of the Japanese airline industry. For our group and for the Japanese economy, environmental responsiveness is no longer a medium- to long-term issue. By facing environmental challenges head-on, the ANA Group hopes to ensure our path to achieving carbon neutrality.

*1 CORSIA: Carbon Offsetting and Reduction Scheme for International Aviation
*2 SAF: Sustainable aviation fuel

Accelerating Digital Transformation for Customer and Employee Experience

The third point is fostering human resources for digital transformation (DX).

Digital transformation is one of our most important management foundations. We plan to collaborate and utilize data across the ANA Group, training digital human resources and making necessary investments. For example, we can use data for in-flight and call center customer service or to maximize revenues by promoting cross-use among economic zone services. As a measure to improve customer experience (CX), we believe in raising the overall value of the experience, from pre-travel through post-travel, rather than focusing on specific points of interaction, such as at the airport and in-flight. We believe this comprehensive approach will lead to enhanced competitiveness. Our new ANA Smart Travel service model allows customers to use smartphones in all travel scenarios, making the air travel experience smooth and stress-free. At the same time, automation and self-service for related travel procedures will enhance employee experience (EX), allowing our employees to focus on services that only people can provide. However, in terms of DX, we feel there are many areas for improvement compared to global competitors. These areas include user interface (UI) and user experience (UX) design. By accelerating DX, including the rapidly advancing area of generative AI, we believe we will achieve business process transformation beyond mere IT. New ideas will increase customer convenience while improving employee work comfort and productivity.

supported us throughout the COVID-19 pandemic, implementing reforms to achieve the target of ¥200 billion in operating income for fiscal 2025 as stated in the ANA Group Corporate Strategy.

Rewarding the Encouragement of Shareholders and Investors

Our shareholders and investors offered great encouragement and advice throughout the COVID-19 pandemic. One of the most gratifying developments was the comments we received in response to our reduction of employee wages and bonuses during the pandemic. Many stakeholders were aware of the importance of short-term performance, but asked us to restore wages and bonuses as quickly as possible to ensure growth over the medium to long term. The reality was opposite, in fact, as many ANA Group employees indicated that, even though the reduction of wages would be painful, it was unavoidable at a time when shareholders continued to receive no dividend payments. Other feedback reflected considerations of investors, who would likely want to see the group reduce costs as much as possible to improve performance, and who would likely react negatively to wage increases. When we communicated the volume of supportive feedback from shareholders and investors to one employee, she said that the kind words motivated her to work even harder. In fiscal 2022, we made the difficult decision to forgo dividends to prioritize the recovery of wages for our employees. As our business performance has begun to improve, we hope to resume dividends at the earliest possible time for our shareholders who have so warmly watched and supported the ANA Group throughout the COVID-19 pandemic.

United in Purpose for Renewed Growth

With the COVID-19 pandemic, I was reminded once again that the shared aspirations of management and employees are what drive our company. No matter what the challenge, we cannot take a single step forward without the help of our employees. I believe my most important role is to unite the 40,000 ANA Group employees around the world in purpose, setting the stage for each employee to work with drive and energy. My personal motto is *kofu yukei* (never take shortcuts) from the Analects of Confucius. Teaching respect for a just cause and traveling the “royal road” in a fair and honest manner applies to the essence of our work. I tell group employees to follow the path in

which they believe with passion and conviction. I truly believe that the unlimited power of our employees will open the future of the ANA Group. We offer our full support to ensure the ideas of each individual is given shape, and we will lead our group toward a growth trajectory as quickly as possible. The ANA Group continues to take on the challenge of co-creating new value with stakeholders, continuing to take on new challenges and Uniting the World in Wonder.

I ask for your continued support and encouragement.

August 2023

SHIBATA Koji

President &
Chief Executive Officer



I Building Trust with Stakeholders for Renewed Growth

External constraints continue, including extended rerouting around Russian airspace and unavoidable

cost increases due to rising prices. However, we intend to deepen trust with stakeholders who



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"Hardship Now,
Yet Hope for the Future"

"Wakyo"
(Close
Cooperation)

"Trust and love
are the threads
that weave a
beautiful world"

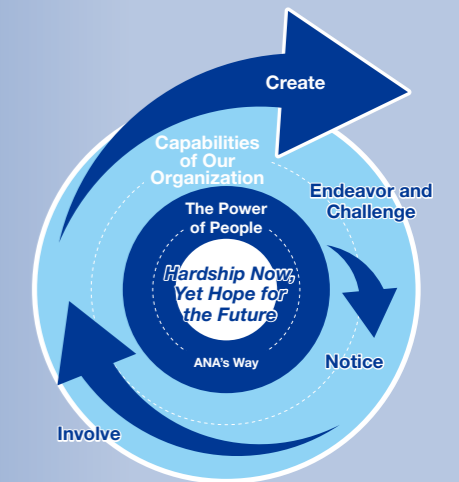
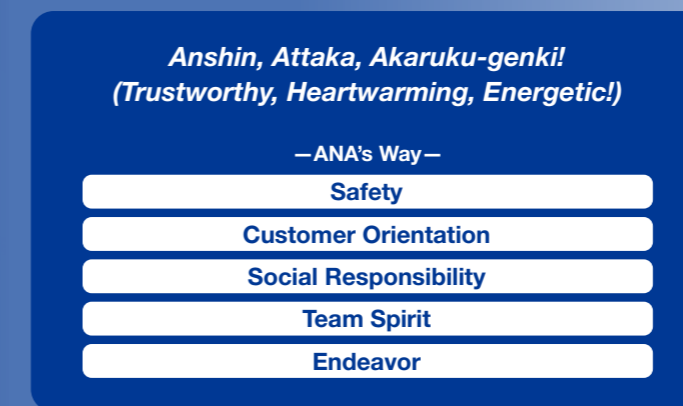
A Spirit Inherited from the Time of Our Founding

With just two helicopters, ANA began operations in 1952 as Japan's first purely commercial airline. The words of our founder, *Hardship Now, Yet Hope for the Future*, express our 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. As in the past, our employees today continue to take on all challenges with these words in their hearts. Embracing *Wakyo* (close cooperation), we conduct ourselves through genuine discussions and concerted action to achieve our goals. This approach forms the source of the ANA Group value.

The Source of Value Creation: Leveraging the Power of People and the Capabilities of Our Organization

ANA's Way, our group action guideline, carries the spirit of our founder as expressed through the concepts of *Hardship Now, Yet Hope for the Future* and *Wakyo* (close cooperation). Our strength is the power of people, brought to the fore when our diverse human resources practice ANA's Way in their daily activities. Employees share the insights gained through their efforts and challenges with their peers, leading to a cycle of new value creation as we involve others actively in the pursuit of our business. Through this virtuous cycle, the ANA Group corporate culture of mutual interest, recognition, and collaboration across company and job boundaries demonstrates the capabilities of our organization.

The ANA Group believes that maximizing the power of people and the capabilities of our organization is the most essential factor in sustainable value creation. Just as an aircraft cannot be operated by a single employee alone, our business requires staff who share the same values to cooperate and provide services while never compromising on quality. This power of people and the capabilities of our organization create a unique synergistic effect.



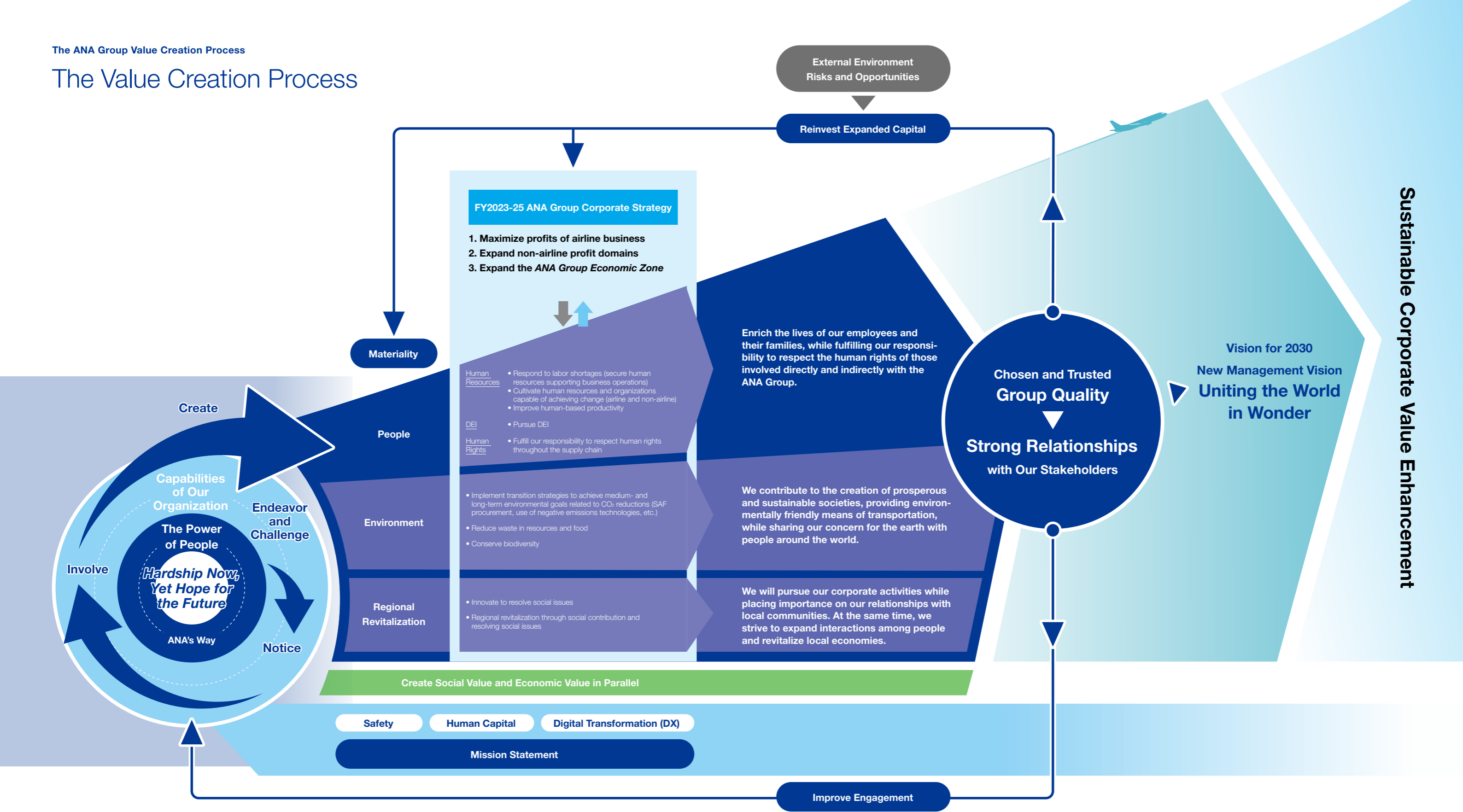
The Power of People and the Capabilities of Our Organization: Notice, Involve, and Create

The cornerstone of safe, high-quality services at the ANA Group is the broad collaboration of diverse human resources across organizational boundaries. We have created an environment in which the power of people and the capabilities of our organization are clearly visible on a daily basis.

As an example, when flight dispatchers and operations support staff notice weather conditions or points enroute likely to cause turbulence, they share this information with the pilots before the flight and work with the flight attendants on board to develop measures together for safety and security. This flow of cross-departmental communications, cross-organizational cooperation to solve problems, and collaboration to create the best possible service is not specific to jobs or issues. This flow is rooted deeply in the corporate culture of the ANA Group, and it is the reason why the power of people and the capabilities of our organization support value creation.



The Value Creation Process



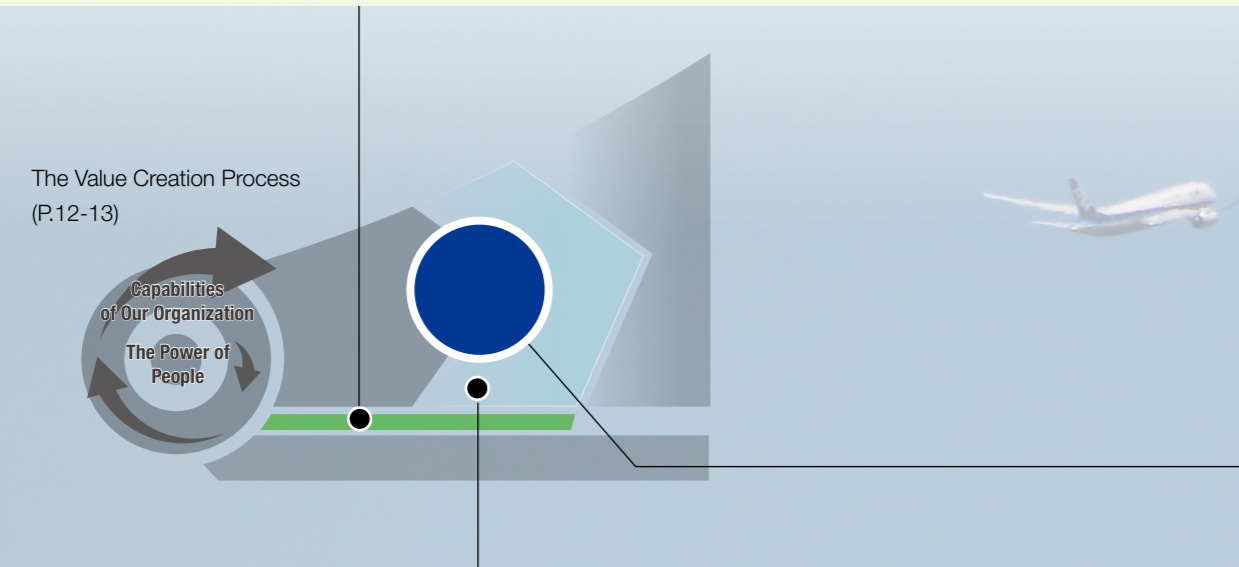
Driven by the power of people and the capabilities of our organization, the ANA Group continues to execute strategies while maintaining safety, human capital, and digital transformation (DX) as the foundation of management. We pursue constant improvement in quality, including safety, on-time operations, and comfortable services. To this end, we bring the specialized skills and expertise of our diverse human resources to bear, honed and refined constantly on the front lines. At the same time, we continue to steadily execute the ANA Group Corporate Strategy, which incorporates materialities related to people (human resources, human rights, DEI), the environment, and regional revitalization.

In the process of conducting business while fulfilling our responsibilities as social and transportation infrastructure, we build strong relationships with stakeholders to become a trusted business of choice. These stakeholders include customers, employees, local communities, the Star Alliance, partner companies, and shareholders.

The capitals linking these qualities and relationships will evolve our businesses further through repeated growth and reinvestment. At the same time, the confidence and conviction gained through the process of value creation and relationships with stakeholders will improve the engagement of Group employees and amplify their mindsets to take the next action. In this way, we will accelerate the value creation cycle at the ANA Group.

Creating Social Value and Economic Value in Parallel

For the ANA Group to create value sustainably and continue to be the preferred choice of customers, we must address environmental and social issues from a global perspective, while at the same time executing business and financial strategies. To this end, we pursue our management strategy while clarifying the specific forms and goals for each materiality that guides ESG management. And by creating social value and economic value simultaneously, we will achieve our Management Vision for the year 2030, contributing to the United Nations Sustainable Development Goals (SDGs), and delivering the sustainable enhancement of corporate value.



Reaching toward the Ideal State of the ANA Group in 2030 as the Path for Increased Corporate Value

The new ANA Group Management Vision for 2030 is Uniting the World in Wonder: ANA Inspires Our Employees, Customers, and Society to Explore Endless Possibilities with Diverse Connections that Begin in the Sky. The ANA Group and our DNA to Challenge continue to evolve toward the year 2030, and this vision expresses our desire to fill the world with wonder and joy by making new challenges and creating possibilities together with our stakeholders around the world.

The ANA Group of today was founded in the airline business. And we will continue to create new encounters and connections among people, goods, and services, growing our business through next-generation mobility, an expanding economic sphere touching daily lives, and the challenge to create new models through cross-border open innovation.

This new Management Vision, created through discussions among the 40,000 ANA Group employees about their future aspirations, also provides a roadmap for enhancing corporate value. We will achieve sustainable growth through the collective efforts of the ANA Group, each employee sharing this belief, strengthening in unity, and pursuing the FY2023-25 ANA Group Corporate Strategy tirelessly.

Growing and Reinvesting the ANA Group Capitals

Among the diverse capitals created through our unique business model, our critical strengths lie in chosen and trusted group quality and strong relationships with stakeholders. We view these strengths as distinctive capitals in executing our strategy and moving along the value creation cycle.

ANA Group Capitals to Create Social Value and Economic Value in Parallel

Capital	Item	Examples
Chosen and Trusted Group Quality	Safety	Number of participants in education and training at the ANA Group Safety Education Center (ASEC) 34,443 (cumulative over the past three years)
	On-time Performance	On-time arrival rate 89.8% (ANA Brand, 2022) CIRIUM Global Network No.1 / Asia Pacific Network No.1
	Service Quality	SKYTRAX 5-STAR rating for 10 consecutive years (2022) No.1 in in three categories (2023) - World's Best Airport Services - World's Cleanest Airline - Best Airline Staff Service in Asia In-service rate 95.0% (FY2022)
	Optimal Fleet Configuration	Fuel-efficient aircraft ratio: 77.0% (as of March 2023)
Strong Relationships with Our Stakeholders	Route Network	Number of routes: 53 international routes / 142 domestic routes (ANA Brand) Number of JV partner airlines: 4 / Number of code-share partners: 30 Number of Star Alliance member airlines: 26 (as of March 2023)
	Relationships with Service Areas	Comprehensive cooperative agreements with local governments: 12 prefectures (as of March 2023)
	ANA Mileage Club (AMC)	AMC members: 40 million (as of March 2023)
	Employee Engagement	ANA's Way Survey (ANA Group Employee Engagement Survey) Avg. score for all questions: 3.96/5.0 points (FY2022)
	Trust and Support from Society	Number of customer comments (including complaints): 91,632 (FY2022)

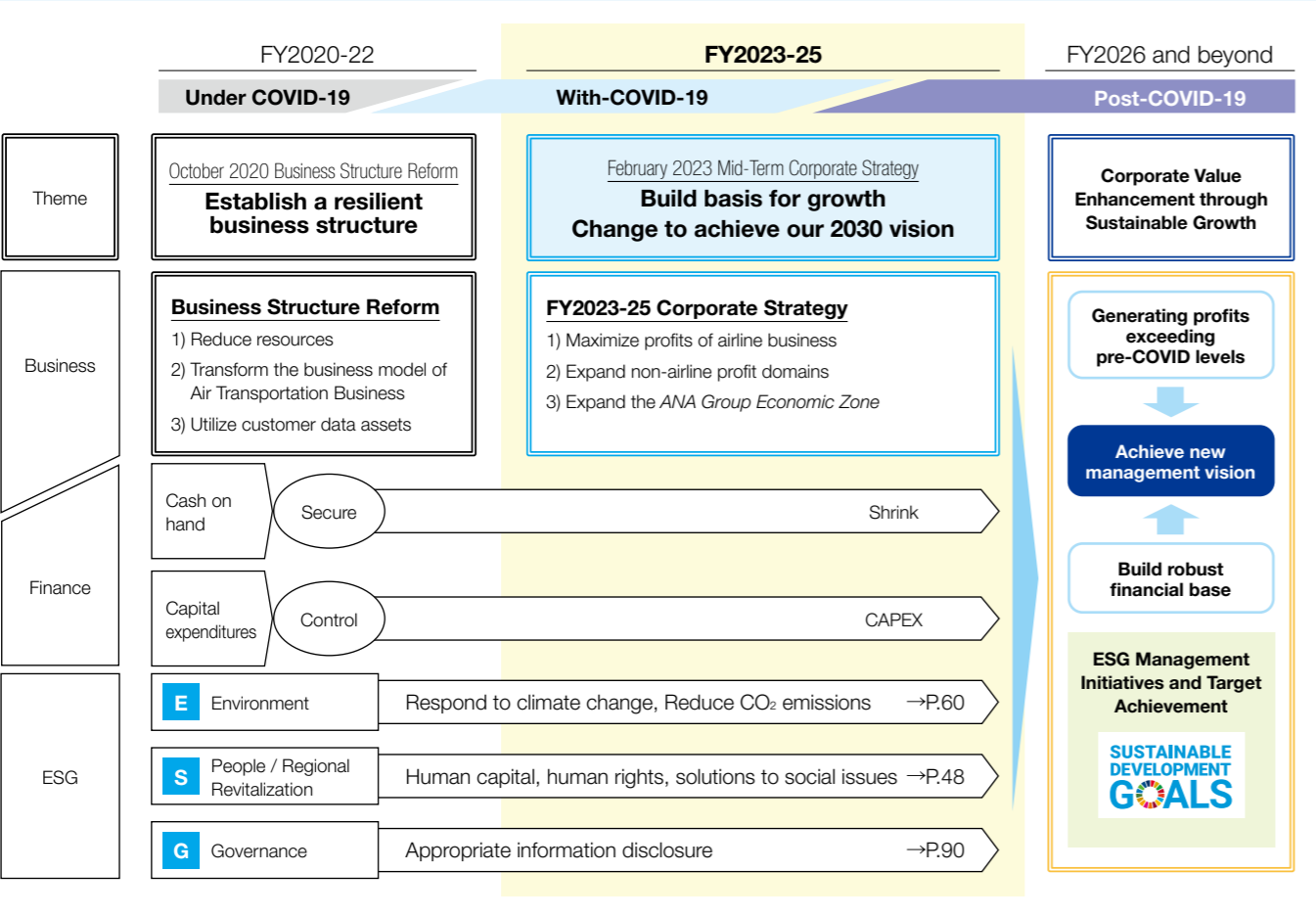


Business Strategy

We finalized the FY2023-25 ANA Group Corporate Strategy in February 2023. Amid a drastically changing environment surrounding our industry, we intend to accelerate the transformation of our business model to achieve our new management vision, Uniting the World in Wonder, and enhance corporate value even further.



Role of the ANA Group Corporate Strategy



As the COVID-19 pandemic comes to an end with a clear recovery in air travel demand, we are now finally able to envision the future of the ANA Group, formulating a concrete plan toward this vision. These plans mark the first time in five years we formulated a medium- to long-term vision for a return to growth in the post-COVID-19 era.

In October 2020, we announced a three-pillar plan for Business Structure Reform in anticipation of the prolonged impact of COVID-19: (1) Reduce the scale of our Air Transportation Business temporarily; (2) Transform the business model of Air Transportation Business; and (3) Utilize customer data assets. On the financial front, the ANA Group secured liquidity on hand and curbed capital expenditures.

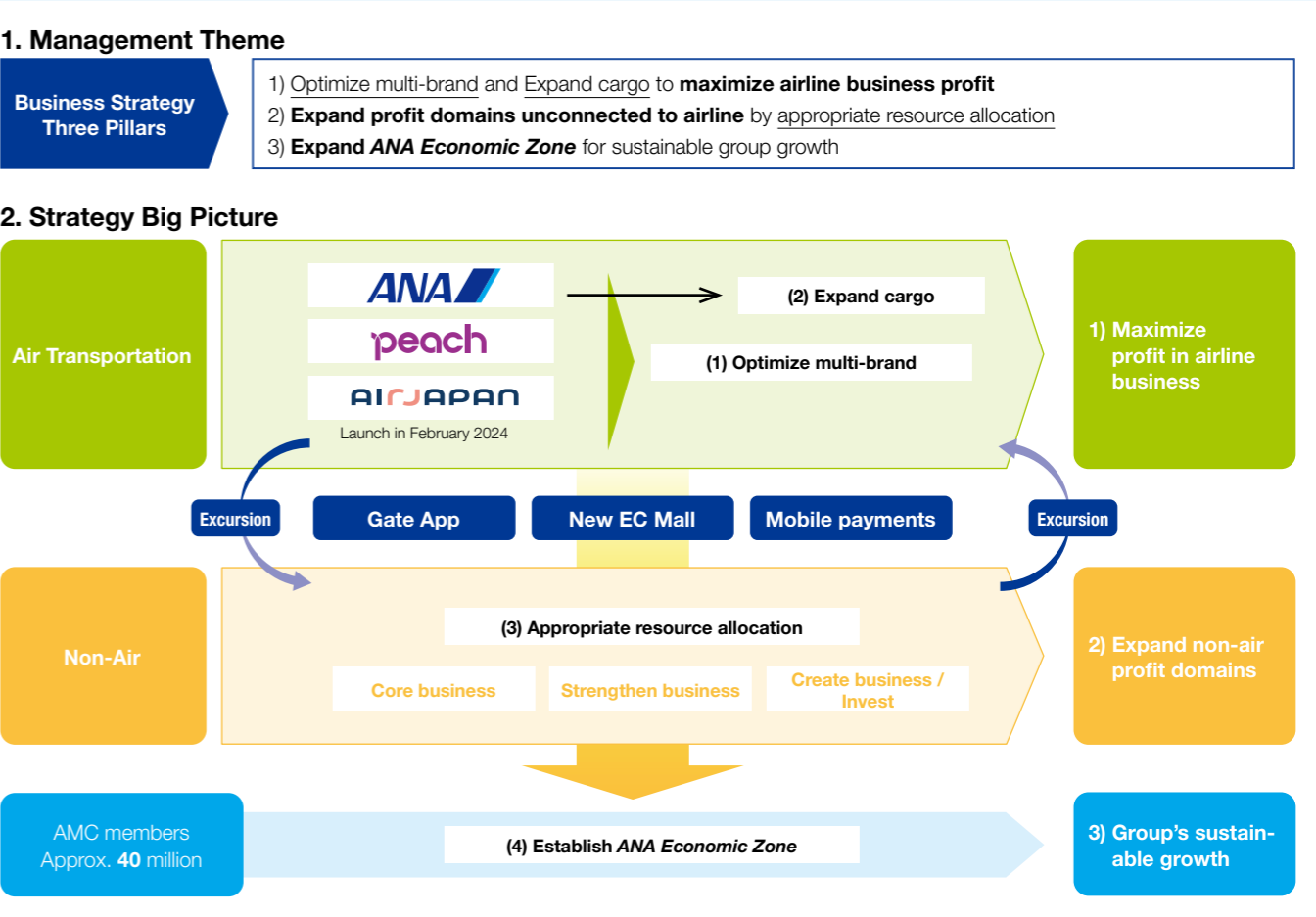
Amid the easing of border controls and domestic travel restrictions in many countries, in fiscal 2022 we returned to profitability for the first time in three fiscal years.

Amid these developments, we view the period from fiscal 2023 through fiscal 2025 as a time of transformation to solidify our footing for a return to growth and to achieve our vision for 2030. While growing revenues around our Air Transportation Business, we plan to strengthen our Non-Airline Business, encouraging customers to use services across our airline and non-airline businesses.

The period following fiscal 2026 will be a phase in which we return to full-scale growth as we aim to build a strong financial foundation and generate profits exceeding pre-COVID-19 levels.

We will engage in ESG management based on a management foundation of safety, human capital, and digital transformation (DX) to enhance sustainable corporate value improvements through the simultaneous creation of social and economic value.

FY2023-25 ANA Group Corporate Strategy Themes and Strategies



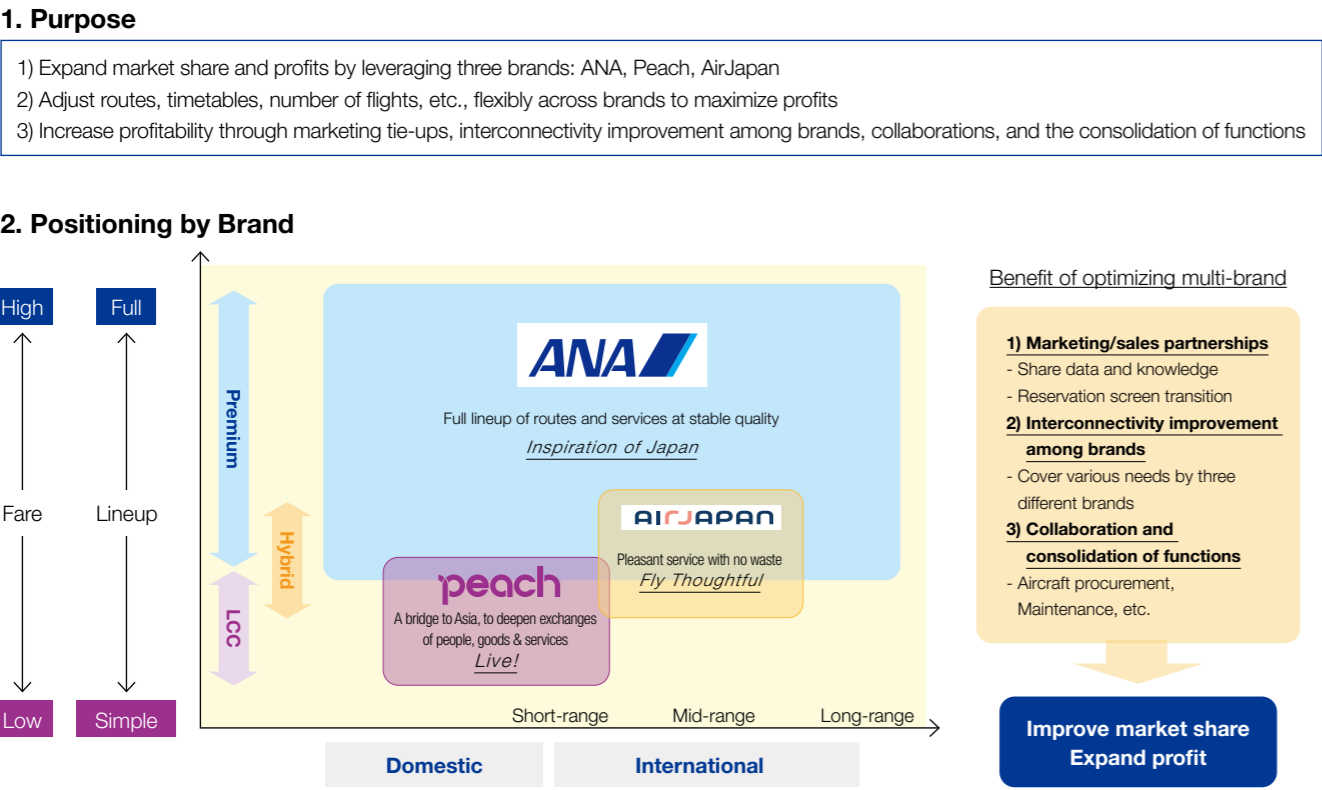
Our strategy consists of three strategic business pillars. In the Air Transportation Business, we will optimize ANA, Peach, and AirJapan brand operations while we expand the cargo business under ANA to maximize profits.

In the Non-Airline Business, we intend to create new models in response to society, expanding revenue domains linked to the Non-Airline Business by allocating resources optimally according to business type.

Further, we intend to expand the ANA Economic Zone for sustainable growth, as we execute a platform strategy leveraging our entire customer base, which is a competitive advantage of an airline group.

Air Transportation Business

1 Portfolio



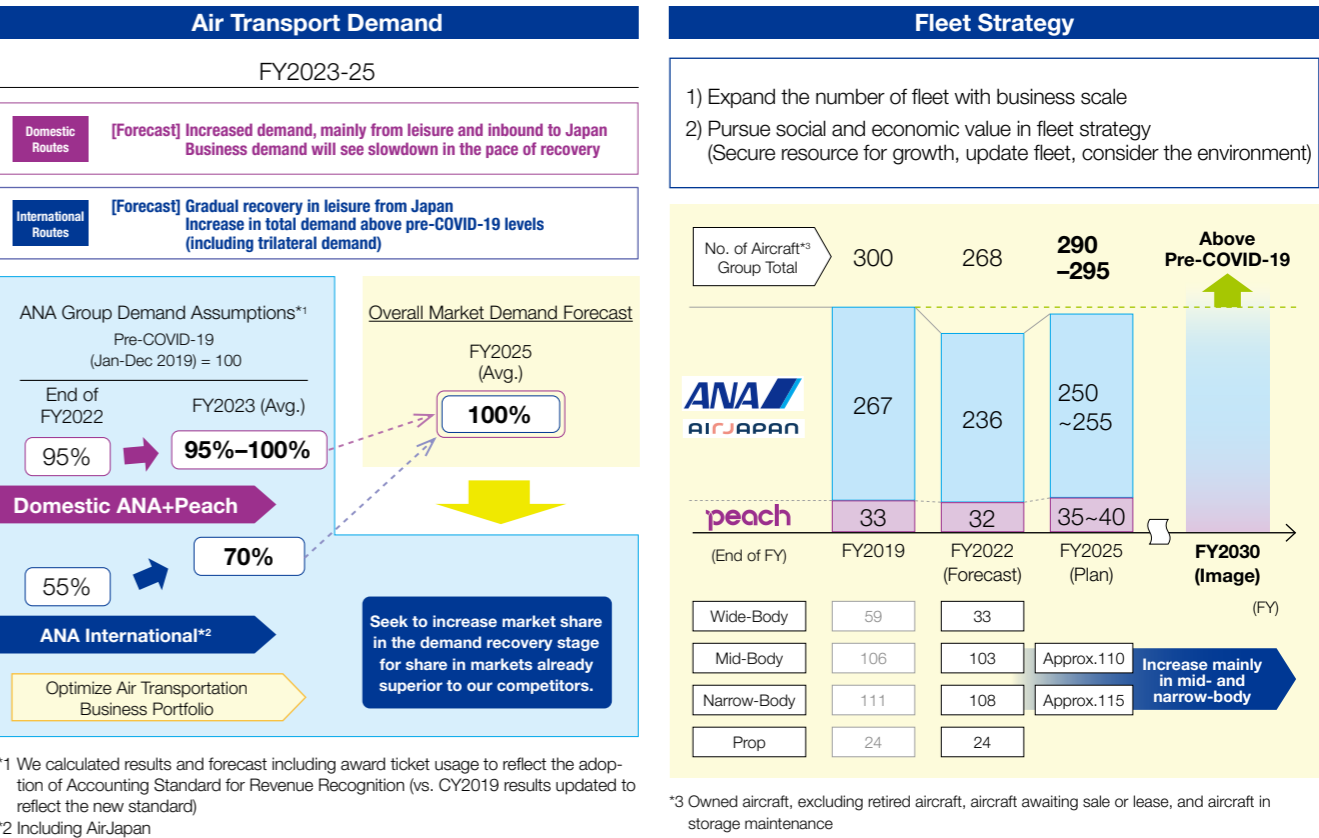
Aiming to increase market share and expand profits, we intend to develop the three brands in our Air Transportation Business portfolio, ANA, Peach, and AirJapan, to respond to changing needs and behaviors in the wake of the COVID-19 pandemic.

Each of these three brands will play a role according to differences in fares, product lineup, and route distances, while we execute the brand concept of each company in a way that covers demand globally.

We will also use data- and knowledge-sharing, reservation screen transitions, and other coordination between marketing and sales to improve the mobility between our brands.

At the same time, we intend to adjust service routes, schedules, the number of flights, etc., collaborate in aircraft procurement and maintenance, and pursue greater collaboration and functional integration among brands to increase profitability.

2 Demand and Fleet Strategy



Next, let's address our forecast of passenger demand over the medium term.

In the Domestic Passenger Business, passenger demand is expected to increase, mainly in leisure and inbound travel. We assume that the pace of recovery in business demand will be slower than in the past. But we also expect passenger volume for ANA and Peach combined in fiscal 2023 will recover, averaging 95% to 100% of pre-COVID-19 levels.

Leisure travel demand from Japan should recover gradually to increase international passenger demand, while we expect overall demand, including trilateral traffic, to rise above pre-COVID-19 levels. In fiscal 2023, passenger demand should recover to around 70% of pre-COVID levels on a fiscal-year average basis.

Both domestic and international routes are entering a stage of demand recovery. We will seek to increase market share in areas where we are ahead of the competition,

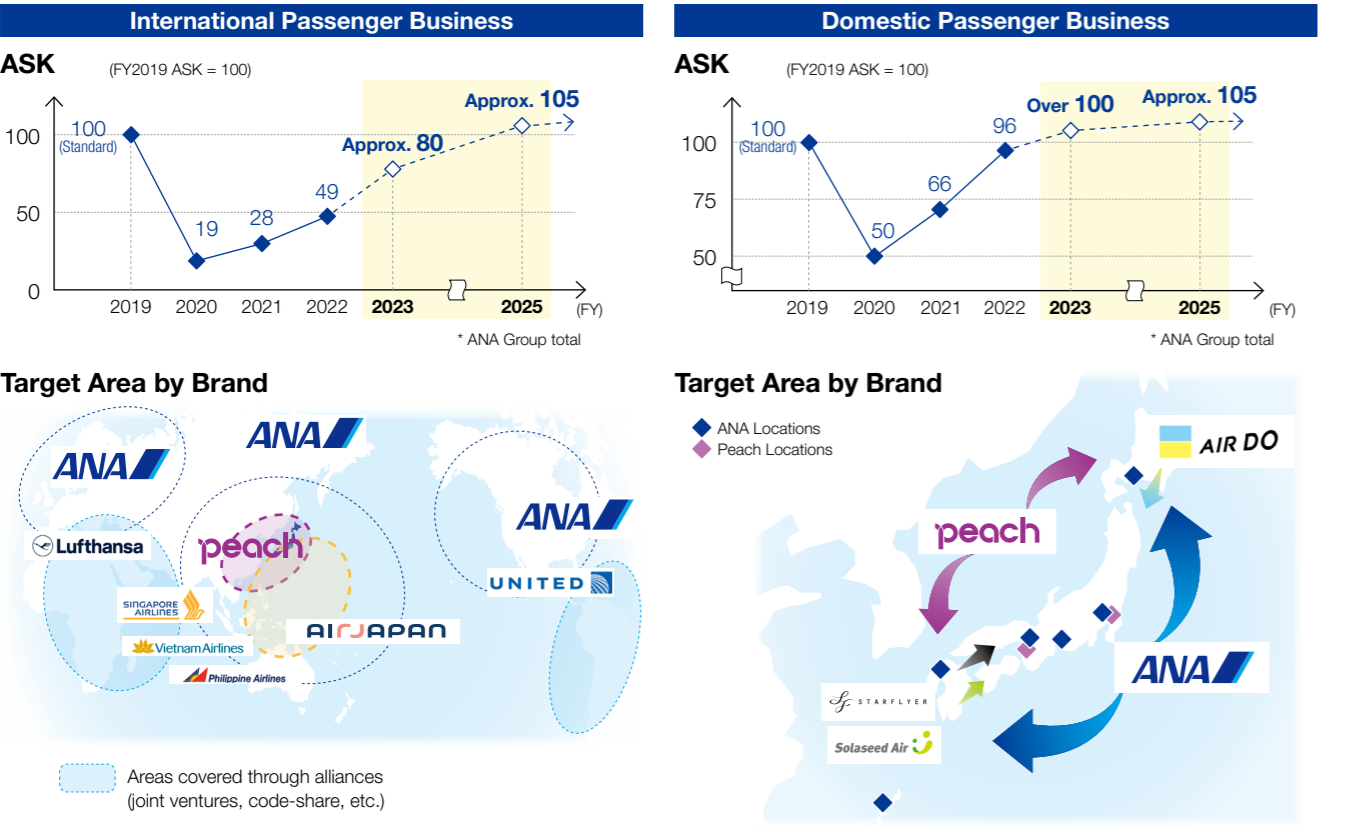
utilizing a network strategy accounting for the balance between supply and demand.

During the COVID-19 pandemic, we reduced our fleet temporarily as part of our fleet strategy, mainly in wide-body aircraft. Beginning with fiscal 2023, we intend to increase our fleet gradually as an important resource supporting growth. We plan to have more than 290 aircraft in our fleet by fiscal 2025 and exceed the number of aircraft pre-COVID-19 by fiscal 2030.

Further, the ratio of mid- and narrow-body aircraft will rise, and we expect to have more than 100 Boeing 787 series aircraft in service by fiscal 2030. As we strengthen resource allocation to international routes, which represent an area of growth, we will also pursue social and economic value in parallel through our fleet strategy, increasing the share of fuel-efficient aircraft and seeking to employ other environmental measures.

Air Transportation Business

3 Passenger Business Strategy



Over the medium to long term, we will recover capacity and meet the wide increase in post-COVID-19 demand, organizing and strengthening our route network to place our International Passenger Business on a growth trajectory.

Indexing ASK results in fiscal 2019 to 100, we plan to raise ASK to about 80 in fiscal 2023 and 105 in fiscal 2025.

ANA will resume and increase flights, mainly on trunk routes, to restore its global route network.

Peach will improve profitability by specializing in short- and medium-haul routes as before COVID-19, as well as by improving aircraft and crew utilization.

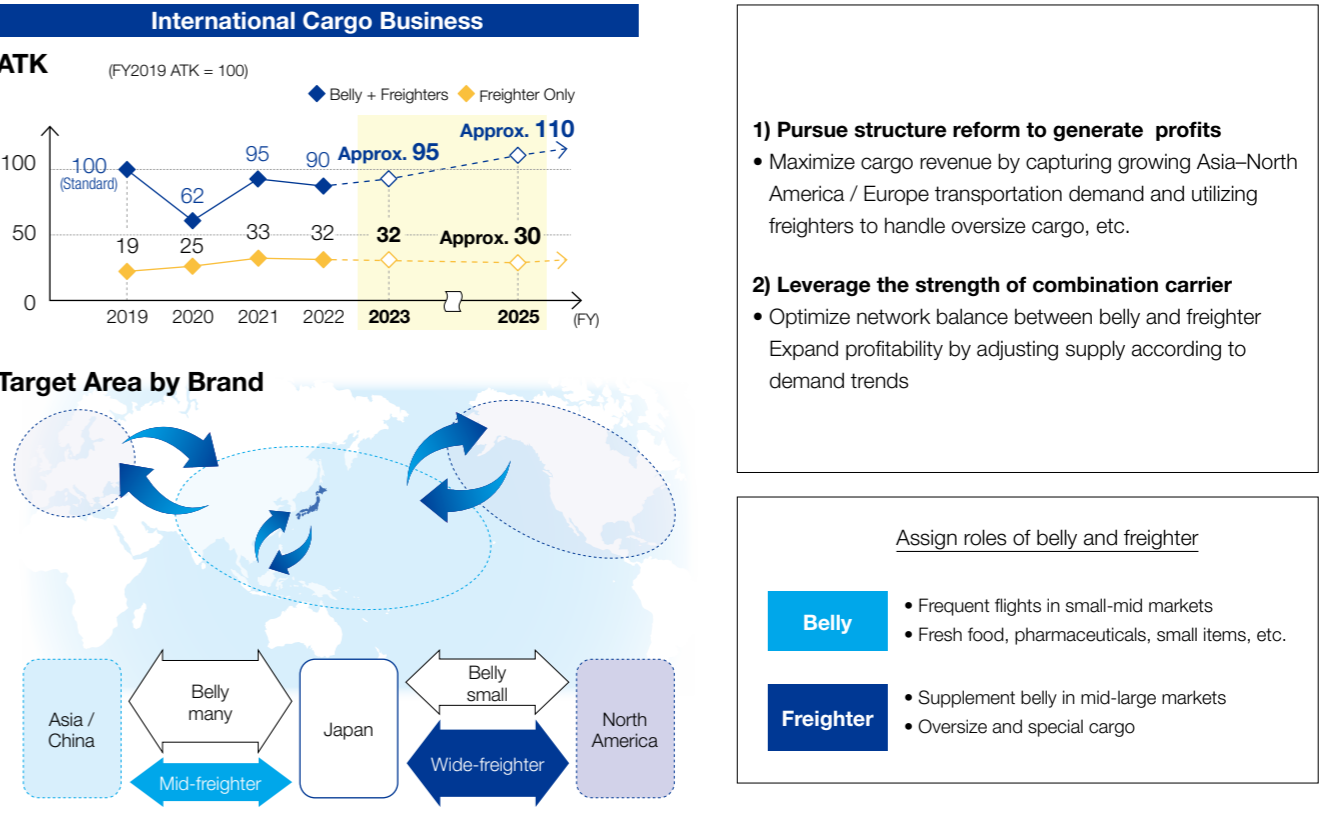
We intend to launch AirJapan as a new ANA Group brand in February 2024. Meanwhile, we will secure a new revenue source from visitors to Japan on medium-haul routes, mainly to/from Narita.

In our Domestic Passenger Business, ANA and Peach will continue to work cooperatively to develop optimized flight schedules, helping build a stable business foundation for the Group. During the period covered by our corporate strategy, we plan to maintain ASK at roughly pre-COVID-19 levels.

For its part, ANA will capture a broad range of customers, including business demand, focusing on trunk routes. ANA will also expand the availability of ANA Smart Travel to improve customer convenience and employee productivity.

Peach will concentrate resources on highly profitable routes, mainly to/from Kansai and Narita. The brand will adjust capacity flexibly as international business recovers.

4 Cargo Business Strategy



To maintain the high profitability of the Cargo Business established during the COVID-19 pandemic, we will move forward with structural reform to secure earnings capacity, while leveraging the strengths of ANA as a combination carrier to expand profits through the optimization of space between our passenger aircraft and freighter networks, responding flexibly to supply in line with demand trends. To maximize revenue, we intend to capture growing demand for transportation between Asia and Europe, while also covering demand for oversize cargo, etc., using freighters.

Specific measures here include consolidating freighters to routes to/from Narita, operating wide-body freighters to capacity, concluding multi-year contracts, and improving operational efficiencies. In addition, we will strive to optimize the balance of supply among service areas, incorporate

commercial product transport to take advantage of the unique characteristics of both passenger aircraft and freighters.

On July 10, 2023, we executed a final agreement with NYK Line to acquire all Nippon Cargo Airlines (NCA) shares from NYK. We view our cargo business in the post-COVID-19 era as an important means of sustainable growth, and we intend to pursue integration synergies to ensure stable profit generation.

- 1) Pursue structure reform to generate profits

 - Maximize cargo revenue by capturing growing Asia–North America / Europe transportation demand and utilizing freighters to handle oversize cargo, etc.
- 2) Leverage the strength of combination carrier

 - Optimize network balance between belly and freighter
 - Expand profitability by adjusting supply according to demand trends

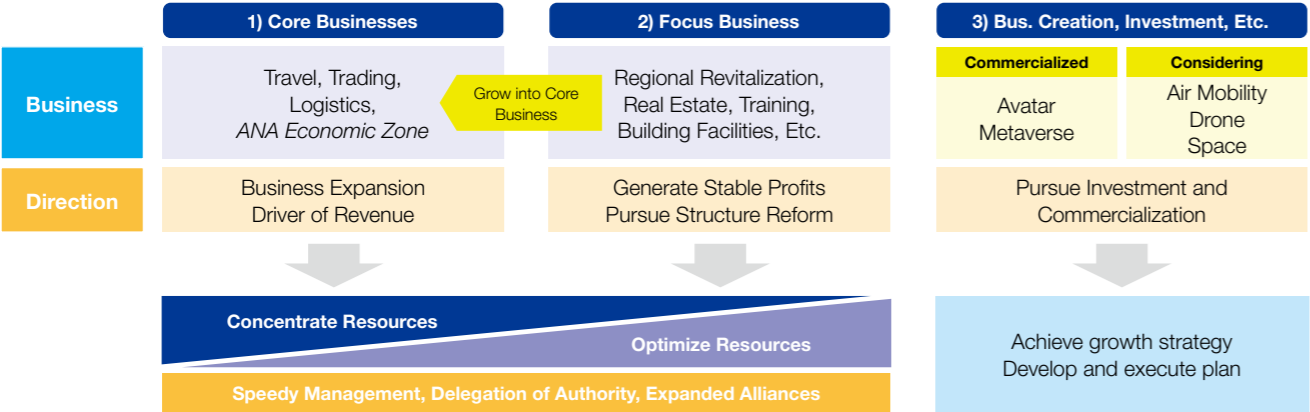
Assign roles of belly and freighter	
Belly	<ul style="list-style-type: none">Frequent flights in small-mid marketsFresh food, pharmaceuticals, small items, etc.
Freighter	<ul style="list-style-type: none">Supplement belly in mid-large marketsOversize and special cargo

Non-Airlines

1. Purpose

- 1) Optimize resource allocation and maximize earnings thorough analysis based on return on investment
- 2) Develop a framework for business expansion
- 3) Create new business in response to change in society, and develop a framework to support them

2. Categorization and Direction



		FY2018	FY2025 (Target)
Total Major 7* Non-Air Companies	Operating Revenues	Approx. ¥360.0 Billion	Approx. ¥400.0 Billion
	Operating Income	¥8.5 Billion	¥24.0 Billion
	Operating Income Margin	Approx. 2.4%	Approx. 6%

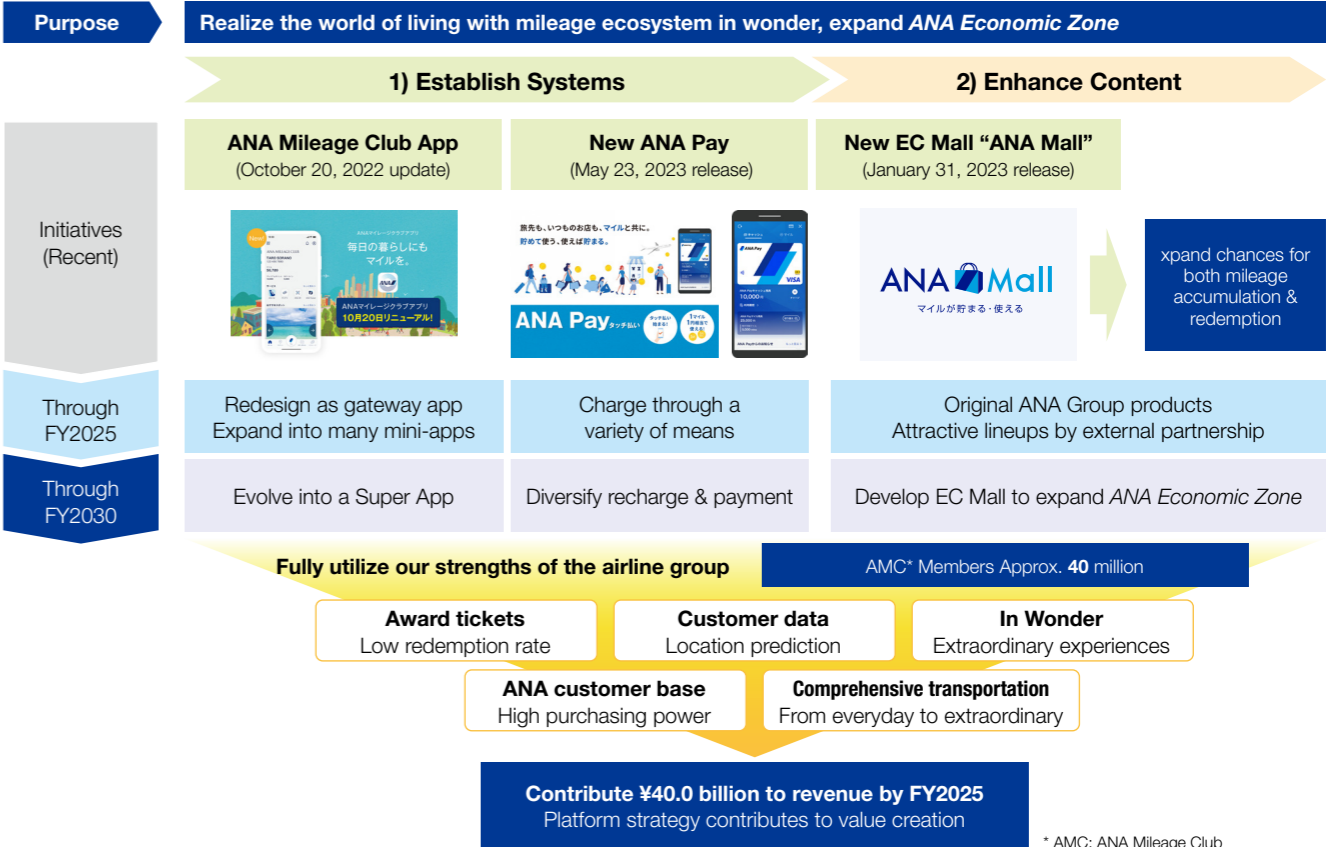
* ANA X, ALL NIPPON AIRWAYS Trading, OCS, ANA Akindo, ANA FACILITIES, ANA Business Solutions, ANA SKY BUILDING SERVICE

Each ANA Group company is involved in the Non-Airline Business. Here, we intend to allocate management resources appropriately and conduct management by business model, aiming for continued profit maximization. To this end, we will strengthen our framework to support business growth through a new management structure distinct from the Air Transportation Business. Under this structure, we will train and assign human resources, evaluating businesses in detail based on return on investment. The Travel Services, Trade and Retail, and other core businesses are targets for expansion and designation as earnings drivers. On the other hand, we are pursuing structural reform in regional revitalization and real estate

businesses to generate stable profits. In addition, we intend to invest in and commercialize new models in response to changes in society (air mobility, drones, etc.) to accelerate our path along growth strategies and business plans in the future. By allocating resources optimally throughout the Non-Airline Business, we target ¥400 billion in operating revenues and ¥24 billion in operating income among seven major companies in this category in fiscal 2025.

ANA Economic Zone: Creating a World in Which People Live in a Mileage-Based Ecosystem

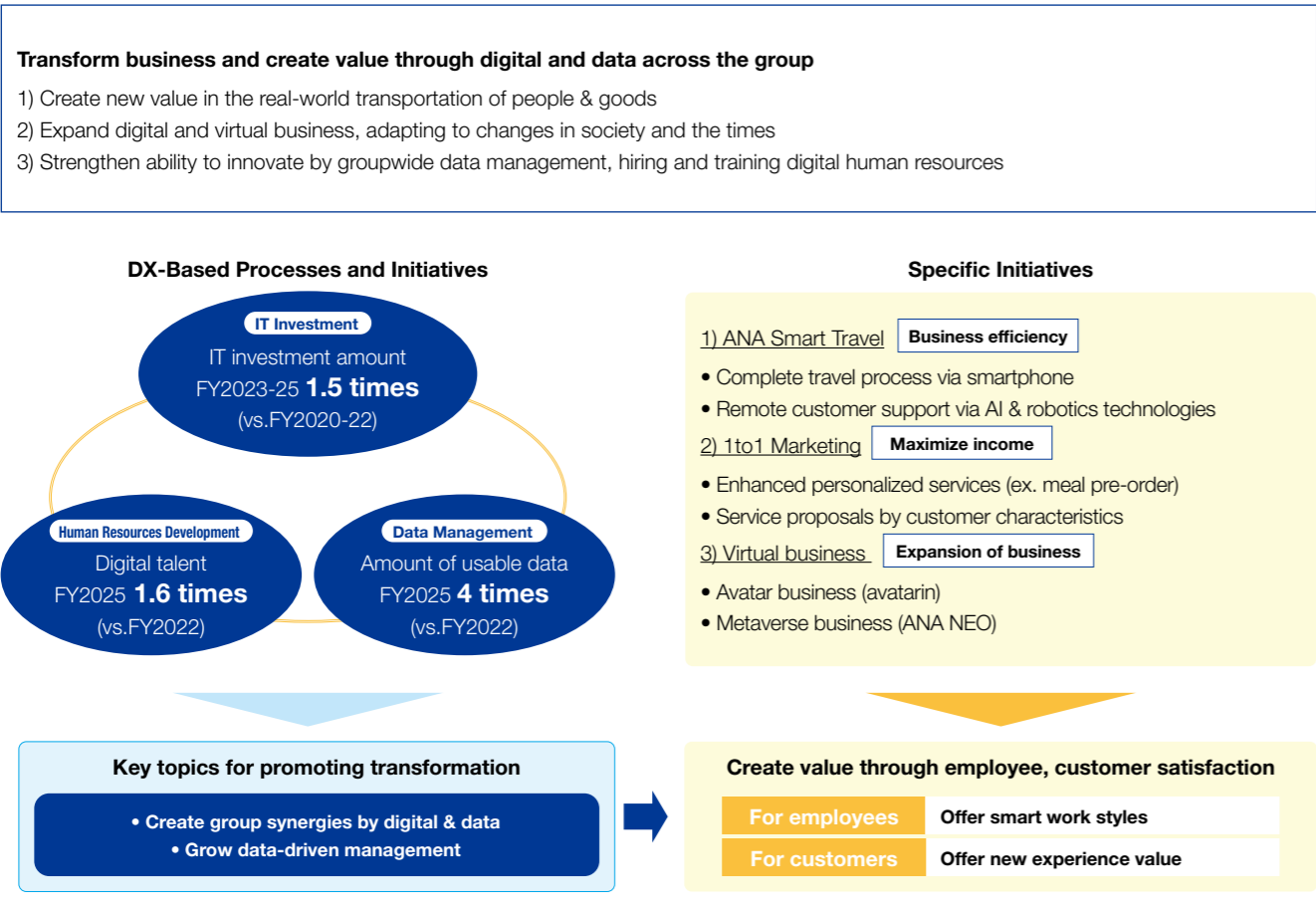
Platform strategy leveraging our customer base



Our platform strategy is designed to leverage our customer base. Working from this platform, we plan to expand the ANA Economic Zone quickly to create a world in which people live in a mileage-based ecosystem. In October 2022, we updated the ANA Mileage Club app as part of this platform, serving as a gateway to the various services for better daily living that the ANA Group offers. One of the core features of the app is the new ANA Pay, released in May 2023. ANA Pay allows credit card payments and integrates with Apple Pay for a variety of convenient recharging and payment methods. We made the functions more intuitive for customers and now provide more opportunities to earn and use miles in daily life.

The ANA Mall offers an attractive assortment of goods from the Group's own merchandise, as well as merchandise from external partners. We will expand opportunities to use miles further by increasing the number of shops and ANA products. We aim to increase operating revenues by approximately ¥40 billion in fiscal 2025 and establish miles as a pillar of Group earnings in the medium term. To this end, we will provide mileage services that meet the needs of individual customer lifestyles and encourage customers to use both Non-Airline and Air Transportation Businesses through mileage.

DX Strategy



We intend to use digital technologies and data to transform our businesses, creating new value across the ANA Group. Our vision of DX aims to create new value in the real-world movement of people and goods, expanding digital and virtual businesses that adapt to changes in society and the times. Today, we are building a groupwide data management system and securing and developing digital human resources to serve as the basis for this expansion.

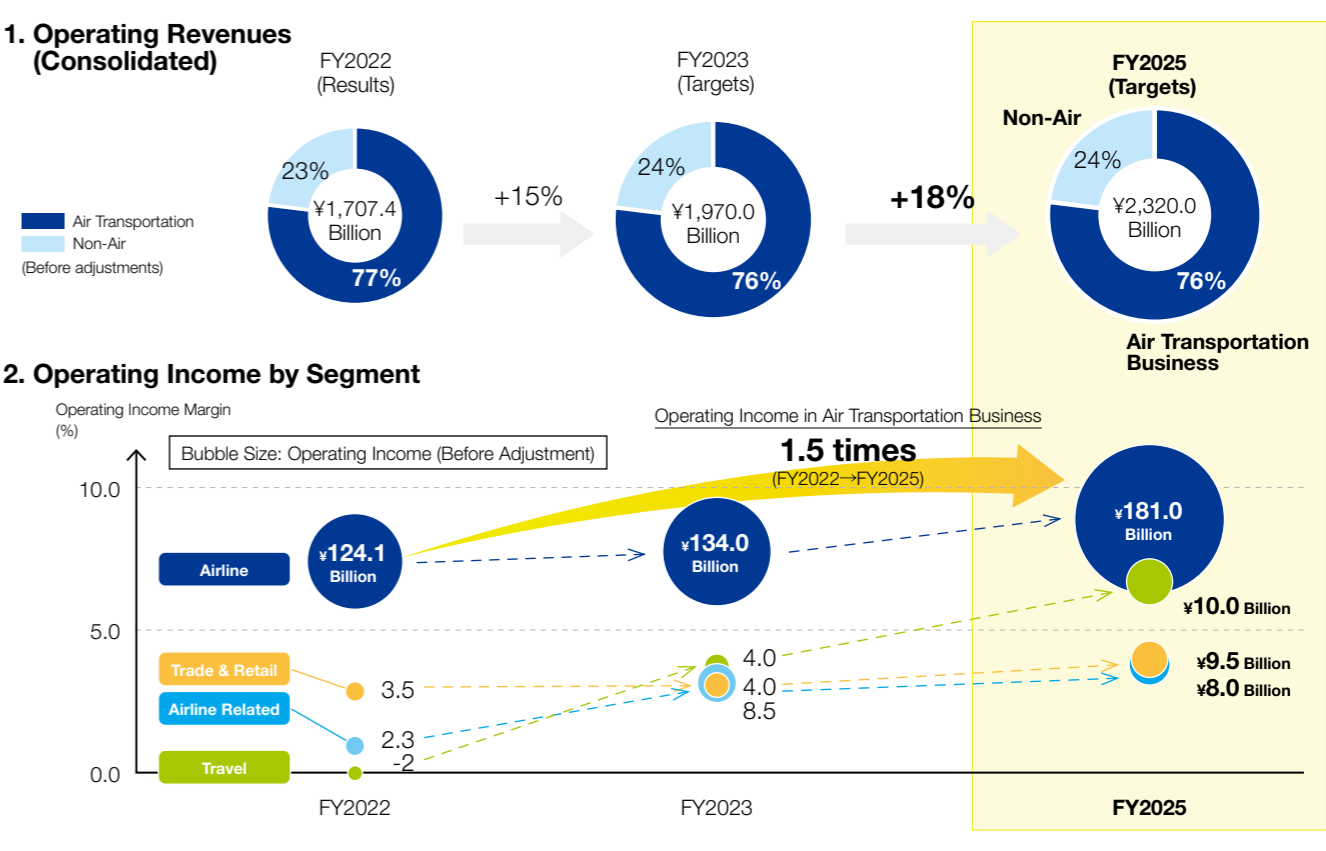
The ANA Group is developing *BlueLake* as a group data lake to serve as cross-organizational data infrastructure to strengthen data management and leverage the data owned by our businesses. Meanwhile, we focus on recruiting digital

human resources, while supporting the reskilling and development of all employees.

Through these efforts, we intend to improve customer and employee satisfaction, offering new experience value to our customers and smart work styles to our employees to solidify the foundation for value creation in the ANA Group.

Financial Strategy

1 Consolidated Operating Revenues and Operating Income



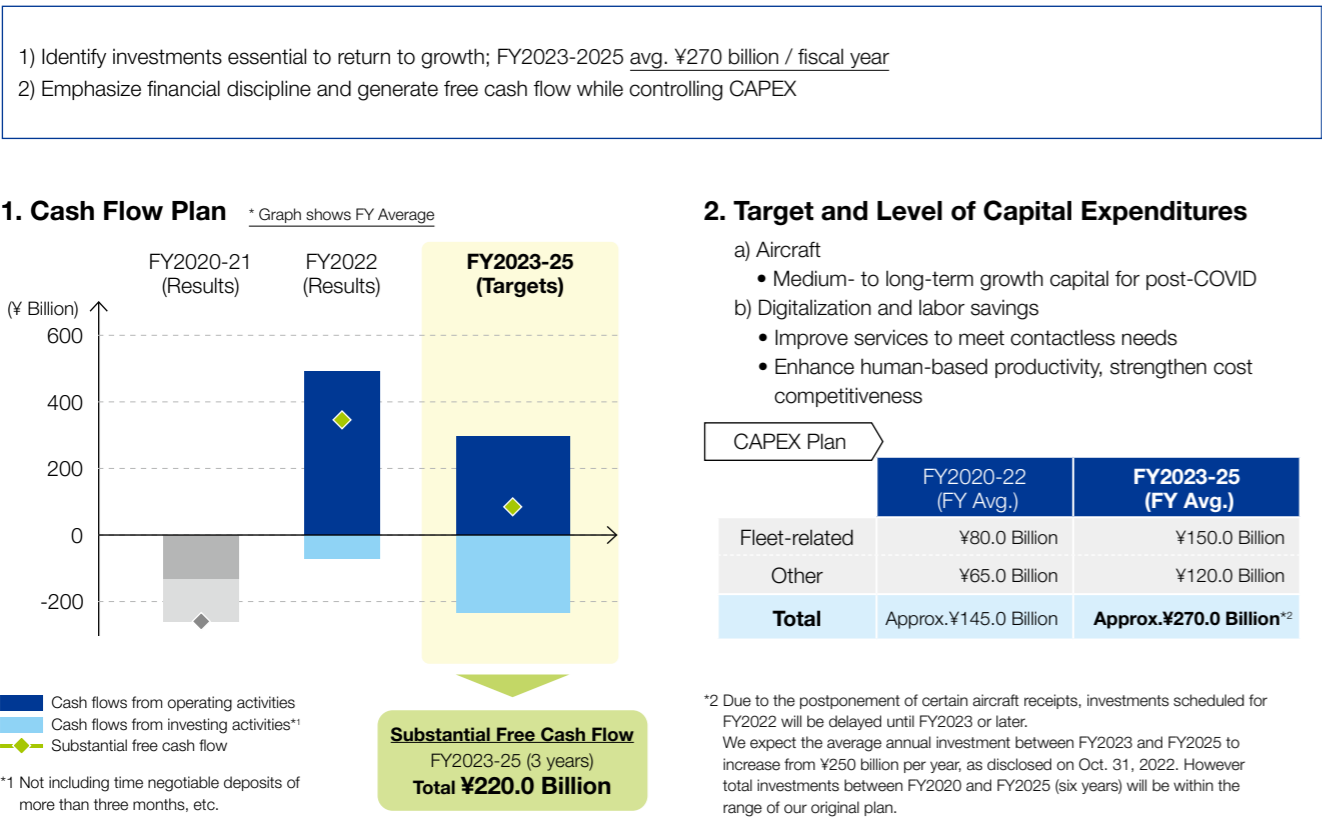
For fiscal 2022, consolidated operating revenues increased 67% year on year, the result of a steady recovery in passenger demand, particularly in our Air Transportation Business. Supported by this recovery, we expect the ANA Group to continue to grow over the next three years, targeting sales of ¥2.32 trillion by fiscal 2025.

By segment, our operating income target for the Air Transportation Business is to exceed ¥180 billion in fiscal 2025. This target is 1.1 times higher than fiscal 2018, when we posted record profits, and more than 1.5 times higher than our fiscal 2022 results. At the same time, we aim for an operating income margin in excess of 10%.

We intend to allocate management resources appropriately in the Non-Airline Business according to business model, aiming to grow sales and profits across all segments.

Financial Strategy

2 Cash Flow and Capital Expenditures



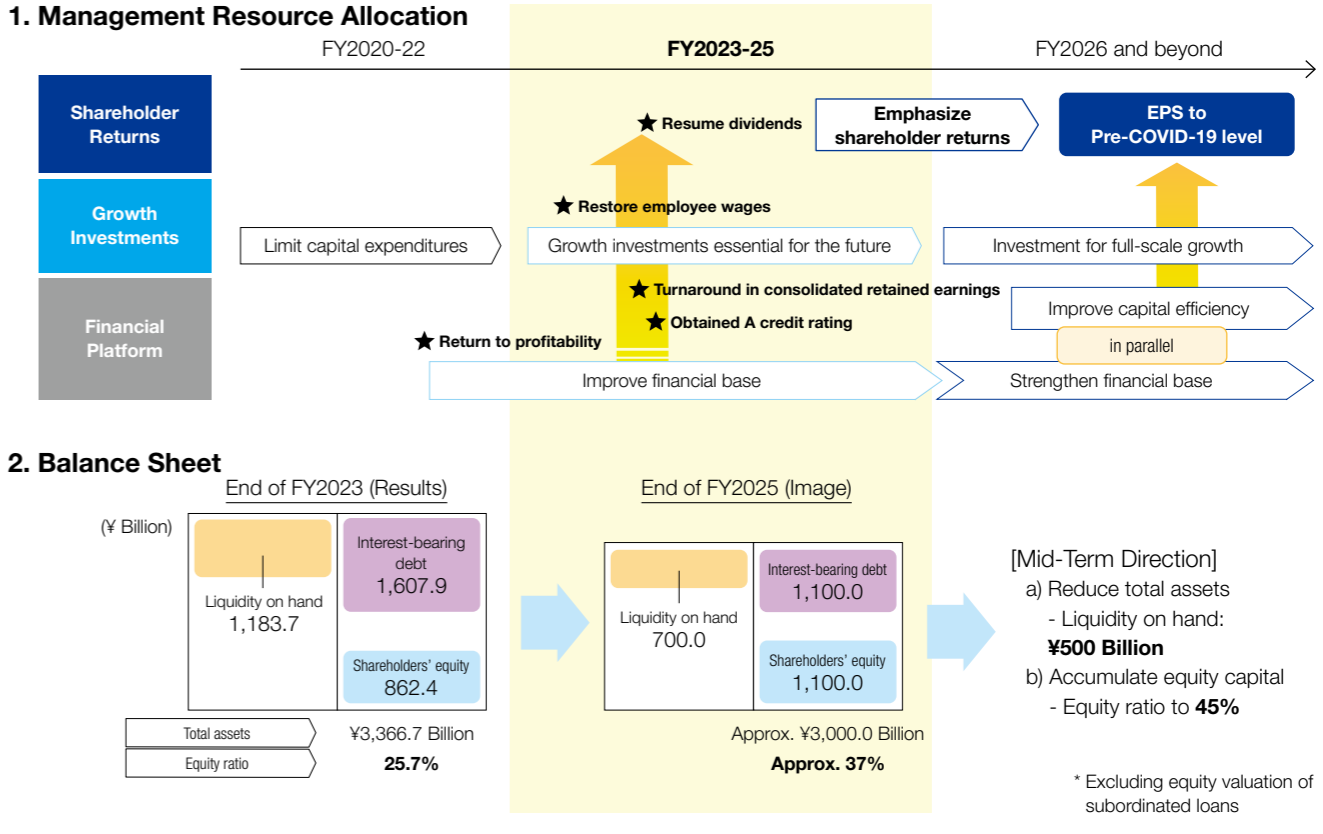
The ANA Group target for the three years between fiscal 2023 and fiscal 2025 is to secure substantial free cash flow totaling ¥220.0 billion.

While curbing investment during the COVID-19 pandemic, we now intend to make the necessary capital expenditures to prepare for a stage of full-scale growth. We expect EBITDA during this period to exceed capital expenditures,

and we plan to secure stable free cash flow over the same period.

We plan to make capital expenditures at an annual average of roughly ¥270.0 billion. Emphasizing financial discipline, the ANA Group will invest actively in digital technologies based on DX strategies and environmental measures exclusive of those related to aircraft.

3 Management Resource Allocation and Balance Sheet



Our allocation of management resources will change in conjunction with advancements in our businesses and rising levels of free cash flow as we move through the stages of the business management cycle.

During the period of this strategy, we intend to resume dividend payments, while making investments essential for future growth and improving our financial footing. Our first priority is restoring wages to employees. But we also intend

to increase shareholder returns over the medium to long term as we strive for a net positive balance in consolidated retained earnings and a stronger credit rating.

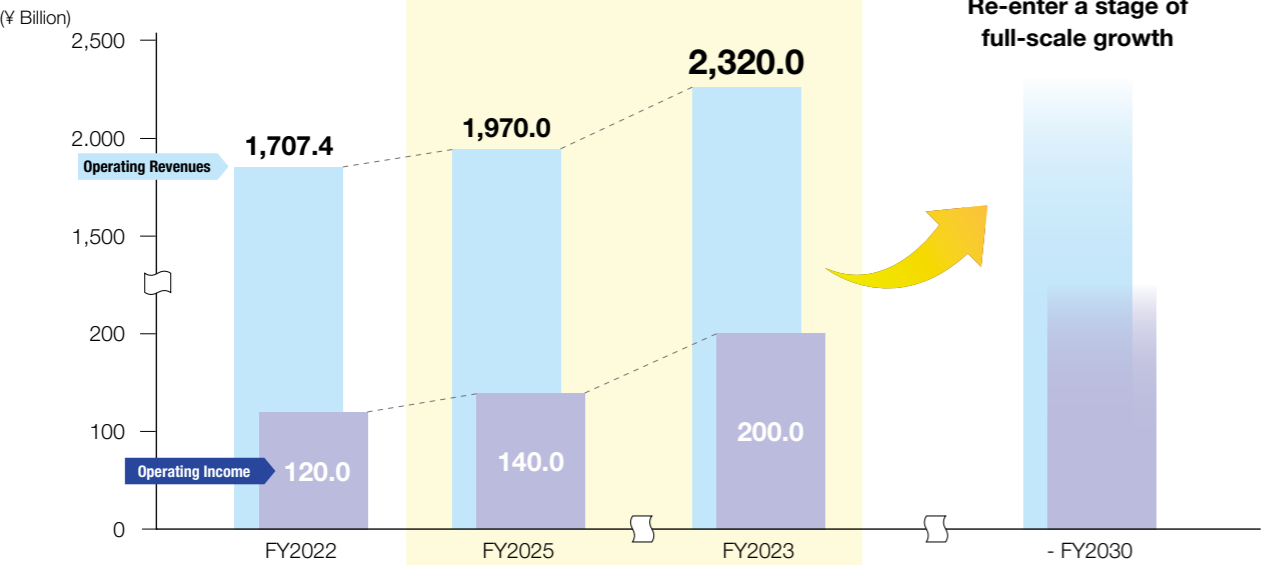
We will continue to repay interest-bearing debt to streamline our balance sheet. At the same time, we will accumulate profit steadily and bolster our financial footing with respect to shareholders' equity.

Value Creation Goals

1. Value Creation Goals

	FY2022	FY2023	FY2025	FY2030 target level
Operating Revenues	¥1,707.4 Billion	¥1,970.0 Billion	¥2,320.0 Billion	Achieve profitability and financial strength as a global top-tier company
Operating Income	¥120.0 Billion	¥140.0 Billion	¥200.0 Billion	
Net Income	¥89.4 Billion	¥80.0 Billion	¥122.0 Billion	
Operating Income Margin	7.0%	7.1%	8.6%	
ROA	3.7%		6-7%	Over 8%
ROE	10.8%		11-12%	Over 12%
EBITDA	¥264.3 Billion	¥283.0 Billion	¥357.0 Billion	
EPS	¥190.24	Approx. ¥170.09	Approx. ¥260	Above pre-COVID-19 level

2. Operating Revenues and Operating Income



Next, let's look at our value-creation goals.

In fiscal 2025, we aim to achieve record-high operating income of ¥200.0 billion and net income of ¥122.0 billion by recovering capacity to roughly pre-COVID-19 levels.

Fiscal 2030 is the target year for achieving our new management vision. Leading up to this target year, we intend to

shift back to a stage of full-scale growth, aiming to be a global top-tier company in terms of profitability and financial strength. The ANA Group will continue toward a path returning to growth, responding agilely to changes in the business environment.

CFO Message

We will work step by step to restore earnings per share (EPS) to levels above the period before the COVID-19 pandemic.

NAKAHORI Kimihiro

Executive Vice President
Group Chief Financial Officer (CFO)



During the COVID-19 pandemic, we accessed every possible means for finance to survive the outflow of funds and damage to our capital during fiscal years 2020 and 2021. At the same time, we did our utmost to protect the jobs of the ANA Group employees, to pursue cost structure reforms, and to control investments. Our ability to generate cash recovered gradually over fiscal 2022, and we have more liquidity on hand than anticipated. Every day, we felt the support and expectations for the future of the ANA Group from various stakeholders outside our organization.

As we achieve a recovery in performance and shift to a growth trajectory toward the year 2030, I believe my task as CFO is to increase profitability to pre-COVID-19 levels as quickly as possible. We will tackle this task in two phases.

Given the impact of the COVID-19 pandemic on business performance, we re-examined the impact of pandemic risk on Group businesses. Here, we reaffirmed the need to build a greater risk buffer for business continuity. Therefore, our priority for fiscal years 2023 through 2025 will be to restore our financial foundation. Specifically, we will build equity capital through profit accumulation, repaying interest-bearing debt using free cash flow and cash on hand. At the same time, we will practice balance sheet management with the goal of achieving an equity ratio of 40% or more. In addition, we aim to re-acquire an A credit rating, which will ensure flexibility in financing and prepare us to invest in full-scale growth beginning in fiscal 2026.

We are preparing to prepay the ¥400 billion in subordinated loans raised during the COVID-19 pandemic beginning in fiscal 2025. To this end, we have maintained liquidity on hand in excess of ¥1 trillion. We estimate that the appropriate level of cash on hand for the post-COVID-19 profit growth phase to be ¥500 billion, and we intend to reduce liquidity on hand in stages to this level. During the fiscal years 2026 through 2030, our aim will be to establish a strong financial base capable of withstanding another major pandemic. Here, we target a capital adequacy ratio of about 45%, while we plan to reduce total assets in consideration of asset efficiency. The ANA Group intends to pursue profit growth through improved profitability and higher capital and asset efficiencies in equal measure as we strive to achieve sustainable and stable shareholder returns supported by a strong balance sheet. Our target for ROA and ROE is a minimum 8% and 12%, respectively, and we intend to meet the expectations of our shareholders by ensuring that EPS exceeds pre-COVID-19 levels.

Last, I want to state that I am committed to fulfilling my responsibilities as CFO by supporting the parallel creation of social value and economic value. We will accomplish this goal through the appropriate allocation of management resources in addressing materiality at the core of ESG management while we aim to maximize long-term corporate and shareholder value. Through appropriate investor relations activities, the ANA Group will continue to communicate our progress and the direction of these efforts to investors worldwide, not only in terms of financial capital but also in terms of non-financial capital.

Air Transportation Business

Strengthening Our Wings during the Pandemic, Ready to Go on the Offensive and Take Flight for Growth

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

INOUE Shinichi

Fiscal 2023 is a critical year in the FY2023-25 ANA Group Corporate Strategy, as it is the first year for us to recover in the wake of the COVID-19 pandemic and build a foothold for growth. ANA is responding flexibly to the rapidly changing external environment and diversifying customer needs, while aiming to improve profitability in both the passenger and cargo business. We will accelerate our efforts to return to a robust growth vector in fiscal 2026 and beyond, striving to achieve the new group management vision.

The long days of the COVID-19 pandemic are finally in the rear view mirror, and people have begun to travel again in increasing numbers. Given this momentum, we are resuming and increasing the number of international routes at Haneda International Airport in our passenger business, maintaining the safe flight operations that have always been our hallmark. At the same time, we are restructuring our group route network, including Peach and AirJapan, in pursuit of multi-brand optimization. In our cargo business, we leverage the strengths of a combination carrier through the use of belly and freighters in parallel, pursuing structural reforms to enhance our earnings capacity.

In 2022, we were the only company in Japan, and one of only six in the world, to achieve the SKYTRAX 5-STAR rating

for a 10th consecutive year. We continue to maximize CX value through smooth, stress-free travel that integrates people and digital technology centered on high-quality service. At the same time, we are accelerating automation and shifting to self-service operations, building a competitive operational structure and improving productivity. We pursue ESG initiatives and contribute to the creation of sustainable societies through green transformation (GX) and regional revitalization, making use of sustainable aviation fuel (SAF) and new technologies. The teamwork that is characteristic of ANA and the motivation and strengths of each individual contribute to our vision of becoming an organization in which employees are happy to work and a corporate group that continues to create new value.

During the COVID-19 pandemic, we looked forward to the day when we could see the smiles on the faces of our many customers. The stage is finally set, and I am embracing a sense of wonder to showcase the wings we have been strengthening through a corporate culture that has embraced the spirit of venture and continues to take on new challenges. We will communicate our sense of wonder to customers and society, working as one in Uniting the World in Wonder.

The Air Transportation Business posted operating revenues of ¥1,539.4 billion, up 73.9% year on year, and operating income of ¥124.1 billion, compared with an operating loss of ¥162.9 billion in the previous fiscal year. This performance was the result of expanding capacity flexibly while focusing on profitability and capturing recovering passenger demand.

In fiscal 2023, we aim to expand our top line, focusing on the International Passenger Business and targeting operating revenues of ¥1,764.0 billion and operating income of ¥134.0 billion.

ANA International Passenger Business

Maximizing Revenues by Recovering Capacity Flexibly in Response to Demand Trends

Fiscal 2022 in Review

We increased the number of flights during the first half of the year, mainly on routes to and from Narita, to capture business demand and demand for connections between North America and Asia, which began recovering ahead of others. In line with this recovery in passenger demand, we shifted cargo flights that had been operated using passenger aircraft to passenger flights, while controlling increases in operating costs as ASK recovered. In September, entry restrictions were eased in Japan, and business demand from Japan and demand for inbound travel to Japan began to recover. On October 31, we introduced the winter schedule, expanding capacity significantly, mainly on North American and Asian routes where demand is recovering quickly. We also expanded the scale of operations on routes to and from Haneda, including additional flights on the Haneda–Delhi and Haneda–Sydney routes beginning in January 2023.

In terms of sales and services, we added a *Quick & Light Meal* and a *No Thank You Option* (decline of in-flight meal) to our international in-flight meal pre-order service beginning with flights departing on March 31, 2023, providing passengers with more freedom and comfort during their in-flight time. These options also contribute to less food loss on board.

As a result, passenger numbers for the ANA International Passenger Business in fiscal 2022 were 4.21 million (up 410.3% year on year), and operating revenues amounted to ¥433.4 billion (up 517.9%).

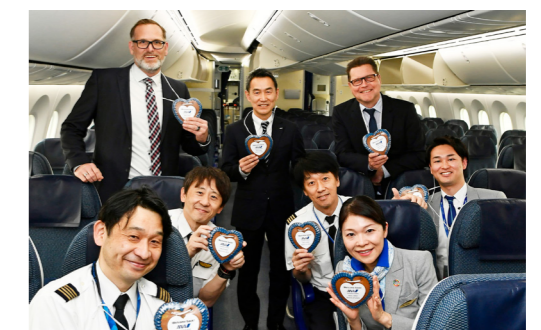
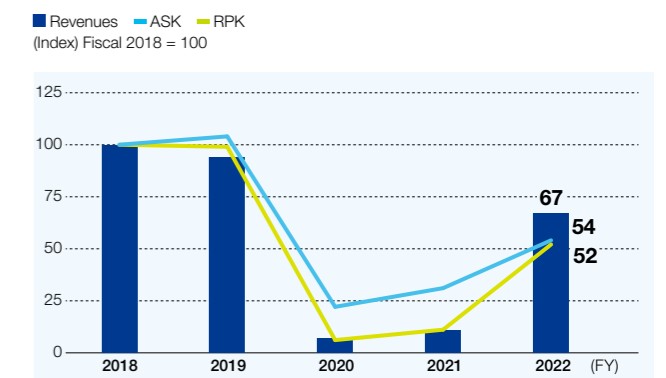
Fiscal 2023 Business Policies

In addition to the continuing upward trend in demand for inbound travel to Japan, leisure demand from Japan is beginning to recover. We resumed the Haneda–Munich and Haneda–Shanghai (Pudong and Hongqiao) routes and increased flights on the Haneda–New York and Narita–Honolulu routes for the 2023 summer schedule. For Chinese routes, where recovery has been slower than in other regions, we plan to expand capacity flexibly in response to future changes in demand trends.

In July 2023, international flight operations from Haneda Airport Terminal 2 resumed for the first time in three years.

We will continue to capture growing passenger demand by taking advantage of arrival and departure slots, particularly at Haneda Airport.

ANA International Passenger Business Results



Haneda–Munich flights resumed



Haneda Airport Terminal 2 International Flight Lobby

ANA Domestic Passenger Business

Pursuing Profitability Through a Streamlined and Efficient Route Network as We Monitor Demand Trends

Fiscal 2022 in Review

Amid policies to balance the prevention of COVID-19 with socioeconomic activities, leisure demand recovered significantly beginning in October, supported by nationwide travel support in Japan and other factors. In late June, we began placing Boeing 777 aircraft with refurbished engines and designed with Japanese domestic route specifications into service. In the third quarter, all 15 Boeing 777 aircraft became available for operations. During the quarter, we shifted to wide-body aircraft and added extra flights, mainly on weekends, during the year-end and New Year holidays, and spring break. In January and February 2023, ANA endeavored to maximize revenues by capturing recovering demand and conducting promotions to stimulate demand, including a ¥7,000 one-way flight to any domestic destination, a project to commemorate the ANA 70th anniversary. In this way, ANA sought to attract new customers and recover past users.

In terms of sales and service, ANA launched a new concept called *The Premium Kitchen* for in-flight meals in premium class on domestic flights in December. ANA updated menu choices based on customer feedback, and disposable plastic containers used for in-flight meals were replaced with paper containers, etc., to promote ESG initiatives further.

As a result, passenger numbers for the ANA Domestic Passenger Business in fiscal 2022 amounted to 34.53 million (up 92.3% year on year), and operating revenues amounted to ¥529.5 billion (up 89.2%).

Fiscal 2023 Business Policies

As people transition to with-COVID-19 lifestyles, we expect leisure demand on domestic routes and the use of domestic routes by inbound visitors to Japan to expand, while business demand should also recover gradually. ANA will maintain the Haneda and Itami routes as trunk routes, while optimizing the division of flights based on a business plan developed together with Peach to create a streamlined and efficient route network focused on profitability. We will also endeavor to improve customer convenience and business efficiency through the use of ANA Smart Travel and other digital technologies, while ensuring that we capture recovering demand and maximize revenues.

ANA Domestic Passenger Business Results



Domestic-spec Boeing 777 aircraft



The Premium Kitchen

ANA Cargo and Mail Business

Using Freighters to Respond Flexibly to Changes in the Supply-Demand Balance; Strengthening Efforts to Stabilize Earnings

Fiscal 2022 in Review

The balance of supply and demand in the air cargo market has been tight since the COVID-19 pandemic. This balance is beginning to normalize gradually due to the easing of ocean transport congestion and an increase in air cargo space with the recovery in passenger traffic. ANA decreased the number of cargo-only flights using passenger aircraft to strengthen our response to passenger demand. At the same time, we captured trilateral cargo from China to North America, making maximum use of freighters, even as demand for major commodities such as automobile-related parts, semiconductors, and electronic components weakened. We also stepped up sales efforts by capturing demand for high-unit-price products and large-lot demand, supported by high-quality operations we demonstrated in transporting vaccines and other products during the COVID-19 pandemic.

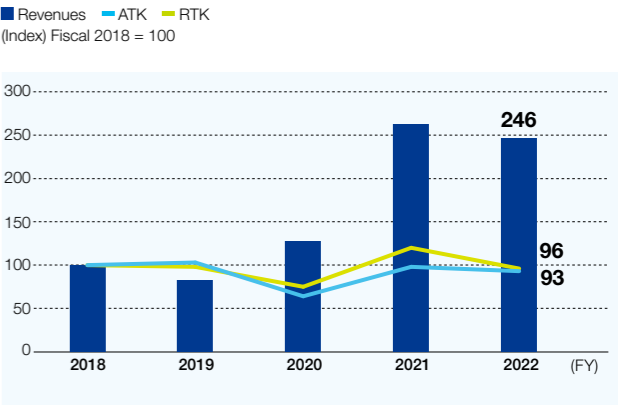
As a result, ANA International Cargo volume in fiscal 2022 was 0.805 million tons (down 17.5% year on year), and operating revenues amounted to ¥308.0 billion (down 6.3%).

Fiscal 2023 Business Policies

We expect demand for major commodities to increase gradually throughout the second half of the year, even as an adjustment phase continues in the first half. While keeping a close eye on cargo market conditions, we will schedule freighter flights on a monthly basis according to customer needs, ensuring capacity to maximize revenues. We will also develop demand for specific customers and specific commodities that are less susceptible to market fluctuations to stabilize earnings over the medium to long term.

In July 2023, we announced a final agreement with NYK Line to acquire all Nippon Cargo Airlines (NCA) shares from NYK. We intend to launch a full-scale study on new business development for our cargo business in the post-COVID-19 era.

ANA International Cargo Business Results



Boeing 777F aircraft



Semiconductor manufacturing equipment



Complete vehicles



Large animals

Major commodities targeted for freighter transportation

LCC (Peach)

Increasing Revenues by Raising the Ratio of International Routes in Full-Scale Recovery;
Capturing Leisure, VFR, and Inbound Demand

Fiscal 2022 in Review

We endeavored to capture rising leisure and VFR demand on domestic routes by expanding the scale of our operations. These efforts included increasing the number of flights on the Narita–Sapporo (New Chitose) and Narita–Fukuoka routes. In terms of international routes, we resumed international operation for Kansai–Incheon at the end of August 2022 for the first time in 16 months. Demand for inbound travel to Japan recovered quickly once Japan eased border measures. Peach has continued to expand its route network by resuming the Kansai–Taipei and the Haneda–Incheon routes, and by opening a new Kansai–Bangkok route, representing Peach’s first mid-range international route.

In terms of sales and services, Peach expanded availability of the *Tabi Kuji* ticket introduced in the previous fiscal year, to other areas, including Okinawa and Sendai. Under the *Tabi Kuji* ticket, customers purchase tickets but cannot select their destination. New packaged products include *Kaiun Tabi Kuji*, introduced in August 2022, and *Yadotsuki Tabi Kuji*, introduced in February 2023. In this way, we have endeavored to create new demand by offering travel experiences that introduce an element of chance in destination.

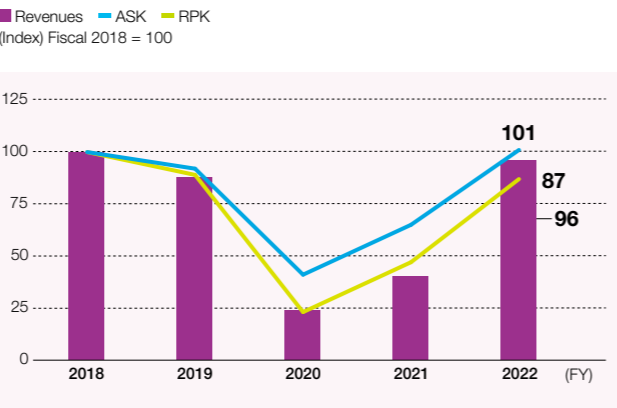
As a result, LCC passenger numbers in fiscal 2022 amounted to 7.77 million (up 82.2% year on year), and operating revenues totaled ¥90.2 billion (up 138.7%).

Fiscal 2023 Business Policies

We intend to restructure domestic routes into a leaner, more profitable network while continuing to utilize early morning and late night flight schedules.

Peach will gradually expand capacity in stages on international routes. In March, Peach opened a new Nagoya (Chubu)–Taipei route, which was the first international route for Peach out of Nagoya (Chubu) Airport. In May, we began operation on the Kansai–Shanghai and Haneda–Shanghai routes, followed by the June increase in Narita–Taipei route flights. We will increase the resource allocation to international flights as we resume full-scale operations. At the same time, we intend to improve aircraft utilization while capturing leisure demand originating from Japan and inbound demand to Japan.

LCC Results



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



Airbus A321LR service the Kansai–Bangkok route



The *Tabi Kuji* ticket, a new form of travel (Photo is of the *Kaiun Tabi Kuji* product)

Non-Air Businesses

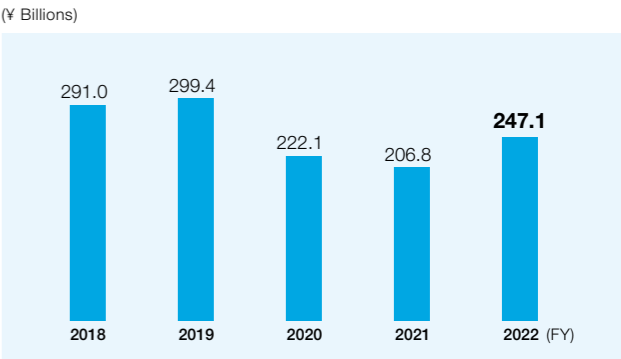
Concentrating Resources on Core Businesses in the Non-Air Business Segment,
While Strengthening Efforts to Expand Non-Air Business Revenue Domains

Airline Related

Fiscal 2022 revenues increased to ¥247.1 billion (up 19.5% year on year), and operating income rose to ¥2.3 billion (compared to an operating loss of ¥0.6 billion in the previous fiscal year). This result was mainly due to an increase in passenger check-in, baggage loading and other ground handling work, in-flight meal production, etc., in connection with deregulation in Japan and other countries.

With the recovery in passenger demand, we expect to expand the scale of our operations, including those for overseas airlines, in fiscal 2023. We will endeavor to strengthen profitability, focusing on ground handling services and other contract operations.

Airline Related: Operating Revenues

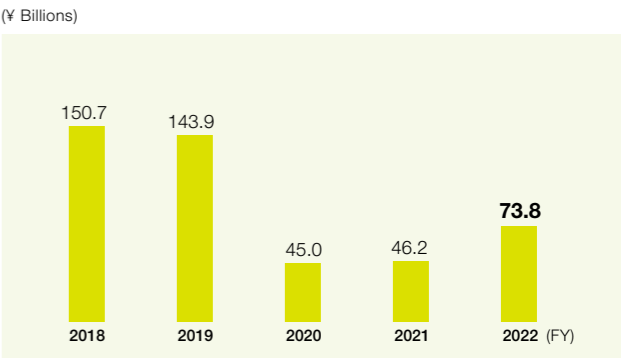


Travel Services

Dynamic package products increased in fiscal 2022, supported by the increase in nationwide travel support in Japan during the second half of the year. Overseas tours to Hawaii resumed in April for the first time in two years, while tours expanded thereafter to all destinations. As a result, operating revenues amounted to ¥73.8 billion (up 59.5% year on year), and operating loss amounted to ¥0.2 billion (compared with an operating loss of ¥2.1 billion in the previous year).

In fiscal 2023, we intend to pursue a world in which people live in a mileage-based ecosystem, upgrading the ANA Mileage Club app and redesigning ANA Pay.

Travel Services: Operating Revenues

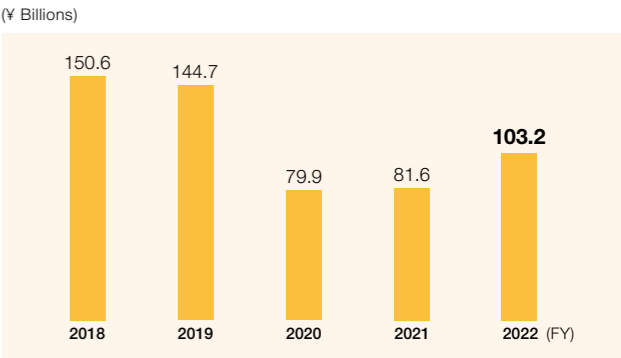


Trade and Retail

In fiscal 2022, 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 ¥103.2 billion (up 26.4% year on year), while operating income came to ¥3.5 billion (up 539.5%).

We will strive to improve airport retail and electronics business profitability further in fiscal 2023, against the backdrop of recovering passenger demand, particularly for inbound travel to Japan, and solid demand for semiconductors.

Trade and Retail: Operating Revenues



A New Brand: AIRJAPAN

With experts predicting structural changes in medium- to long-term airline demand in the wake of COVID-19, the ANA Group is determined to strengthen our airline business by establishing a new brand to cover future areas of growth and optimize our multi-brand approach. AirJapan will be the third brand under the ANA Group, standing next to ANA and Peach. Air Japan Co., Ltd., which has been serving Asian routes for more than 20 years, will operate AirJapan as a dedicated international airline under the ANA Group. We are in the final stages of launch preparation for the Narita–Bangkok route, scheduled to begin service on February 9, 2024.

Company Overview (as of July 2023)

Company name:	Air Japan Co., Ltd.	Employees:	890
Representative:	MINEGUCHI Hideki, President and CEO	Fleet:	Boeing 787 aircraft
Established:	June 29, 1990	Shareholder composition:	ANA Holdings, Inc. 100%
Capital:	¥50 million		

The AirJapan Brand

- Brand Concept** Fly Thoughtful
(the airline's caring, thoughtful and gentle approach)
- Brand Colors** A combination of the traditional Japanese colors of *Ai* (indigo) and *Akebono* (sunrise)
- Brand Logo** Rounded design inspired by the image of a kind and thoughtful hand-to-hand interaction



Business Strategy

Capture strong inbound demand, mainly from Southeast Asia

Environmental Awareness

Business demand continues to expand at a moderate pace, while leisure and VFR* travel, represented by inbound visitors to Japan, are likely to continue to grow over the medium to long term at a rapid clip. We expect Southeast Asia, in particular, to demonstrate growth potential as a high-volume market similar to East Asia. We base this expectation on economic growth, population growth, and the resulting formation of a broad middle class.

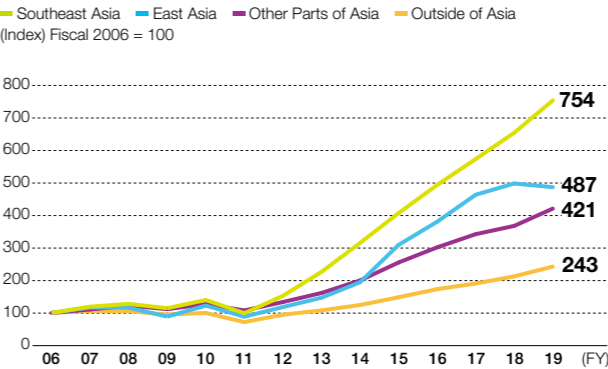
Targets

AirJapan will focus on attracting passengers visiting Japan from Southeast Asia and other regions.

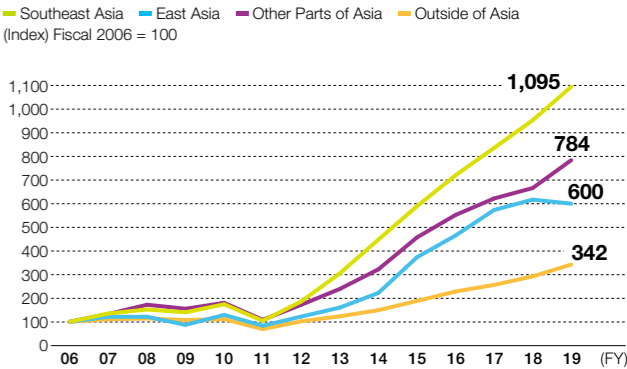
AirJapan intends to differentiate from overseas competitors through a unique sense of *Japaneseness* that reflects the insights of visitors to Japan.

* VFR: Visiting Friends and Relatives

No. of Foreign Visitors to Japan

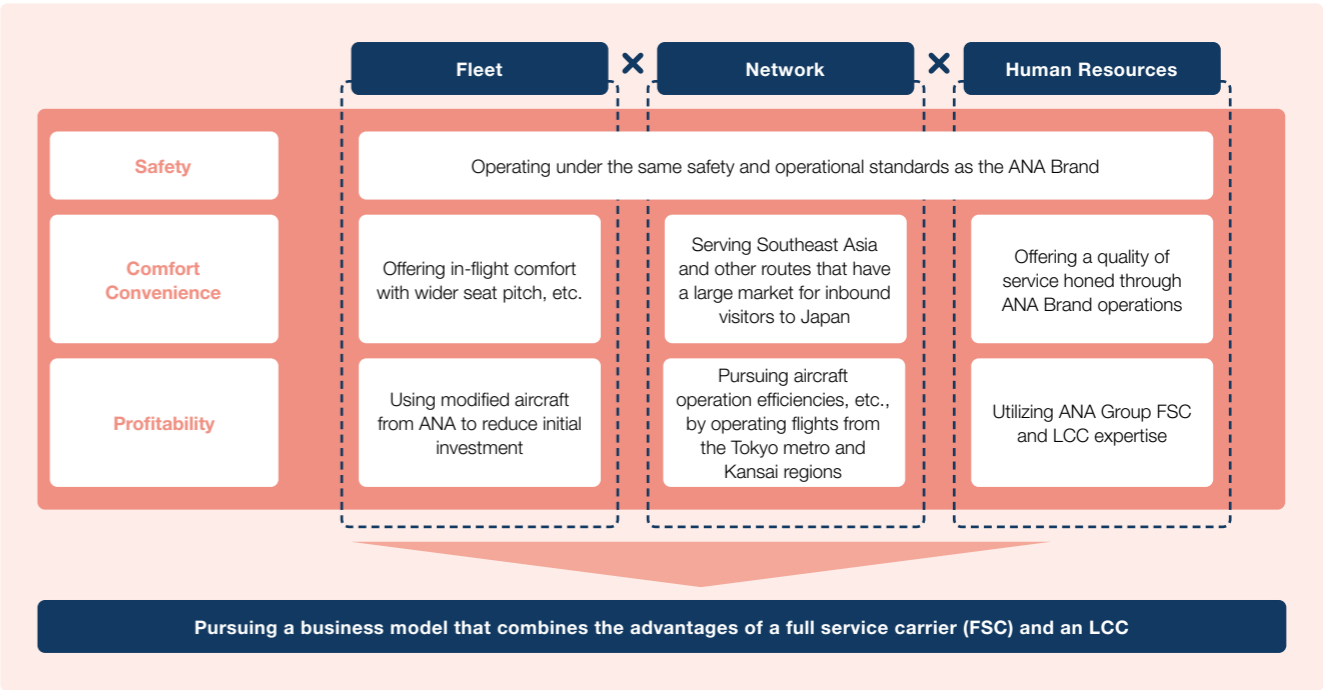


No. of Tourists Visiting Japan



Source: Japan National Tourism Organization (JNTO)

A Hybrid Airline Business Model



Unique Japanese *Omotenashi* (Hospitality)

We offer unique value to overseas customers visiting Japan, helping them experience Japan from the very first steps of their trip.

Seats

For mid-range flights in Southeast Asia and other regions, we designed a 324-seat all-economy cabin offering an environment comfortable for more passengers. At a 32-inch seat pitch (seat distance), our seats are wider than the same class of an FSC's economy seats. We also designed the seat to recline deeper, allowing passengers to relax, even on long flights. All seats are equipped with type-A and type-C USB ports and tablet holders for passenger comfort when using personal smartphones and tablets.



Uniforms

AirJapan flight attendants collaborated in the production of the brand's iconic uniforms from the conceptual stages. These uniforms embody the character of AirJapan in design and functionality. The uniform incorporates traditional Japanese cultural elements, such as knots and layers, to give overseas passengers a sense of *Japaneseness* from the moment they board the aircraft. In addition, we designed the uniform to be borderless, which means it can be worn in one's personal style regardless of gender and encourages the activity of our diverse human resources. In consideration of environmental issues such as clothing loss, etc., AirJapan intends to use uniform jackets and bottoms as shared items to minimize resources used.



Background Music

We created boarding music in collaboration with Tokyo University of the Arts to welcome passengers on board. Leading Japanese musicians and students of Tokyo University of the Arts performed the music, which features the distinctive Japanese sounds of the *shakuhachi* flute and the *koto*.



In-Flight Meals

In-flight meals will be available for pre-purchase and as in-flight purchase options. AirJapan will offer a menu highlighting Japanese food culture, with food from various regions of Japan. We expect these meals will be new discoveries for both Japanese passengers and visitors bound for Japan and allow us to offer the delicious tastes of Japan from the sky. In-flight purchase options will include retort-pouch and freeze-dried foods that can be preserved for an extended period of time. These meals remain delicious thanks to Japan's excellent food processing technology, reducing food loss.



In-Flight Entertainment

Passengers will have access to movies and other video content on board using their own devices. In addition to new Hollywood movies, travelers will enjoy kids' content and AirJapan original videos.



Message from the President of Air Japan Co., Ltd.

Air Japan Co., Ltd. began operating the Kansai-Seoul route as an ANA scheduled passenger flight in 2001. Since that time, we have contributed to the growth of the ANA international business by expanding routes gradually as an ANA Brand international business.

As of August 2023, we operate up to seven round-trip flights per day from the Narita and Haneda airports in the Tokyo metropolitan area to five cities: Singapore, Bangkok, Ho Chi Minh City, Hong Kong, and Taipei. Before the outbreak of COVID-19, we operated flights to 12 overseas destinations, offering a maximum of 18 round trips per day. With passenger demand declining significantly due to the COVID-19 pandemic, we reduced the scale of our operations significantly to overcome the challenging situation, having no choice but to furlough contracted foreign pilots. We even shortened the work hours of our flight attendants or transferred them to outside companies.

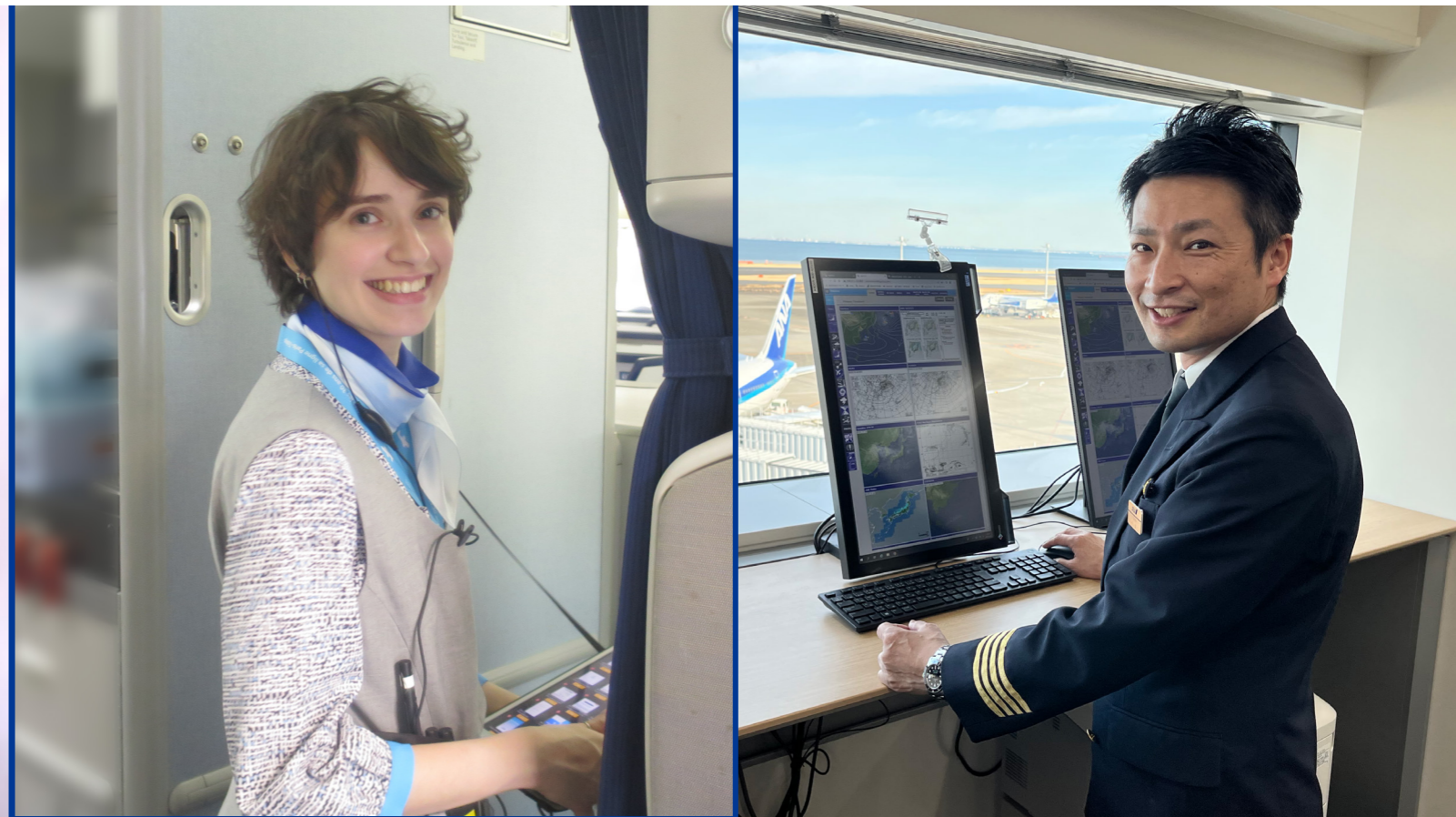
In anticipation of the end of COVID-19 and a significant increase in foreign inbound travel to Japan, we decided to launch AirJapan as a third airline brand of the ANA Group. This new brand is our response to the business opportunities in the post-COVID-19 era, and we are preparing to launch the business in February 2024.

The AirJapan brand will use the ANA Group's flagship Boeing 787 aircraft, beginning with flights from

Narita Airport to Southeast Asia and other parts of Asia. We plan to expand operations to Kansai Airport and service to Oceania in the future.

Based on the expertise in safety and on-time performance AirJapan has cultivated over many years of operations, we intend to provide new value of a different type than FSCs or LCCs, offering in-flight comfort comparable to FSCs and a variety of fare and service options to suit customer travel styles. After AirJapan is up and running, we will continue to operate under the ANA Brand to play a role in expanding the ANA-branded international flight business. I urge you to look forward to the new AirJapan as we prove to the world what two-way players can do in the airline business.





Medium- to Long-Term Value Creation

The ANA Group aims to create sustainable societies and enhance corporate value as a company that continues to grow together with society by resolving social issues through business operations leading to a world of wonder for all.



ANA Group ESG Management

The ANA Group’s new management vision is **Uniting the World in Wonder**. We aim to be a company that grows together with society by resolving global environmental and social issues through business in a way that is unique to the ANA Group. We will aim to resolve materiality to the Group and achieve the simultaneous creation of social value and economic value by identifying and incorporating those issues into our business strategies and plans.

Identification of Materiality

In fiscal 2022, the ANA Group reviewed the materiality to be addressed through redefining the FY2023-25 ANA Group Corporate Strategy, which was also set to realize its new management vision.

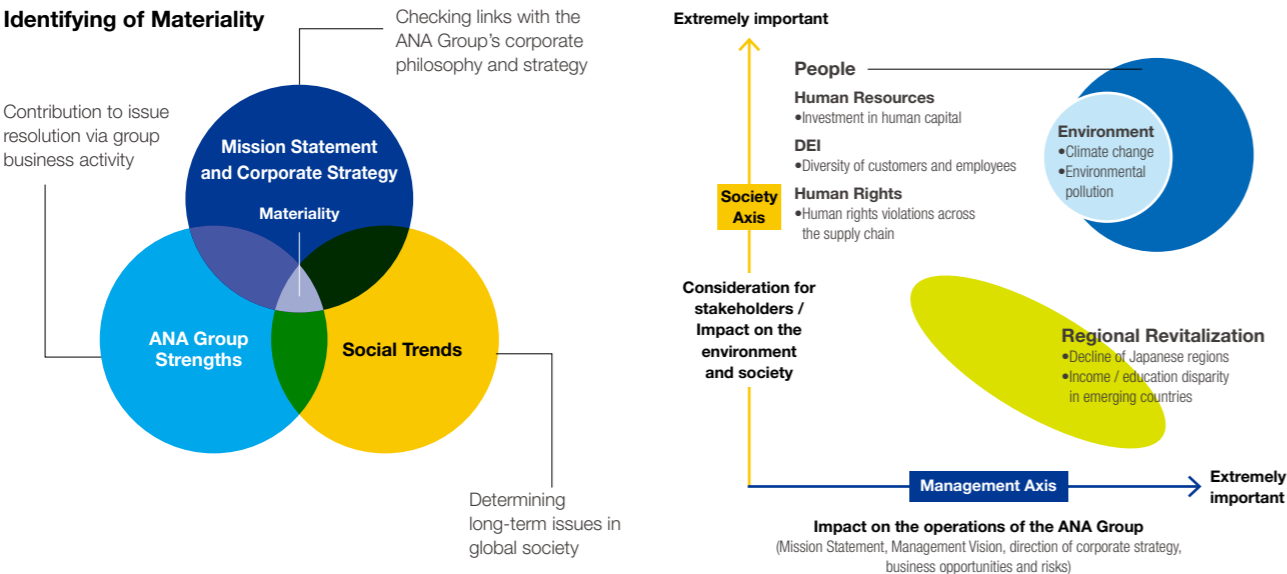
Since fiscal 2020, we have united as a group and overcome company crises among impacts of COVID-19 and unpredictable changes in the global environment through the ingenuity, motivation, and autonomy of each employee. The power of people and the capabilities of our organization stems from our human resources. We believe that strengthening the investment in our human capital will enable them to leverage their individual and diverse strengths to drive change, thus supporting the medium- to long-term sustainable growth of the Company. In light of this, we added human resources as a material issue, as they have also historically served as the foundation of value creation for the ANA Group. Other materiality identified include environment, people (human resources, DEI, and human rights), and regional development.

We use the following process to identify materiality to be addressed by the Group.


- (1) Identify long-term issues facing global society and determine whether these issues are sustainable and consistent with our mission statement and corporate strategies
- (2) Analyze whether we can contribute to the resolution of these issues through our business activities from the perspectives of our mission statement, corporate strategy, ANA Group strengths, and social trends
- (3) Determine degree of importance and identify materiality through mapping issues on two axes: one representing the impact on group business (management axis), and the other representing the impact on society and the environment, or stakeholder interest (society axis).

Materiality is discussed and deliberated at the Group Management Committee and submitted to the Board of Directors. We periodically review the appropriateness of our material issues through discussions and information gatherings with both internal and external stakeholders as we consequently repeat the process of identifying material issues to resolve. This process enables us to scrutinize whether material issues are consistent with global affairs, the environment, and our corporate strategy.

Schematic for Identifying of Materiality



Identified Material Issues and Specific Initiatives

Materiality		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	<div><div>7</div><div>CLIMATE ACTION</div></div> <div><div>9</div><div>INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div></div> <div><div>12</div><div>RESponsible Consumption and Production</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div> <div><div>14</div><div>Life Below Water</div></div> <div><div>15</div><div>Life on Land</div></div> <div><div>17</div><div>Partnerships for the Goals</div></div>
S	People					
	Human Resources	<ul style="list-style-type: none">Respond to labor shortagesCultivate human resources and organizations to achieve transformationEnhance human capital productivity	<ul style="list-style-type: none">Enhance ease of workEnhance job satisfactionSucceed and evolve corporate culture	2030		
	Diversity, Equity, and Inclusion (DEI)	<ul style="list-style-type: none">Develop human resources for sustainable growthPromotion of universal services	<ul style="list-style-type: none">Gender equality, supporting diverse work styles, respecting diversityRespect the diversity of customers by promoting universal services	2030		<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div> <div><div>5</div><div>GENDER EQUALITY</div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div>
	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		<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>9</div><div>INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div></div> <div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div>
G	Strengthen Governance Structures	Disclose commitments of top management	Increase diversity in Board membership	Ensure appropriate information disclosure and transparency		

ESG Management Promotion Cycle

The ANA Group executes ESG management through a cycle of dialogues, initiatives, and information disclosures. Through dialogues with stakeholders, it is essential for the group to understand the latest social needs and changing interests to accurately understand the social expectations of the group and our responses to social issues. We evaluate the risks and opportunities for our business and society based on the social demands we receive through these discussions. After debating the risks and opportunities at management meetings and other forums, the group incorporates them into its corporate strategy and reflects them in specific initiatives. The ANA Group transparently discloses its goals, their progress, and the results of group efforts on its corporate website and in other media as necessary. We engage in deeper dialogue with our stakeholders through information disclosures, reporting our progress and confirming the appropriateness of our initiatives in those discussions.

ESG Management Implementation Structure

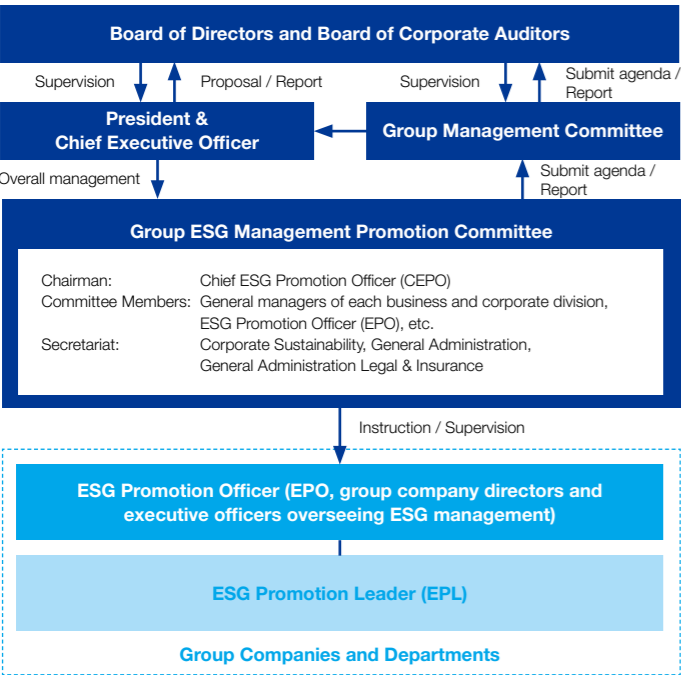
We established the Group ESG Management Promotion Committee to address various ESG management issues. The committee is overseen by the President & Chief Executive Officer of ANA HOLDINGS INC., and chaired by the Chief ESG Promotion Officer (CEPO), the director in charge of group ESG management. Members include group company directors and executive officers, as well as the full-time Audit & Supervisory Board members. The ESG Management Promotion Committee convenes four times a year to discuss important policies and measures and monitor target progress. Material issues related to corporate strategy are discussed at the Group Management Committee and submitted to the Board of Directors. The Board of Directors sets groupwide management policies and goals on issues such as ESG management, while supervising the management and business execution of each group company.

Each group company appoints an ESG Promotion Officer (EPO) as the person responsible for promoting ESG management and a member of the Group ESG Management Promotion Committee. At the same time, they appoint an ESG Promotion Leader (EPL) at each company and department to lead the ESG activities of their respective organization. Matters discussed, resolved, and reported by the Board of Directors, the Group Management Committee, and the Group ESG Management Promotion Committee are shared and implemented throughout the Group in close cooperation with each EPO and EPL. We hold EPL meetings twice a year to share comprehensive information and promote initiatives within each Group company and department.

Furthermore, we aim to objectively and multilaterally monitor the status of ESG management execution to achieve sustainable growth as a company and enhance corporate value over the medium to long term. For that purpose, we employ evaluation indicators, such as external ESG evaluation, and reflect them in officer remuneration.

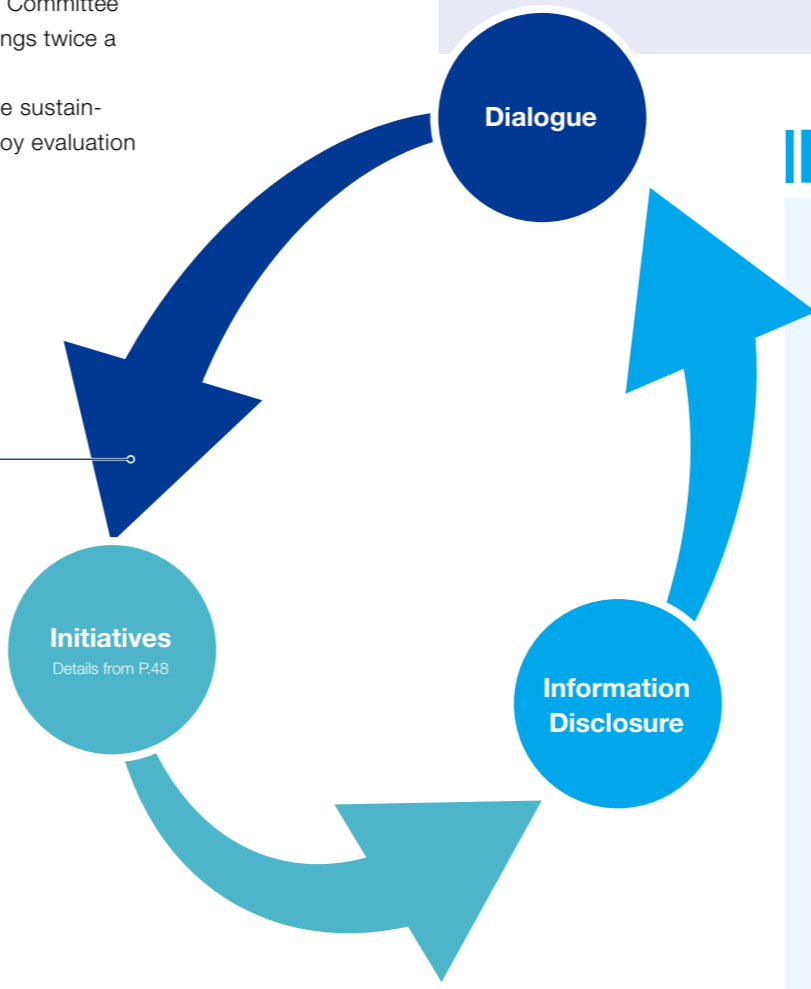
→ See P.107 for more on external evaluations.

ESG Management Implementation Structure



Formulating Strategic Initiatives

We review and revise the content of our initiatives every year based on social trends and suggestions from internal and external dialogues. The ESG Management Promotion Committee discusses strategies, which are then deliberated and resolved by the Group Management Committee and the Board of Directors. Upon their resolution, we formulate strategy policies for the next fiscal year.



Stakeholder Dialogue

The ESG management promotion cycle begins with dialogue with external stakeholders. Based on the information obtained from the dialogue, we strive to not only comply with relevant global laws and norms but also accurately understand the impact that changing social conditions have on our business. We then work to resolve materiality based on our understanding of societal demands and expectations.

The group also holds dialogues with internal and external stakeholders through information disclosures to ensure our efforts are appropriate. This two-way communication holds us accountable and ensures we maintain management transparency.

External Dialogue

- Dialogue with experts on the environment
- Dialogue with experts on business and human rights
- Dialogue with overseas ESG investors and rating agencies
- Dialogue with university students

Internal Dialogue

- Internal discussions to promote ESG management awareness
- Alignment with corporate strategy

Dialogue with xSDG Laboratory, Keio Research Institute at SFC

▶ P.102 Trust Building with Stakeholders

Non-Financial Information Disclosure

Global standards are under development for sustainability disclosures, including disclosures related to climate change. We will proactively disclose targets and results in accordance with required sustainability disclosure guidelines, as well as disclose the details of our initiatives, our process to achieve targets, and their results in a timely manner through appropriate methods.

• Annual Report

- Progress, results related to materiality
- Information disclosures in line with the TCFD recommendations

• ANA SKY WEB

- ESG Content Index
- Progress, results related to medium- to long-term environmental targets

• CDP

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

In 2022, the company was selected as a CDP Climate Change A List Company.

• Science Based Targets Initiatives (SBTi)

These are greenhouse gas reduction targets based on scientific evidence consistent with the Paris Agreement.

In November 2022, we became the first airline in Asia to receive the certification from SBTi for our fiscal 2030 greenhouse gas emission reduction targets.

• DJSI

Stock index developed jointly by U.S.-based S&P and Switzerland-based RobecoSAM.

The ANA Group was selected as a component of DJSI World for the sixth consecutive year and DJSI Asia Pacific for the seventh consecutive year, based on their evaluations of our corporate sustainability from the perspective of economy, environment, and society.

• 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. (Details on P.70)

Materiality

» People



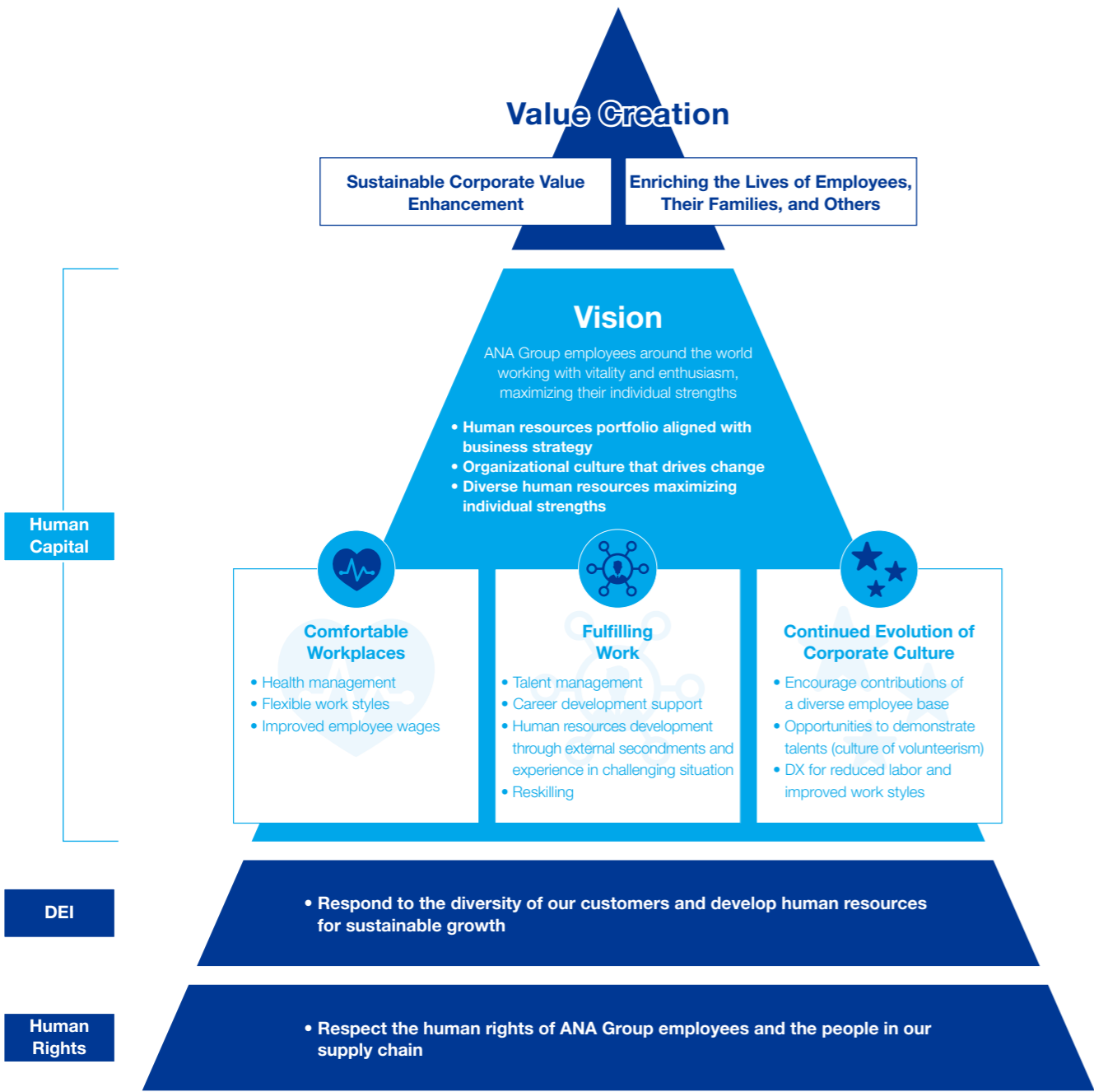
Basic Approach

We define *people* as a materiality at the ANA Group (human resources, DEI, and human rights). During the COVID-19 pandemic, we reaffirmed that human resources, added recently as a materiality, is a source of ANA Group value creation. We must invest more in people if we are to return to a path of growth.

Diversity, equity, and inclusion (DEI) is a groupwide effort under which we develop human resources for sustainable growth and to respond to the diversity of our customers.

Meanwhile, ANA Group business operations impact the human rights of a variety of stakeholders. We take appropriate measures to respect the human rights of group employees as well as the rights of people in our supply chain.

By appropriately addressing people issues, we aim to enhance corporate value sustainably, enriching the lives of our employees, their families, and others whose lives we impact.



CHO Message

We create environments in which ANA Group employees work with vitality and enthusiasm to achieve sustainable corporate value enhancement and personal well-being.

NAOKI Yoshiharu

Executive Vice President
Group Chief Human Resource Officer (CHO)



ANA's Way is the ANA Group code of conduct, communicating the spirit of our founder as expressed in the words of our founder: *Hardship Now, Yet Hope for the Future* and *Wakyo* (close cooperation). The strengths of the ANA Group lie in the power of our people and the comprehensive capabilities (power of our organization) that transcend job titles, companies, and other organizational barriers, and these strengths become the source of value creation.

During the COVID-19 pandemic, employee-led efforts to secure profitability and agile groupwide cost reduction measures drove our performance recovery. The fiscal 2022 ANA's Way Survey (ANA Group Employee Engagement Survey) demonstrated the strong sense of attachment of our employees, who scored ANA 4.05 points out of 5.00 in response to the statement: *I am proud to work for the ANA Group*.

Of course, we must maintain these strengths into the future. At the same time, we must respond to the fast-paced changes in customer needs and uncertain international conditions in the post-COVID-19 era, continuing to develop our human resources and evolve our corporate culture for repeated cycles of reform, *Uniting the World in Wonder* as we state in our new management vision. Recognizing these issues, we launched the Corporate Transformation Council in fiscal 2023 to communicate our new management vision, increase productivity, and foster work-style reform. This council encourages group executives and employees work together to strengthen our people- and organization-based efforts.

Our medium-term human resources strategy calls for the creation of environments in which diverse ANA

Group employees around the world work with vitality and enthusiasm, as well as improved employee engagement to achieve sustainable corporate value enhancement and personal well-being. In pursuing the two-axis management of our air transportation and non-airline businesses, as described in the ANA Group Corporate Strategy, we must clarify our human resources portfolio and address several human resources-related issues. These issues include securing the human resources necessary to expand the scale of our businesses, the development of next-generation leaders capable of fostering change, and human productivity improvement. We plan to implement several measures to stabilize the livelihood of our employees, including raising base wages, starting salaries, and bonuses to pre-COVID-19 base levels, having reduced employee pay during the pandemic. Other measures include the resumption of flight attendant hiring after a four-year freeze, internal internships, and reskilling.

The essence of human resources management is to support each employee to maximize their potential. To this end, we must create systems and mechanisms tailored to each group company. I am in frequent contact with the chief human resources officers of other companies and outside experts to exchange opinions, thinking every day about the most appropriate systems and measures for our group. We continue to investment more in human resources, taking into account the ANA Group corporate culture, the direction of our corporate strategy, and the challenges we face, to become a resilient corporate group in which all employees make the most of their talents.

Human Capital

Human Capital Supporting Our Corporate Strategy



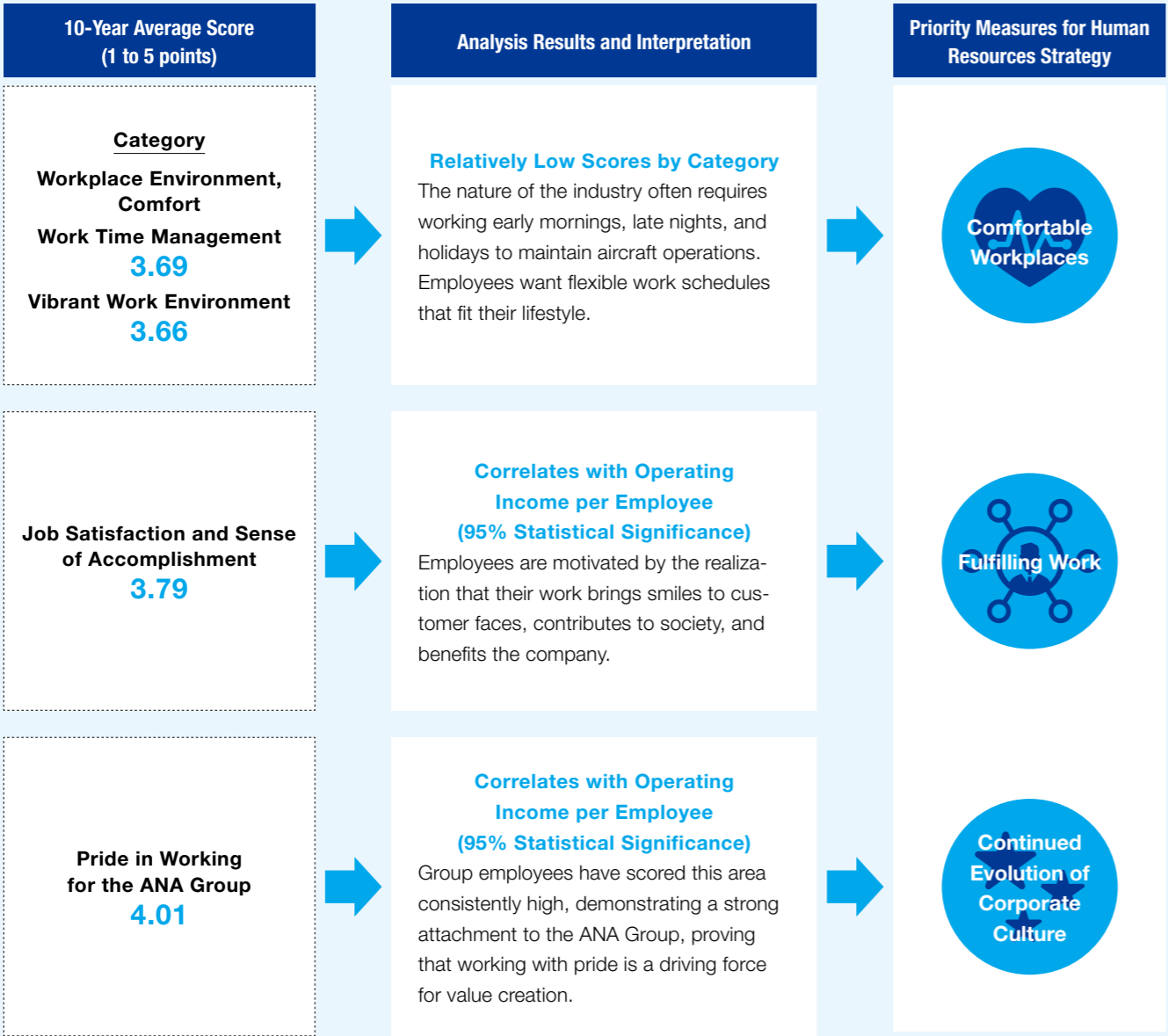
Identifying Measures Based on Engagement Survey Results

We analyzed scores for each question and calculated the correlation with profit performance based on ANA's Way Survey results over the past 10 years (FY2013-2022). Our analysis showed that *pride in working for the ANA Group* and *job satisfaction and sense of accomplishment* correlated with operating income per employee for each fiscal year in question.

We linked issues identified from responses to the ANA's Way Survey with the priority measures of *comfortable workplaces*, *fulfilling work*, and *continued evolution of corporate culture*.

To identify changes in employee awareness in a more timely manner, we added a new quarterly Pulse Survey in fiscal 2023. We plan to take flexible action as needed in response to these surveys.

Key Characteristics and Human Resources Strategy Linked to the ANA's Way Survey



Initiatives to Strengthen People and Organizations



Health Management*1 Initiatives

The ANA Group issued the ANA Group Health Management Declaration in April 2016. We create environments in which employees work with vitality and enthusiasm in mental and physical health, aiming to enhance corporate value and improve employee quality of life. In recognition of past groupwide initiatives (ANA Group Exercise, occupational health staff seminars, etc.), we were awarded the Health & Productivity Stock Selection 2023*2. In addition, eight ANA Group companies were recognized as 2023 Certified Health and Productivity Management Outstanding Organizations (White 500)*3.

*1 Health Management is a registered trademark of NPO Kenko-keiei Kenkyukai
*2 Health & Productivity Stock Selection companies are companies listed on the Tokyo Stock Exchange that consider the health management of their employees from a strategic managerial perspective. In principle, only one company per industry is selected.
*3 Not limited to publicly traded companies, the Health & Productivity Management Outstanding Organizations Recognition Program (White 500) recognizes large corporations that practice excellent health management in cooperation with health insurance societies and other insurers. The top 500 companies among those selected as outstanding organizations are included in the White 500.

ANA Group FY2023-29 Medium-Term Health Management Plan

We recently formulated the ANA Group FY2023-29 Medium-Term Health Management Plan. Targeting March 2030 (end of fiscal 2029), we intend to strengthen our health management initiatives in line with five key categories. We continue to assign the role of Chief Wellness Officer (CWO) to the director in charge of ANA Group human resources and labor affairs. The CWO is responsible for health management across the group. We clarify the structure for health management at each group company and continue to engage in health management at all group companies. The ANA Group continues to pursue health management as we strive for sustainable corporate growth and rising levels of corporate value.

Physical Health Measures	<ul style="list-style-type: none">Prevent and quickly detect lifestyle-related disease, cancer, and women's health issuesProvide early education for young and healthy employees to raise awareness of their future health
Mental Health Measures	<ul style="list-style-type: none">Prevent mental illness through comfortable work environments and improved self-careStrengthen line care through the effective use of stress check results, and improved internal consultation system, etc.
Ensuring Compliance with Occupational Health and Safety Laws	<ul style="list-style-type: none">Measures to prevent occupational accidents
Measures Based on Data Analysis	<ul style="list-style-type: none">Analyze employee health data; identify issues and trends specific to the ANA Group and take response measures
Proactive Information Disclosure	<ul style="list-style-type: none">Communicate ANA Group health management initiatives to stakeholders through expanded information disclosure

Fiscal 2022 Initiatives



ANA Group Exercise



Health & Productivity Stock Selection Awards



Vegetable Day Co-Sponsored by Kagome Co., Ltd.



Systems Supporting Flexible Work Styles

We continue to review systems and expand options for diverse work styles and work-life management.

Dual Employment and Side Jobs

External: Encouraging the acquisition of new knowledge and skills through experiences not available within the company
→Fiscal 2022 result: 2,300 people (ANA)

Internal: Solicit volunteers for dual employment in specific departments within the group, providing opportunities to experience work not available in their own departments

Sabbatical Leave System (ANA)

Leave system used for various purposes such as study abroad, self-development, childcare, and nursing care
(1) Choose a leave of absence period from 1 month to a maximum of 2 years

- (2) No restrictions on reasons for leave of absence
- (3) Sabbatical grants available to alleviate concerns about living conditions
→About 390 people have used the system in the three years since introduction in April 2021

New Work Styles for Flight Attendants (ANA)

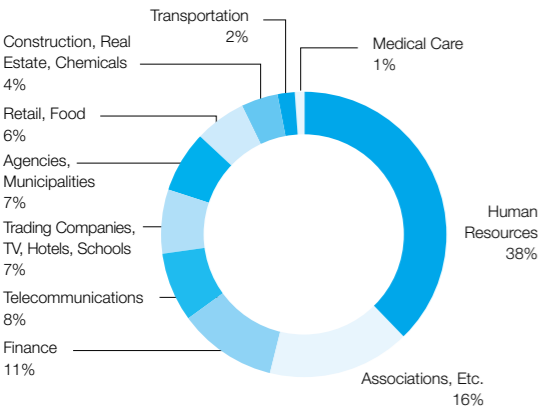
New (fiscal 2022) option for fewer work days, with approximately 3,000 employees opting for the system
(1) Option to work only domestic or only international flights
(2) Choice of working 80% or 50% of normal work hours
(3) Work system allowing designation of home base
→Systems will continue to operate with certain changes in fiscal 2023



External Secondments

As of May 2023, a cumulative total of 2,300 employees had been seconded to companies, organizations, and municipalities outside the ANA Group during the COVID-19 pandemic. These professionals are bringing a variety of work experience and values back to the ANA Group for their own personal and ANA Group growth.

Secondment Partners (ANA, Cumulative)



Secondment Program Overview	
Secondment Selection	<ul style="list-style-type: none">Selected mainly through open recruitmentEach round accompanied with announcement ceremony and message from the ANA Holdings president
During Secondment	<ul style="list-style-type: none">Follow-up with seconded employees through periodic interviews with home-company supervisorANA has the opportunity to share its corporate culture with other companies through etiquette course materials, etc.
Completion of Secondment	<ul style="list-style-type: none">Home-company supervisor meets with seconded employee to discuss work and career after returning
Return to Work	<ul style="list-style-type: none">Returning employee brings new skills and experiences to the home companyReturning employee shares experiences from secondment with colleagues



Evolving an Organizational Culture Unique to the ANA Group Identity

We are changing our organizational culture from the bottom up by creating a system that allows young and mid-career professionals to participate directly and interact with each other.

Happiness Planet Gym

- The ANA Group Happiness Cup is a team competition event for young employees serving as a means to improve employee well-being. The event incorporates Happiness Planet Gym, an organizational support service provided by Hitachi Group company Happiness Planet to create positive connections between people and organizations.
- Aiming to increase employee happiness and maximize performance, keys to improving customer service



Exciting Challenge Goals

- Individuals set challenging goals in areas aligned with their interests, contributing to the achievement of our new management vision
- Individuals pursue actions that offer excitement to oneself, their peers, customers, and society, sharing results and offering support through dialogue in an organizational setting

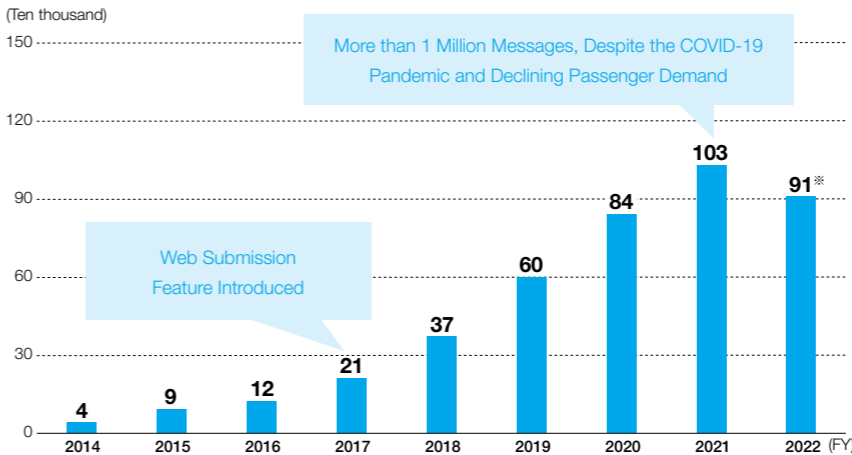


Fostering a Culture of Praise – Good Job Program –

We launched this program in fiscal 2001 as a tool to foster a culture of mutual appreciation and respect. Employees send messages of appreciation to colleagues in other group companies or divisions.



Number of Messages Sent



CDO Message

The ANA Group works to accelerate the promotion of diversity, equity, and inclusion to enhance employees' lifestyles and growth, enabling them to lead the workplace.

TANEIE Jun

Executive Vice President
Group Chief Diversity, Equity & Inclusion Officer (CDO)



ANA Group DEI Initiatives

The ANA Group works to spread diversity, equity, and inclusion (DEI) throughout our organization as a material issue. The value created by diversity and improvements in quality and safety are important elements that support our sustainable growth as we aim to achieve our vision of Uniting the World in Wonder.

Our airline group requires a high level of technology and expertise. As such, the source of our competitive advantage comes from its people and the power of their teams. In a drastically changing global environment, co-creation with stakeholders is additionally becoming increasingly important, even in businesses other than air transportation. The foundation that supports the ANA Group is comprised of the following: (1) workplaces that enable each employee to maximize their abilities regardless of differences in attributes and work styles, resulting in individual strength leading to organization strength, and (2) a corporate culture in which employees respect each other and actively communicate across generations. Both of these foundations are created through DEI promotion.

DEI not only serves as a responsible approach to human rights and discrimination and as a driving force of sustainable growth but it is also becoming increasingly important to companies from a human capital management perspective. Historically, the Group has worked to accelerate DEI promotion and speed up decision-making by establishing dedicated organizations and appointing a Group Chief Diversity, Equity & Inclusion Officer (CDO) in line with our 2015 ANA Group Diversity and Inclusion Promise as our basic philosophy.

Future Direction

The ANA Group works to achieve our new management vision Uniting the World in Wonder and become a group where all employees around the world can work with enthusiasm and demonstrate their individual strengths, as envisioned in our medium-term human resources strategy. As such, we set the following three key issues in our medium-term DEI strategy.

- 1) Create a DEI-infused workplace and improve employee engagement
- 2) Ensure diversity in decision-making bodies and provide an enriched work-life balance
- 3) Further exercise the capabilities of a diverse workforce

We recognize the importance of the ratio of female managers as a social issue and indicator to ensure diversity in decision-making bodies. In 2021, we formulated new medium-term targets for the ratio of female executives and managers and have steadily improved this ratio through a comprehensive approach to personnel and support systems, capacity building, and awareness building. We also aim to achieve gender equality as we clarify what "Women's Participation and Advancement in the Workplace" truly indicates. The ANA Group firmly believes that the diversification of decision-making bodies and work styles that enhance work-life balance are, and will continue to be, essential elements for the growth and happiness of our company and employees. As such, we will continue to create a fair and inclusive workplace where employees around the world have opportunities to grow and demonstrate their abilities.

Diversity, Equity, and Inclusion (DEI)

1 Understanding and Addressing Diversity

Gender Equality: Diversifying Decision-Making Bodies

The ANA Group aims to reach a 30% or higher employment ratio of female executives and managers as early as possible by 2030. We take action to review personnel and support systems, build capacity, and foster awareness to ensure diversity in Group decision-making, as well as aid the autonomous growth of employees.

Certain group companies, such as ANA, obtained the highest level of certification under the "Eruboshi" Certification. This certification is based on the Act on Women's Participation and Advancement in the Workplace established by the Ministry of Health, Labour and Welfare.



	Ratio of Female Executives	Ratio of Female Managers
ANA Group* ¹	10.4% (+0.4%)	19.3% (+1.1%)
ANA	16.3% (±0.0%)	19.3% (+1.0%)

* As of June 2023 (year-on-year change)

Diverse Work Styles: Increasing the Percentage of Employees Taking Paternity Leave

The ANA Group develops systems that help enhance the lifestyles of employees in various ways, such as through balancing work with childcare and/or nursing care. The ratio of male employees taking childcare leave is increasing through our efforts to promote understanding among supervisors and workplaces, in addition to the employees themselves. We extended access to the three-day parental leave, which had previously only been available to certain companies, to the entire Group and set 2030 targets to ensure all eligible employees take this leave.



Fiscal 2022
Percentage of Employees Taking Childcare Leave
57.3%*¹ (FY2021: 27.8%)

Percentage of employees taking either or both
childcare leave or the three-day parental leave
90.7%*¹ (FY2021: 80.7%)

LGBTQ+: Respect for Diversity of Sexuality

In 2022, we established the Basic Policy on Respect for Diversity of Sexuality (LGBTQ+) and work to improve workplace environments and promote understanding of these issues. Efforts include expanding our partner system and addressing discrimination. 35 Group companies were awarded a rating of Gold in the PRIDE Index*², an evaluation index for corporate actions related to LGBTQ+. ANA has received this award for seven consecutive years.

Employment of People with Disabilities

The ANA Group established the team for specially promoting employment of people with disabilities in 2012. This team focuses on encouraging the employment of people with disabilities by strengthening cooperation throughout the Group through regular meetings and seminars.

The ANA Group 36K-Employee Kickoff Group code of conduct on the employment of people with disabilities, formulated in 2015, is a shared commitment of all Group employees to promote a proper understanding of reasonable accommodation from both tangible and intangible perspectives. Under this code, we will work to improve society through the creation of a workplace where everyone can demonstrate their strengths and play an active role.

Employment rate of people
with disabilities as of June 1, 2023*³
2.72%

All 40 Group companies achieved the legally
mandated employment ratio.



*¹ Total of 38 companies: ANA HOLDINGS INC., 36 companies subject to our management rules, and ANA Wing Fellows Vie Oji Co., Ltd.

*² Organized by work with Pride

*³ Total of ANA HOLDINGS INC, ANA, and qualified ANA Group companies

2 Universal Service

▼ Initiatives:
https://www.ana.co.jp/group/en/csr/customer_diversity/

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.

Human Rights

Basic Approach

The ANA Group has a wide range of business operations which have the potential to impact the human rights of our stakeholders.

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 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 2018, aiming to promote communication with stakeholders through active dissemination of our initiatives to respect human rights. The group has continued to issue human rights reports since that time. This year, we will again issue a human rights report describing our current efforts.

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 2022, we invited three human rights experts from two overseas entities, the United Nations Development Programme*1 and the World Benchmarking Alliance*2, to evaluate the progress of the initiatives set forth by the ANA Group given the advice received in the previous fiscal year. We received advice from experts on the importance of trusted stakeholder engagement and direct dialogue. We also received guidance on how to link human rights and the environment and in identifying human rights and environmental issues across the value chain.

→P.103 for more details

*1 The lead United Nations development support agency working to eradicate poverty, reduce inequality, and promote sustainable development
*2 The Index Initiative was 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.

Human Rights and Environmental Due Diligence Workshops

In July 2022, the ANA Group established an organization-wide forum to discuss and confirm concerns regarding potential risk factors from the perspective of human rights and the environment across the businesses that the group develops and executes. Representatives from more than 35 group companies and internal departments gathered to identify potential issues in the presence of representatives from the Caux Round Table (CRT Japan)*3 and Conservation International Japan*4, a third-party organization. After the forum, we held dialogues with domestic and international experts to identify new human rights and environmental issues where we should focus future efforts.

▼ For more on new topics, see:
https://www.ana.co.jp/group/en/csr/human_rights/duediligence/
*3 Caux Round Table is a global network of business leaders aimed at ensuring business contributes to a more free, fair, and transparent society. The organization assists companies to promote their human rights activities. The network mainly supports corporate efforts to respect human rights.
*4 The Japanese branch of an international NGO with offices in 29 countries. Conservation International advocates for policies related to climate change and biodiversity.



Human rights and environmental due diligence workshops

▼ 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, we conducted a review in 2016 to identify potential risks to human rights related to business activities across the ANA Group and at all locations we serve. 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 2017, we have engaged a third-party organization to assess working conditions for non-Japanese nationals working in ground handling and catering operations at airports. These assessments are performed with the cooperation of contractors in Japan and include direct interviews with workers and inspections of living arrangements. In 2021, we began a system-based survey on the employment status of workers at group companies and major contractors.

In January 2022, we received an anonymous request to investigate the human rights situation of technical intern trainees at Narita Airport. In response, we worked with a third-party organization in April to conduct face-to-face interviews with 33 technical intern trainees working for ANA Group companies and major contractors. We also conducted a follow-up in October, confirming no human rights violations. In the same month, we conducted a second survey on the employment status of workers for 40 group companies and 127 major contractors, confirming the employment of 5,967 foreign workers across 67 countries. Based on the survey results, in March 2023 we conducted direct interviews through a third-party organization, talking with foreign workers at major contractors where we identified potential risks.

We continue to perform periodic surveys of the employment status of foreign workers across our supply chain. We also examine safe and secure routes for recruiting foreign workers in the ANA Group and our supply chain.

Prevent the Use of Airplanes in Human Trafficking

After conducting training for all cabin attendants, we began a program in fiscal 2019 to report potential cases of human trafficking found in-flight to ground facilities. We continue to work with government agencies and other companies in our industry to increase the momentum and effective deterrence across the airline industry in addressing this issue.

Corruption Prevention

To comply with the anti-bribery laws of countries around the world, we have established the ANA Group Anti-Bribery Regulations which explains these regulations with specific examples. By distributing the ANA Group Anti-Bribery Handbook and conducting e-learning programs, we are working to educate our employees. In early 2023, we offered online in-person training to employees and other persons at our North American locations.

2 Engage in Responsible Procurement

In 2020, we formulated the ANA Group Procurement Policy to conduct more sustainable procurement activities throughout the supply chain. Particularly in terms of human rights and the environment, we now request more extensive and detailed information from suppliers compared to our previous ANA Group Purchasing Policy.

In accordance with the ANA Group Procurement Policy, we analyzed priority risks in our supply chain, identifying tableware and cutlery used in-flight as high priority items.

In fiscal 2022, we held information sessions on the ANA Group procurement policy for seven domestic suppliers of tableware and cutlery, seeking an understanding of responsible procurement. In addition, we conducted a survey on sustainability with suppliers who attended the information sessions. In this process, we monitor and confirm the status of initiatives at each company, providing feedback on ANA Group intentions and deepening communication with suppliers.

The ANA Group also conducts periodic training to ensure a broader understanding of our procurement policy. In fiscal 2022, we held training three times for ANA Group procurement

managers (approximately 100 people). The training covered the importance of complying with social norms, laws, and regulations in procurement activities, as well as the importance of continuing to reduce our environmental impact. The ANA Group will continue to conduct awareness-raising activities.



Information session for Toyo-Sasaki Glass Co., Ltd. (Supplier)

Environment



Basic Approach

As a company whose core business is air transportation, the ANA Group recognizes the urgency in reducing greenhouse gas (GHG) emissions for sustainable business growth and as our contribution to society.

Inspired by this recognition, we established the ANA Group Environmental Policies, 2050 Environmental Goals, and 2030 Environmental Targets. We pursue strategic initiatives to achieve a balance between our medium- to long-term corporate aspirations and short-term growth, aiming to enhance corporate value on a sustainable basis.

Progress in Medium- to Long-Term Environmental Goals and FY2022 Results

In 2021, we announced our 2050 Environmental Goals and plan to achieve net zero carbon emissions by fiscal 2050. We also formulated the 2030 Environmental Targets as a roadmap toward this goal. In May 2023, we updated our target for fiscal 2030 CO₂ emissions from flight operations. We will promote initiatives to reduce our environmental impact over both the medium and long term, using our fiscal 2019 results as a benchmark and monitoring progress every year.

		Targets			
		Initiatives	FY2030	FY2050	FY2022 Results
Reduce CO ₂ Emissions	Aircraft	<ul style="list-style-type: none">• Improve flight operations• Adopt new aircraft technologies• Decarbonize aircraft fuel by using SAF*1 (replace 10% or more of fuel used with SAF by FY2030)• Use negative emissions technologies (NETs)• Use emission trading schemes	Net 10%+ reduction vs. FY2019 (Net emissions: 11.1 million tons or less) Replace 10% or more of fuel used with SAF	Net zero*2	24.3% reduction*3 (Emissions: 9.32 million tons)
		<div>External Environment Necessary for Achieving Goals</div> <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			
	Non-Aircraft	<ul style="list-style-type: none">• Enhance energy efficiency and upgrade aging facilities and equipment• Use renewable energy• Procure electric vehicles (EVs) and fuel cell vehicles (FCVs) when upgrading airport vehicles	33%+ reduction vs. FY2019	Net zero	22.8% reduction
		<div>External Environment Necessary for Achieving Goals</div> <ul style="list-style-type: none">• Expansion of renewable energy supply• Development of airport infrastructure to convert to EVs/FCVs			
Reduce Resource Waste Ratio (Plastics, Paper, etc.)		<ul style="list-style-type: none">• Switch from single-use plastics to paper and reusable materials for in-flight meal containers• Establish an in-house recycling scheme for plastic film used in cargo transportation	70%+ reduction (waste generated vs. FY2019)	Zero waste ratio	54.2% 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 optimize the number of meals loaded using in-flight pre-order service, etc.	Less than 3.8% waste ratio (FY2019: 4.6%)	Less than 2.3% waste ratio (50% reduction vs. FY2019)	5.4%
Conserve Biodiversity		<ul style="list-style-type: none">• Conduct educational activities aimed at eradicating illegal wildlife trade in air transportation• Engage in environmental conservation activities aimed at biodiversity conservation, etc.			

*1 SAF (sustainable aviation fuel): Aviation fuel that is not produced from fossil fuels but from sustainable sources such as vegetable oils and animal fats

*2 The balance of CO₂ emissions that cannot be reduced over the entire life cycle will be eliminated through technologies, etc., that physically remove CO₂ from the atmosphere

*3 Includes reductions due to flight suspensions and lower frequency caused by COVID-19

CSO Message

We will create an environment and accelerate efforts to achieve our fiscal 2030 targets to realize net zero emissions by fiscal 2050.

MIYATA Chikako

Executive Vice President
Group Chief Sustainability Officer (CSO)



The ANA Group seeks to reduce the GHG emissions from our flight operations to achieve net zero emissions by the year 2050. In October 2022, the International Civil Aviation Organization (ICAO) reviewed CORSIA baseline for 2024-2035 and proposed long-term goals for carbon neutrality. CORSIA is a global harmonized carbon offsetting and reduction scheme for international aviation. Decarbonizing the aviation sector is an urgent issue, and in December 2022, the Japanese government published the Basic Policy for the Promotion of Decarbonization in the Aviation Sector.

The key to achieving net zero emissions by 2050 is to transition away from using fossil-based fuels and switch to low-carbon alternatives for powering our fleet. Made from renewable sources including biomass and used cooking oil, SAF is considered sustainable since it does not increase CO₂ emissions in the sense that the raw materials are from existing feedstock on our planet and are recycled into energy. Experts say that SAF CO₂ emissions over the life cycle from feedstock collection through usage are 80% lower than conventional fossil fuels. SAF blends directly with jet fuel, so aircraft specifications, airport facilities, and other infrastructure can be used as-is. While effective as a means to an end, the current global supply of SAF is insufficient.

The first order of business is to create an environment for using SAF. For this purpose, we set a medium-term ANA Group goal to replace 10% or more of fuel used with SAF by fiscal 2030 to help accelerate the scale-up of SAF production and usage. Under the Sophisticated Methods of Energy Supply Structures Act*, the Japanese government indicated its active support of SAF, requiring energy suppliers to deliver aircraft fuel consisting of at least 10% SAF at Japanese airports by 2030.

Furthermore, amid the growing global demand for SAF, it is essential that we develop recycling systems to ensure the stable supply of feedstocks as well as technologies to diversify those feedstocks.

We plan to accelerate solutions to these issues in an all-Japan effort, working with various stakeholders based on public-private partnerships toward the stable domestic production of SAF at internationally competitive prices.

But decarbonizing aviation cannot be achieved through one approach alone. We must create a comprehensive structure combining multiple solutions for operational improvements, aircraft innovation, etc., collaborating with all stakeholders across the supply chain and industries. We are reducing CO₂ emissions through daily operational improvements, adopting more efficient flight operations and flight routes while maintaining and improving safe day-to-day operations. There are, however, CO₂ emissions that cannot be reduced through operational efficiencies, upgrades to more fuel-efficient aircraft, and the use of SAF and other low-carbon fuels. For these emissions, we will take advantage of emissions trading systems over the long term. Negative emission technologies are CO₂ removal technologies that capture, absorb, store, and immobilize CO₂ in the atmosphere. We plan to work with our partners to diversify our means of CO₂ emissions reductions through these technologies.

We feel strongly about meeting our responsibilities in resolving global and environmental issues while we continue to provide our unique value of connecting people, goods, and services through our fleet soaring the skies. We will continue to fulfill our social responsibility through transparent information disclosure related to our environmental impact and the progress of our initiatives.

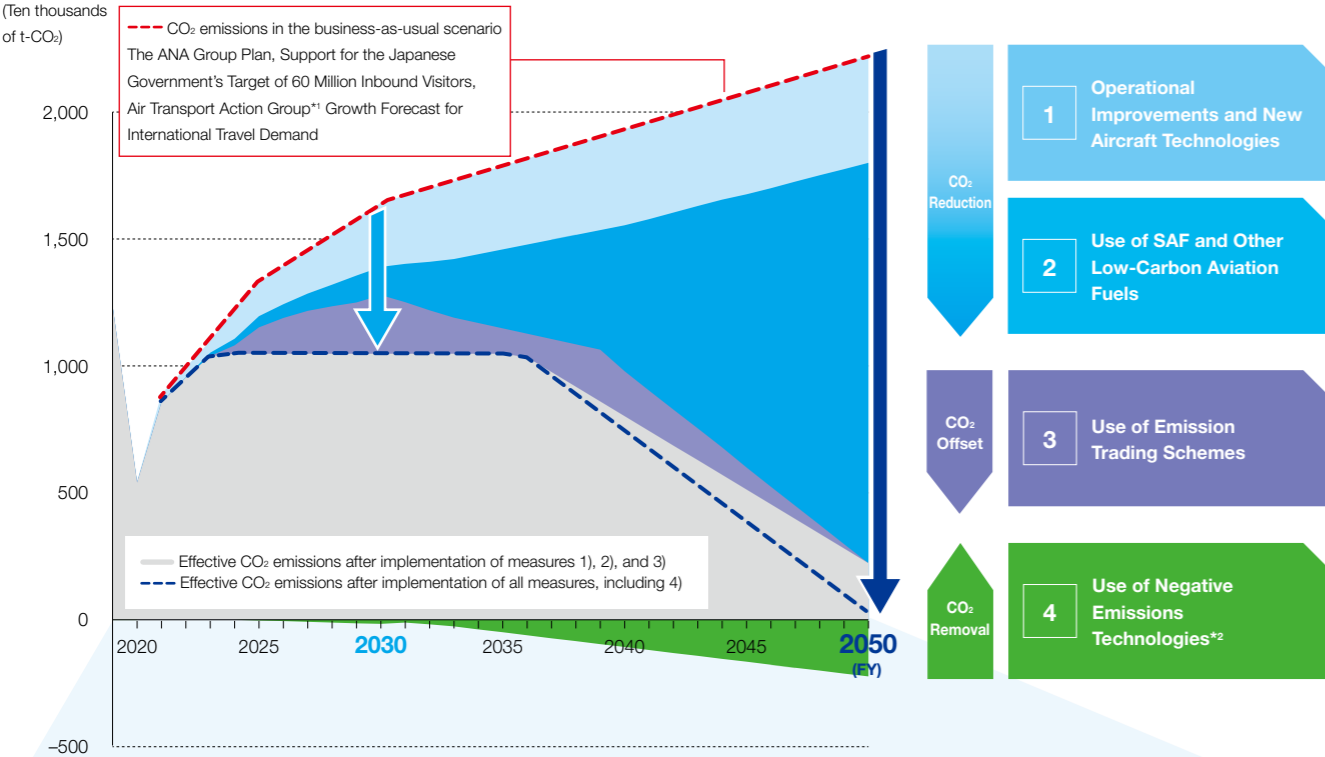
* Act on the Promotion of Use of Non-Fossil Energy Sources and Effective Use of Fossil Energy Materials by Energy Suppliers

1 Reduce CO₂ Emissions

Reduce CO₂ Emissions from Aircraft Flight Operations

We have developed transition scenarios to achieve the ANA Group environmental goals for fiscal 2050. Our efforts to achieve our medium- to long-term environmental targets in fiscal 2030 and fiscal 2050 combine four strategic approaches that reflect economic rationality.

Transition Strategies to Achieve Long-Term Environmental Goals for FY2050



By FY2025

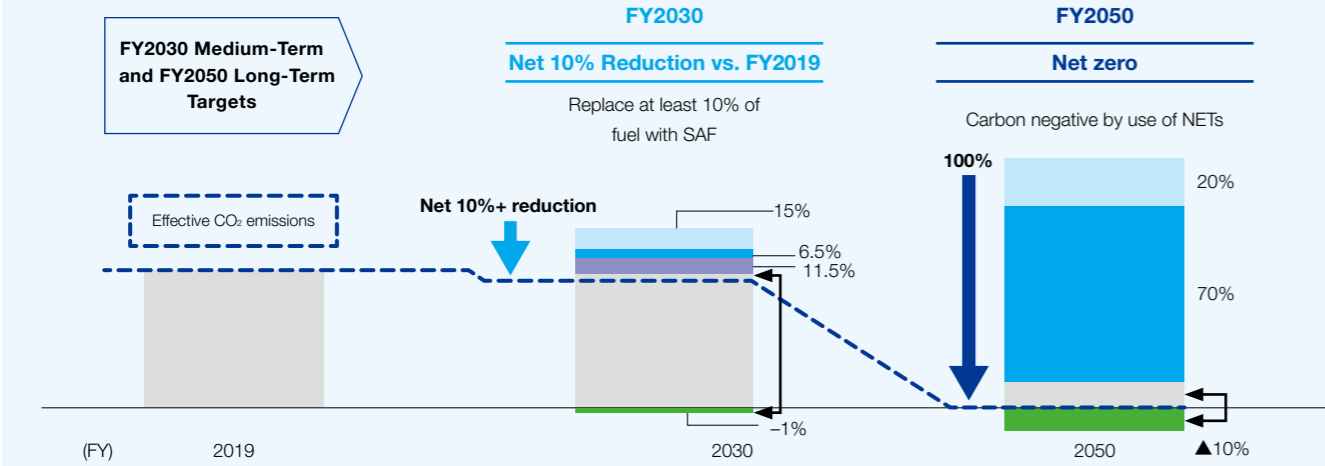
Pursue emissions reductions through operational innovations during the ASK/ATK recovery phase. Continue to adopt SAF and switch to fuel-efficient aircraft.

By FY2030

Upgrade to more fuel-efficient aircraft and use SAF to meet FY2030 targets, while accounting for economic rationality and using emissions trading to cover any shortfalls.

By FY2050

Accelerate the use of SAF further and strive to decarbonize most, if not all, fuels. Use NETs to achieve net zero for residual CO₂ emissions in the life cycle.



*1 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
*2 Negative emissions technologies (NETs)

1 Operational Improvements and New Aircraft Technologies

All departments involved in safe flight operations work together on measures to reduce CO₂ emissions in daily operations. In parallel, we are making steady progress in decarbonization and fuel efficiency improvements, upgrading to more fuel-efficient aircraft as part of the ANA Group Corporate Strategy.

Improve Flight Operations

Examples of improving fuel efficiency and reducing CO₂ emissions include rapid acceleration and climb during takeoff, reducing thrust reverser usage after landing, single-engine taxiing, engine washing, etc. We disclose the results of these efforts on our website every month.

Since fiscal 2023, the Green Operations Committee, led by flight operations and flight crew divisions, established a system and framework to revise rules and optimize fuel consumption to reduce CO₂ emissions in daily flight operations. We continue to decarbonize our operations through accelerated PDCA cycles.

And through our participation in the Operations Improvement and CO₂ Reduction Council and Future Air Traffic Systems Council established by the Ministry of Land, Infrastructure, Transport and Tourism, we strive to create environments that encourage CO₂ emissions reductions through operational improvements. These efforts include innovations in aviation systems through industry-academia-government collaborations.



For more on ANA Group CO₂ emissions reduction results, see:
<https://www.ana.co.jp/ja/jp/brand/ana-future-promise/ana-green-jet/co2-reduction/>

Adopt New Aircraft Technologies

As our business recovers and expands, we continue to upgrade our fleet to more fuel-efficient aircraft. We expect to achieve a fuel-efficient aircraft ratio of 85.8% by the end of fiscal 2025. By 2030, we will have more than 100 Boeing 787 series aircraft, representing more than 35% of our fleet. We plan to raise this ratio of fuel-efficient aircraft as early as possible.

And we participate in the Public-Private Committee on New Technologies toward Decarbonization of Aircraft, sponsored by the Ministry of Economy, Trade and Industry, toward the adoption of new technologies.

We are also part of a joint research project with an aircraft manufacturer on the development of technology to fly on hydrogen and electric power. Working with Airbus on a joint

Route Development Project

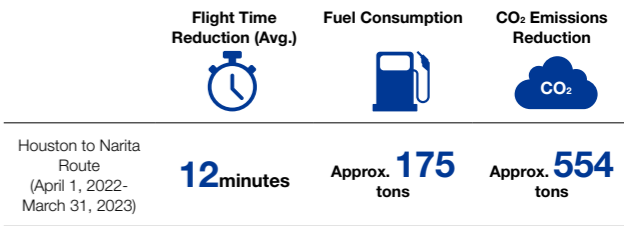
Each ANA international long-range route has between 10 and 15 flight paths.

In 2020, ANA employees launched the Route Development Project, believing that an analysis of flight path regulations of each country would uncover routes that avoid headwinds and shorten flight times for routes that tend to exceed scheduled flight times due to headwinds.

In addition to considering national regulations, the project also considered safety, comfort, on-time performance, and operations efficiencies when selecting new flight paths. We submitted finalized flight plans to air traffic control authorities over each route for approval.

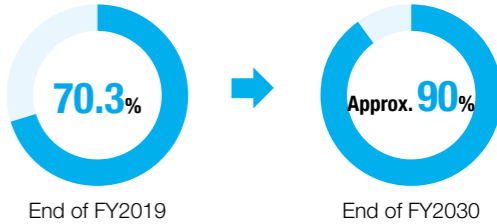
Main Outcomes

We contributed to reduced fuel consumption and CO₂ emissions through new routes and shortened flight times.



research project to develop hydrogen aircraft and infrastructure, we share information on advanced technologies and tackle issues related to the adoption of hydrogen aircraft. At the same time, we collaborate with Boeing on research into electric, hybrid, hydrogen, and other new propulsion systems.

Fuel-Efficient Aircraft Ratio



2 Shift to Low-Carbon Aviation Fuel, Including Utilizing SAF

The core of the ANA Group strategy to achieve decarbonization is the use of low-carbonization aviation fuels, including SAF. By fiscal 2030, more than 10% fuel used will be replaced with SAF, and by fiscal 2050 nearly all fuel in use will be low-carbon.

As we must accelerate efforts not only through public-private partnerships but also through our entire supply chain, we are working with stakeholders even more closely to establish a supply chain and ensure a stable supply of SAF.

Ensuring a Stable Supply of Domestically Produced SAF

Public-Private Partnerships

The Public-Private Council on Promoting the Adoption of Sustainable Aircraft Fuel (SAF) of the Ministry of Land, Infrastructure, Transport and Tourism; Ministry of Economy, Trade and Industry; Ministry of the Environment; Ministry of Agriculture, Forestry and Fisheries

To achieve the ANA Group environmental target of replacing at least 10% of fuel used with SAF by 2030, we must establish a business environment that allows SAF refueling in Japan. A public-private partnership council, including the relevant ministries and agencies, oil wholesalers, and other suppliers, confirmed the need to secure sufficient SAF production capacity and supply chain for raw materials and to establish a system ensuring a stable supply of SAF at internationally competitive prices. In addition, the council confirmed that the government will consider active support for SAF through regulations targeting 10% of fuel supplied to Japanese airports to be SAF by 2030.

Specific Initiatives

Procuring SAF Blended in Japan

A proof-of-concept project of the Public-Private Council on Promoting the Adoption of Sustainable Aircraft Fuel (SAF) led by the Civil Aviation Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, imported neat SAF* to blend with jet fuel in Japan. This project fostered a significant advancement in the supply chain for fueling aircraft, including the clarification of quality control procedures, customs clearance and bonding procedures, and safety in handling. ANA procures SAF blended in Japan through this project and uses this fuel on scheduled domestic and international flights departing from Haneda and Narita airports.

Issues Related to Domestic Blending



* SAF before blending with jet fuel

ACT FOR SKY, an Inter-Industry Collaboration to Promote Domestic SAF

ACT FOR SKY is an all-Japan voluntary organization launched on March 2, 2022, consisting of 29 companies (as of July 2023), 20 of which are involved directly in domestically produced SAF as a business and represent the main actors in building the SAF supply chain. The other nine companies represent entities required to build the supply chain for domestically produced SAF.

The organization aims to create a cross-sector movement of collaboration and action, transcending industry boundaries to commercialize, promote, and expand domestically produced SAF toward carbon-neutral skies.

▼ For more details regarding ACT FOR SKY (in Japanese only), please visit:
<https://actforsky.jp>

Participation in the Ministry of the Environment Decarbonization x Reconstruction Town Development Platform

The ANA Group participates in the Decarbonization x Reconstruction Town Development Platform and the platform's Working Group on Decarbonized Fuel, projects established recently by the Ministry of the Environment. We are helping with the recovery in selected areas through the use of low-carbon circular agriculture, biomass, and other materials for local production and local consumption of SAF and other decarbonized fuels, as well as the investigation of business models to solve issues in this area.

Expanding SAF Procurement Options Overseas

Strengthening Partnerships

- In fiscal 2020, ANA began a strategic alliance with Finland-based SAF manufacturer NESTE for medium- to long-term supply, purchasing and importing SAF on a commercial scale for use on scheduled flights departing from Haneda and Narita airports.
- In December 2022, the ANA Group and the Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) signed a memorandum of understanding (MOU) to collaborate on a project that aims to manufacture and procure SAF overseas. Under this MOU, JOIN will expand opportunities to invest in SAF-related projects overseas while ANA will expand SAF procurement options.
- During fiscal 2023, ANA plans to procure SAF produced by LanzaJet in the U.S., produced using exhaust gas from steel mills and oil refineries, for use on flights departing from the U.S.
- In January 2023, the ANA Group signed a memorandum of understanding with Raven SR of the U.S. and ITOCHU Corporation for SAF procurement. Raven SR manufactures SAF from municipal solid waste and other waste materials, which means a stable supply of SAF in certain quantities should be possible in the future. ANA is considering purchasing this SAF for use on flights departing the U.S. after 2025.

Encouraging the Use of Synthetic Fuels

Biomass, the primary raw material for SAF, is already used commercially. This raw material could become scarce in the future, requiring the rapid commercialization of synthetic fuels over the medium to long term. Synthetic fuels are artificial fuels made by synthesizing CO₂ and hydrogen.

In September 2021, ANA and six other companies collaborated on a proof-of-concept project that uses carbon and hydrogen separated and recovered from CO₂ emission sources and the atmosphere as raw materials to produce SAF using a technology that synthesizes liquid hydrocarbons through a catalytic reaction.

In September 2022, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and other supply-side and demand-side entities (automobile industry, shipping industry, and aviation industry) established the Public-Private Council on the Promotion of Synthetic Fuel (E-fuel). This council addresses technical development and institutional issues under an integrated public-private partnership aiming for commercialization of e-fuel by the early 2030s.

Promoting SAF and Reducing CO₂ Emissions in the Supply Chain



SAF Flight Initiative

In September 2021, ANA, together with companies that use airplanes for business trips and cargo transportation, launched the SAF Flight Initiative. This partnership is a program aiming for a sustainable future by visualizing CO₂ emissions (Scope 3) throughout the supply chain and promoting the widespread use of SAF. Under this program, partners bear a portion of the costs related to SAF, and ANA issues a certificate of CO₂ emissions reductions resulting from SAF usage. We received the 2022 Nikkei Excellent Products and Services Award for this business solution that, among other things, contributes to the achievement of Scope 3 reduction targets for partner companies and improves corporate value. As of March 2023, 13 companies have participated in the program, and we continue to invite new companies to join.



3

Use of Emission Trading Schemes

We intend to reduce CO₂ emissions from flight operations through operational improvements, technological aircraft innovations, and low-carbon aviation fuels such as SAF. In the short to medium term, we are looking into the use of CO₂ emissions trading schemes in consideration of business continuity.

We plan to use high-quality carbon credits that mitigate the impact on climate change, biodiversity, and human rights, while also offering benefits such as economic contributions to local communities.

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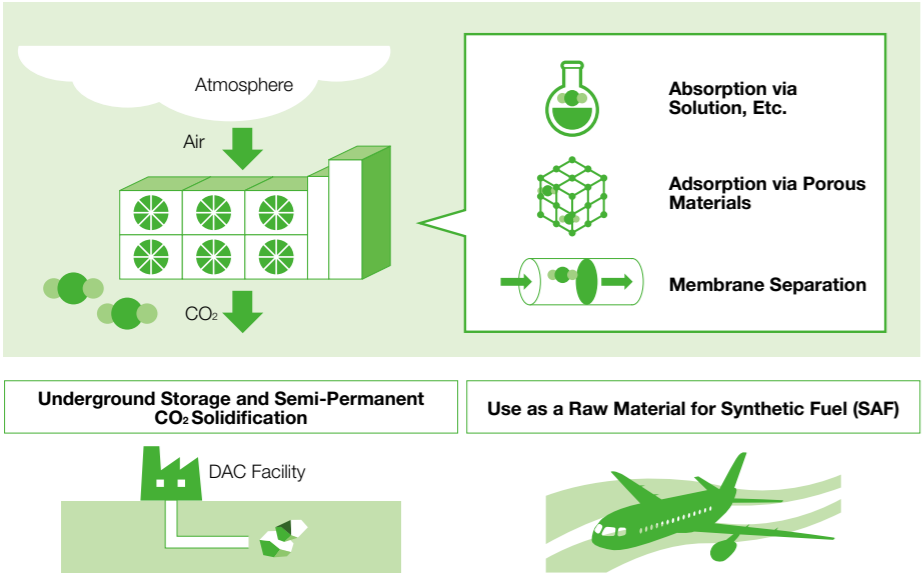
Utilization of Negative Emissions Technologies (NETs)

For the remaining emissions not covered by SAF and other fuel reductions, we intend to achieve net zero emissions by 2050 through NETs. These technologies include direct air capture (DAC), which captures and removes CO₂ directly from the atmosphere.

In March 2022, ANA signed a basic agreement with Climeworks, a Swiss start-up company working on DAC. Under this agreement, we began researching high-quality, permanent CO₂ removal technology. In August 2023, we became the first airline in the world to sign a procurement contract with 1PointFive of the U.S.. 1PointFive is constructing a DAC plant in Texas, U.S.A., which is expected to begin commercial operation by the end of 2025. ANA plans to procure more than 30,000 tons of carbon dioxide removal (CDR) credits over three years beginning 2025.

DAC technology captures and removes large amounts of CO₂ directly from the atmosphere and is an essential approach that diversifies the means to address CO₂ emissions reduction in the difficult-to-decarbonize aviation industry. We will continue efforts to pursue DAC technology and industry development, diversifying decarbonization measures in our transition strategy to achieve the ANA Group's medium- and long-term environmental goals.

DAC Conceptual Diagram



1PointFive is committed to reducing global temperature rise by 1.5 °C by 2050 through decarbonization solutions, including Carbon Engineering's DAC technology, AIR TO FUELS™ technology, and geological storage hubs. AIR TO FUELS™ is a registered trademark of Carbon Engineering Ltd.



1PointFive's DAC Plant (Courtesy of 1PointFive)

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. Our selection of offset programs are based on global certification standards.

▼ For more details, please visit:
<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 we continue to work toward the creation of sustainable societies. 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



Reduce CO₂ Emissions from All Non-Aircraft Flight Operations

The ANA Group implements appropriate energy management using our energy management system ANA Eiims based on our own Energy Management Standard. ANA and ANA Foods (specified business operators under the Act on the Rational Use of Energy) achieved energy reductions of 1% or more of fiscal 2021 targets, receiving Excellence in Energy Efficiency Award (S Class) certification under the Act on the Rational Use of Energy of the Ministry of Economy, Trade and Industry. ANA has received S Class certification for eight consecutive years since the establishment of the classification 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, generating 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

We are upgrading our airport vehicles to hybrid vehicles (HVs), electric vehicles (EVs), fuel cell vehicles (FCVs), etc., in stages as appropriate. The ANA Group is the first company in Japan to introduce remote-controlled EVs (manufactured by Mototok of Germany) to tow passenger aircraft at airports. Since introducing the vehicles at Saga Airport in 2019, we have placed others into operation at several airports in Japan. In addition to contributing to the reduction of environmental impact, this system allows simpler remote control operation compared to conventional vehicles, leading to more efficient operations.



Pushback using Mototok EVs

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

The ANA Group pursues the 3Rs (Reduce, Reuse, Recycle) + R (Renewable) to reduce our resource waste ratio. We encourage use reduction and recycling, especially of plastics and paper.

Reduce the Use of Plastics

We continue to make progress in replacing plastic products used in airport lounges and on flights with eco-friendly materials. In fiscal 2022, we replaced single-use plastic with paper for in-flight meal containers in premium class on domestic flights. We also switched from single-use to reusable containers for soup bowls and other products, reducing plastic waste by approximately 158 tons per year compared to fiscal 2019.

Major Initiatives

Establishing a Resource-Recycling Scheme for Air Cargo Plastic Film

ANA launched a joint recycling scheme with Sojitz Pla-Net Corporation to collect used plastic air cargo film for recycling into products used by ANA.



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.

Food Loss Initiatives

ANA launched a new service on international flights that allows passengers to choose a lighter meal service or no meal service for more freedom and comfort in-flight. In addition to offering options that meet customer needs, we work with customers to eliminate food waste by reducing the number of in-flight meals discarded without being served.

Major Initiatives

ANA Future Promise

In June 2021, the ANA Group announced *ANA Future Promise*, a movement toward continued corporate growth to continue to the achievement of the SDGs together with our customers and society (Promise), aiming for sustainable growth (Future). In recognition of our efforts, we received the Minister of Land, Infrastructure, Transport and Tourism Award at the 31st Grand Prize for the Global Environment Awards. The Grand Prize for the Global Environment Awards was established in 1992 by the Fuji Sankei Group to encourage promoting industrial development in harmony with the global environment.

In October 2022, we began flying special-livery aircraft as a symbol of the *ANA Future Promise* and as a means to put activities into practice. We have introduced numerous measures on a trial basis, including the use of in-flight service items made from sustainable materials (certain in-flight meal containers and cabin amenities), vegan leather headrest covers made from plant-derived materials, and the testing of riblet film applied to the surface of aircraft. We intend to expand the most effective measures to other aircraft and routes.



▼ For more details, please visit our official website:
<https://www.ana.co.jp/en/jp/brand/ana-future-promise/>

4 Biodiversity Conservation

Adopted in December 2022, the Kunming-Montreal Biodiversity Framework (GBF*) included new global biodiversity goals. Under this framework, the airline industry is responsible for 2030 goals, particularly goals to prevent illegal wildlife trade, minimize the impact of climate change on biodiversity, and reduce food waste. The ANA Group discloses our policies and systems to address biodiversity conservation. We strive to mitigate our impact on biodiversity through our business activities and contribute to the conservation of biodiversity.

*1 Global Biodiversity Framework

Initiatives through Business Activities



| Avoid and Minimize | Preventing 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 2018, we have conducted annual seminars on border control measures in collaboration with the international NGO TRAFFIC*. These seminars are part of our educational activities to prevent wildlife trafficking.

A total of 840 people from ANA Group companies, including airport personnel and overseas branches, have participated in these events.

*2 TRAFFIC: An international NGO that surveys and monitors wildlife trade. This NGO was established as a joint project of the World Wildlife Fund and International Union for Conservation of Nature, and the group operates through a worldwide network of bases in 10 regions.



| Minimize | Food Residue Recycling System

ANA Catering Service Co., Ltd., which produces in-flight meals for ANA, recycles 100% of food residue from the preparation of in-flight meals for use as compost and feed. The Ministry of Agriculture, Forestry and Fisheries, under the Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources, approved the company's recycling system. This system uses vegetables (soft kale) grown using compost from animal and plant residues discharged from the Narita Plant as ingredients for in-flight meals.

In this way, the company provides chemical-free, safe vegetables for in-flight meals produced using safe soil consisting of compost derived from cooking residue. At the same time, the company contributes to the reduction of waste and conservation of biodiversity through food recycling.



| Restoration | Restoration of Farmland through the Farm Project

ANA Akindo oversees the Farm Project, which revitalizes abandoned mandarin orange farms and supports mandarin production, processing, distribution, and sales. The Farm Project helps solve problems such as pest and weed infestation, bird and animal damage, and disaster risks caused by the shrinkage of farmland and increased farmland abandonment.

The Farm Project promotes green tourism in cooperation with local governments and farmers through the planning and management of monitoring tours, workcations, and agricultural experiences to conserve biodiversity and restore farms. One such example is *iyokan* seedling planting at the Ishimaru Farm, a local farm operator.

Collaborations with Stakeholders



The ANA Group participates in the Keidanren Committee on Nature Conservation as a standing committee member. We also endorse the Keidanren Initiative for Biodiversity Conservation.



The ANA Group participates in the 30by30 Alliance for Biodiversity, which pursues efforts to achieve the 30by30 emissions targets.



Team Chura Sango (Coral Reef Conservation Project to Preserve Tourism Resources)

In 2004, ANA and other companies in and outside Okinawa launched Team Chura Sango to support the coral conservation activities of the Onna Village Fisheries Cooperative in Manza Bay, Okinawa Prefecture. In 2024, the team will observe its 20th anniversary. The project protects coral from bleaching caused by rising sea temperatures and feeding damage caused by massive outbreaks of crown-of-thorns starfish, thereby preserving the ecosystem of Manza Bay. With the support of the Ministry of the Environment, Okinawa Prefecture, Onna Village, and other government agencies, the team participates in coral seedling production and planting programs held five times a year. As of fiscal 2022, 17,839 coral seedlings have been planted thanks to the participation of 4,177 people. In recognition of these activities, the project received the Fisheries Agency Director's Award in the 42nd National Convention for the Development of an Abundantly Productive Sea.

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

The Group ESG Management Promotion Committee convenes four times a year to hold discussions on important policies and measures related to environmental issues such as climate change. This committee is overseen by the President & Chief Executive Officer and chaired by the Chief ESG Promotion Officer (CEPO), the director in charge of group ESG management. Under the committee, we also established the Eco-First Subcommittee (related to aircraft operations) and the Ground Energy Subcommittee (related to ground energy other than aircraft operations). These subcommittees report and discuss CO₂ reduction measures, initiatives, and progress. The following important environmental matters related to corporate strategy are discussed at the Group Management Committee and submitted to the Board of Directors.

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

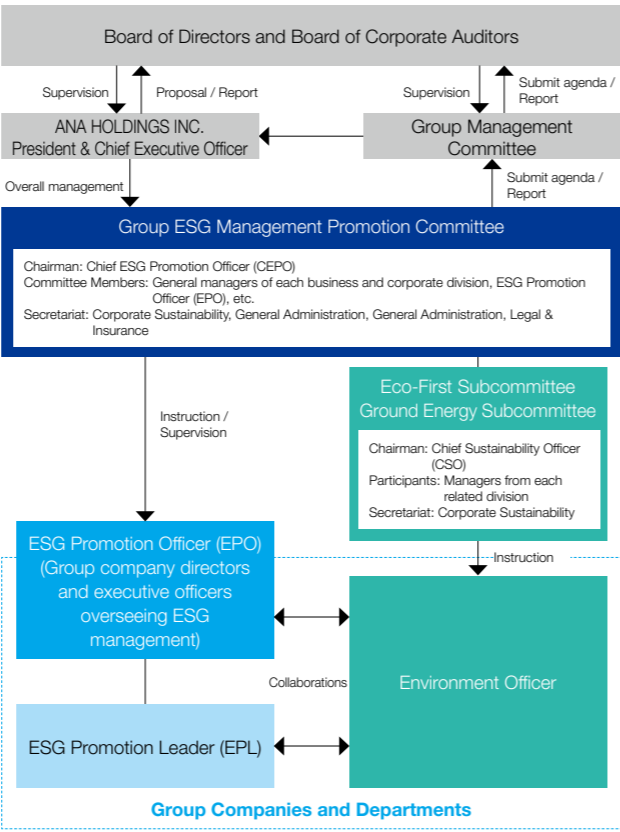
Examples of Climate Change Issues Brought Before/Reported to the Board of Directors

- Establishment of various environmental policies and medium- to long-term environmental targets, as well as their annual results
- Disclosures in line with TCFD recommendations
- Formulation of a transition scenario to achieve medium-to long-term environmental targets
- Incorporation of climate change response into the FY2023-25 ANA Group Corporate Strategy
- Progress on climate change initiatives

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. Risks related to climate change are also handled as key issues within the overall risk management framework.

Please refer to P.86 for more on the risk management structure.



Metrics and Targets

In 2021, the ANA Group formulated the 2030 Medium-Term Environmental Targets and the 2050 Long-Term Environmental Goals. In May 2023, we updated our 2030 Medium-Term Environmental Targets. We are currently strengthening our efforts to achieve our goal of net zero CO₂ emissions by fiscal 2050.

		FY2030 Targets	FY2050 Goals
Reduce CO ₂ Emissions	Aircraft	Net 10%+ reduction vs. FY2019 Replace 10% or more of fuel used with SAF	Net zero
	Non-Aircraft	33%+ reduction vs. FY2019	Net zero

Please refer to P.60 for more on fiscal 2022 results.

▼ 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 analyzed scenarios 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). Through this, we identify the risks and opportunities of climate change on our group, assess their financial impact, and explore countermeasures. The analysis covers the period from fiscal 2030 to fiscal 2050, as set forth in the ANA Group's medium- to long-term environmental targets.

See P.62 for our transition strategy

		Description of Opportunity / Risk	Financial Impact**	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 disastersDevelopment of data observation through aircraftDecreased revenues due to difficulty in maintaining flight operations to affected areas	Large	<ul style="list-style-type: none">Establishing a more advanced BCPUpgrading to disaster-resistant facilities, equipment, etc.Collaborating in research with JAXADetermining destinations, number of flights, etc., and appropriate reflection in business plans
	Changes in Rainfall and Weather Patterns		Medium	
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">Making strategic purchase agreementsStrategically investing in the establishment of a system for domestic mass production of SAF, and strengthening public-private and inter-industry collaboration to establish the supply chainPartially 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 DAC**2 CO₂ removal technologies	Large	<ul style="list-style-type: none">Engaging with policymakers and other relevant parties to improve airport infrastructureParticipating in joint research projects with aircraft manufacturers to develop aircrafts incorporating new technologiesStrategically investing in the introduction of high quality, permanent CO₂ removal technology
	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">Procuring CORSIA eligible and high-quality creditsMinimizing cost impact through an optimum combination of SAF and credits
	Actions to Reduce CO₂ Emissions (Non-Aircraft)			
	Vehicle**3 Fuel (Diesel oil)	<ul style="list-style-type: none">Increased costs due to replacement with ZEVs**4Reduction in fuel costs and offset costs and labor-saving in airport operations due to the development of new technologies such as unmanned autonomous driving	Medium	<ul style="list-style-type: none">Continuously engaging in and collaborating with policymakers and other relevant business operators to promote the shift to ZEVs and improve airport infrastructureProcurement and construction of a supply chain for alternative fuels such as next-generation biofuelsIntroduction of experimental tests and remote-controlled EVs to switch airport vehicles to EVs
	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
	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 travelIncreased demand for the reduction of corporate Scope 3 emissions (business trips and cargo transportation)	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 customersDiversifying business portfolioCollaborating with various stakeholders and strategically investing in new business growth (avatars, electric air taxi, drone logistics services)
	Opportunities	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 Direct Air Capture (DAC): Technology to capture CO₂ directly from the atmosphere
*3 Airport ground handling vehicles
*4 Zero Emission Vehicles: Vehicles that do not emit CO₂ or other emissions during operation (EVs, FCVs)

Regional Revitalization



For more details, please visit our corporate website: https://www.ana.co.jp/group/en/csr/regional_creation/regional_revitalization/

Basic Approach

Regional revitalization is an initiative to overcome regional issues such as declining populations, low birthrates, aging demographics, and shrinking economies, as well as to ensure that outlying regions will grow in the future.

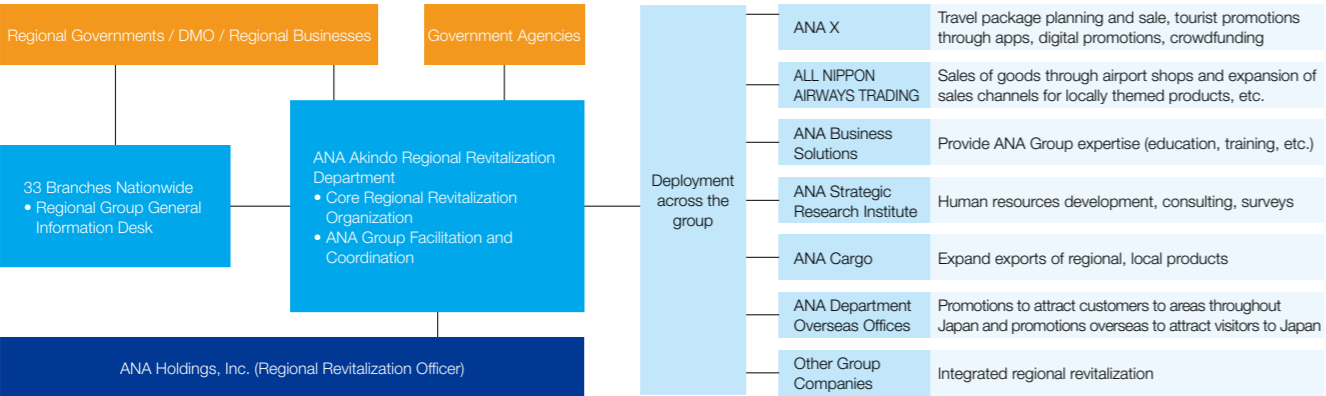
Beyond air transportation, the ANA Group aims to solve regional issues while creating new encounters and connections among people, goods, and experiences. We seek to grow regional fan bases, expanding the number of people with whom we interact and build relationships.

Working in unison with local communities is crucial to solving issues. We create deeper ties with local communities by building close relationships with local businesses coordinating with those branches nationwide that have regional operations, as well as through cooperative agreements with local governments throughout Japan.

Based on the relationships of trust we build with local communities through our Air Transportation and Travel Services businesses, we take on the challenge of regional revitalization by leveraging the strengths and assets of the ANA Group while making the most of the charms of each region.

Implementation Structure

The ANA Akindo Regional Revitalization Department, which coordinates with 33 branches nationwide across Japan that are engaged in community-based activities, plays a central role in integrating the initiatives of group companies organically, working with the ANA Group to create value that solves regional issues.



1 Expanding Regional Development in Cooperation with Local Governments

Case 1 Expanding ANA Hometown Tax Donation

Regional Issues Addressed	<ul style="list-style-type: none">Insufficient financial resources due to declining birthrates, aging populations, and declining local economiesFailure to communicate the attraction of local products, etc., to outside consumers	<ul style="list-style-type: none">Increase the number of people involved in the community through ANA Group efforts
Solution Methods	<ul style="list-style-type: none">Support local governments in securing new financial resources through donations made through the ANA Hometown Tax Donation websiteCommunicate information and distribute local products, etc., through hometown tax donationsEncourage travel and attract visitors through hometown tax donations	

Case 2 Pursue Grants and Other Regional Revitalization Projects

Regional Issues Addressed	<ul style="list-style-type: none">Lack of awareness of regional attractions and insufficient content to encourage longer stays from the perspective of inbound travelersDecrease in tourist consumption with fewer tourists	<ul style="list-style-type: none">Lack of workers / people willing to take over businesses due to declining birthrates and aging population
Solution Methods	<ul style="list-style-type: none">Implement initiatives to attract people through local government grants and other resourcesLeverage the ANA route network to attract inbound travelersDevelop and promote tourism-related content focused on specific themesImprove and foster work-study environments in rural areas to accommodate new ways of working	

2 Resolving Regional Issues through Innovation

ANA performed a bottom-up redesign of the *Airport Access Navi* route service, launching *Tabi CUBE* as a new service on July 31, 2023. Tabi CUBE is our platform for mobility services (MaaS). Through this platform, we intend to expand the scope of our mobility business, respond to diverse mobility needs, and resolve issues, offering a universal and seamless mobility experience for a society in which people enjoy travel and travel safely.

For more details (in Japanese only), please visit: <https://www.anahd.co.jp/group/pr/202307/20230731-5.html>



3 Regional Revitalization through Social Contribution and Resolving Social Issues

Case 1 ANA Farm Project

*ANA continues to make progress in this project as a prime example of ANA Group efforts to solve regional issues

Regional Issues Addressed	<ul style="list-style-type: none">Growing amount of abandoned land due to the aging of farmers and lack of successorsGaining recognition of and expanding sales channels for Ehime products (citrus fruits)
Solution Methods	<ul style="list-style-type: none">ANA works with local farmers, governments, and regional banks, etc., to operate a mandarin orange orchard using abandoned farmlandSupport the Production → Processing → Distribution → Sales chainExpand sales channels and branding for prefectural products utilizing ANA resources; food processing utilizing the resources and expertise of ANA Catering, etc.Contribute to the revitalization of primary industries, expand interchange. and build structures to prevent farmland from being abandoned



Case 2 Tour of MRO Japan's Aircraft Maintenance Plant (Okinawa, Japan)

Regional Issues Addressed	<ul style="list-style-type: none">Shortage of secondary industries in the prefecture other than tourismLack of employment opportunities for local workers
Solution Methods	<ul style="list-style-type: none">MRO Japan began conducting tours of its aircraft maintenance shop at Naha Airport in May 2022 to increase awareness of Naha Airport and communicate its appeal as a new tourist resource.The company will continue to refine its content offerings to expand the number of interactions and relationships. <p>*1 MRO Japan Co., Ltd.: Japan's only company specializing in aircraft maintenance. The company operates in cooperation with Okinawa Prefecture and local businesses to promote local industry.</p>



HARA Yuzo
Senior Executive Officer,
Group Regional Revitalization
President, ANA Akindo
Co., Ltd.

New Board Member

The ANA Group reorganized airline ticketing and travel services, handled formerly by ANA Sales Co., Ltd., by moving travel services to ANA X and expanding into the regional revitalization business by establishing ANA Akindo in April 2021. We will leverage the strengths of the ANA Group and work with local communities, co-creating attractive regional revitalization to encourage greater human interactions and relationships. ANA Akindo contributes to the ANA Group revenue platform by tying activities to the creation of new value. And we will do our utmost to achieve this vision. Look forward to great things in the future.



Foundations for Sustainable Corporate Value Enhancement

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



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 forms 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.

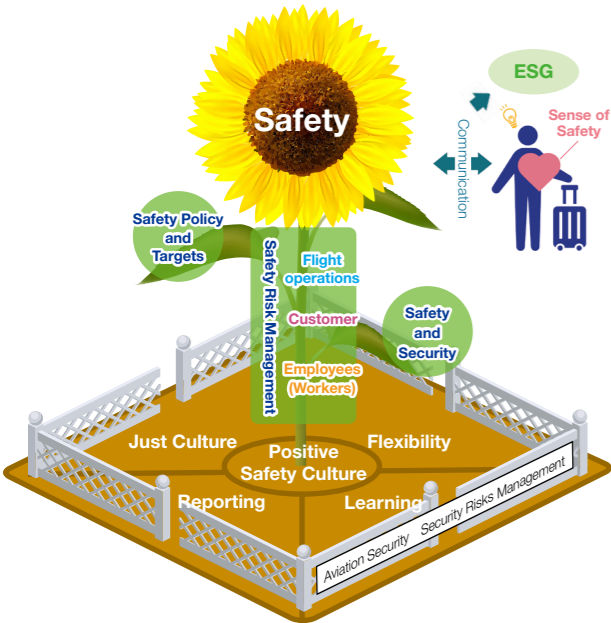
(6) Lessons learned from experiences and increased skills for risk awareness.

ANA Group Medium-Term Policy for Aviation Safety and Security

We formulated the ANA Group Medium-Term Policy for Aviation Safety and Security covering fiscal years 2023 through 2025. The purpose of this policy is to maintain basic quality and safety for growth, even during this period of recovery in air travel demand.

We continue to face a changing environment and changing work styles in the airline industry in the wake of the COVID-19 pandemic. As we maintain firm aviation safety and security, we will also create methods to make advancements in this area.

Safety and security are always the priority of the ANA Group, and we intend to strengthen our systems further through five key concepts.



Key Concepts

1. Foster a positive safety and security culture

2. Develop and maintain skills to support safety

3. Strengthen change management

4. Evolve safety risk management

5. Restructure our aviation security management system

The sunflower represents aviation safety, and the fence represents aviation security to protect the sunflowers from outside agents.

The sunflower and fence stand on the soil that represents our culture of safety and security. We believe that the most important nutrients are the following four cultures.

- Just Culture
- Reporting Culture
- Learning Culture
- Flexibility Culture

The ANA Group will strive as one in our unending pursuit of safety and security.

Passing On a Culture of Safety and Nurturing Human Resources

To ensure safety, we must report and share incidents promptly, tying these incidents to prevention or the prevention of reoccurrence. To this end, we engage in initiatives tailored to each workplace, encouraging safety-oriented actions in each individual and fostering a culture of safety.

In addition, the ANA Group engages in ongoing education and training programs for all employees to preserve the memory of past accidents and hijackings in our pursuit of safety. We utilize face-to-face and online methods to pass on a broader and deeper safety culture.

Major Initiatives

Education and Training at the ANA Group Safety Education Center (ASEC)

Total cumulative number of participants over the past three years: 34,443 (including online participation)

ASEC, located in the ANA Group Training Center (ANA Blue Base), provides safety education in which participants learn actively, using the knowledge learned at ASEC to practice specific safe behaviors in the workplace. Online training programs are also available, and all ANA Group employees worldwide have been taking courses. We also accept visitors from outside the ANA Group and share the ANA Group safety initiatives and philosophy with many people.



Emergency Aircraft Evacuation Training

Total cumulative number of participants over the past three years: 17,646

This training is mandatory for all group employees to support cabin attendants in assisting and guiding passengers in the event of an aircraft emergency and fostering general safety awareness.

In addition, participants discuss actions in emergency situations and reflect on their behavior as ANA Group employees to enhance safety awareness.



Safety Forum Conducted by Senior Management

Total cumulative number of participants over the past three years: 7,089

The ANA president & CEO and the director in charge of safety at ANA delivered safety-related lectures and engaged in dialogue with employees.

Discussions addressed topics on safety culture and aviation security, and ANA Group employees and management shared ideas on safety- and security-related concepts and behavior.



Initiatives for Aviation Safety and Security Promotion Month

Number of forums: 4 Cumulative participants: 1,440 (TALK SAFE)

We designated July as Aviation Safety and Security Promotion Month. During the month, we reviewed and held a silent observance for past accidents and incidents. We also reaffirmed our commitment to preventing or preventing the recurrence of problems, including risk prediction and change management, to improve safety quality throughout the ANA Group. In particular, the annual TALK SAFE event helps foster a culture of safety and security by sharing examples of workplace-based initiatives and holding discussions with management.



Aviation Security

Given the ongoing recovery of airline demand in the post-COVID-19 era, the future growth in demand for inbound travel to Japan, and political instability overseas, we understand the need to strengthen the infrastructure that supports security further. We face a pressing need to conduct security inspections more smoothly and reliably than ever before.

Last year, through the Scheduled Airlines Association of Japan, we considered audio / verbal measures to control the carrying of prohibited or restricted items and hazardous materials on aircraft at interactions prior to security checkpoints. With the understanding and cooperation of public transportation authorities (monorail, train, bus) linking to airports, we introduced an industry first in making verbal announcements within each transportation mode.

We began this initiative at Haneda Airport, and are expanding the program to certain other airports. We will continue to address aviation security issues at both the individual and industry levels.



Announcements in Tokyo Monorail and Keikyu Train cars

Ensuring Safety in Non-Air Operations

Food Safety

The ANA Group operates the ANA Catering Quality Program (ACQP) from the three perspectives: (1) Food safety for hygienic in-flight and lounge meals; (2) Delicious quality for food and beverages served; and (3) Safe and accurate loading and unloading of foods on and off aircraft. Qualified auditors and chefs make regular visits to our catering contractors in Japan and around the world, offering guidance on improvements based on ANA's own strict hygiene standards. We also engage regular external hygiene audits from third parties based on international standards. We report the results of these audits to relevant internal departments in a timely manner to maintain and improve quality. In addition, the status of food safety management is reported regularly at board meetings.



Hygiene audit of the in-flight meal production facility at Haneda Airport

Information Security

The ANA Group works continuously to ensure the secure handling of information, including personal customer information, as a management issue equally important to flight operations. System security measures include data encryption, perimeter defense, anti-virus, and endpoint security to achieve defense in depth. In light of our shift to a cloud environment, we also adopted Attack Surface Management, which monitors information accessible from the internet on a 24/7/365 basis, investigating and launching countermeasures as necessary. In addition, we created the ANA Group Information Security Management Manual for employees in accordance with ISO 27001, and apply the manual to the entire group. We also use handbooks, e-learning, training, and email newsletters to ensure 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.

Further, we comply with Japan's Act on the Protection of Personal Information, the EU General Data Protection Regulation (GDPR), and other laws and regulations enacted or revised in various countries regarding the protection of personal information. We publish our privacy policy on our corporate website as appropriate.

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



Security training for department managers

Front-Line Initiatives to Ensure Safe Operations

We are building mechanisms leading to operation safety based on input from employees involved in operations.

Preventing Irregular Operations by Visualizing Low-Level Wind Information

Aircraft landings are affected significantly by low-level wind below 3,000 feet. Sudden changes in low-level wind speed (wind shear) may cause instability in aircraft position when landing. To ensure safety, pilots may turn the aircraft back to the point of departure or reroute to a different destination.

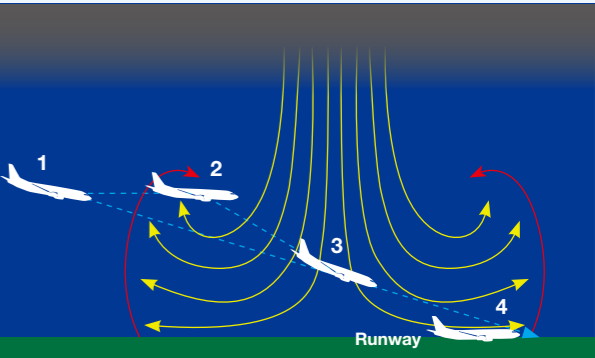
Obtaining stable data on low-level winds has been difficult due to the characteristics of observation equipment available. Obtaining general situation reports from a flight crew after landing takes time and effort for ground staff to communicate to following flights. In addition, making appropriate operational decisions based on such information requires proficiency in operations and many years of experience.

Given these conditions, we focused on the fact that aircraft in operation have traditionally observed a variety of data. At the initiative of an employee involved in operations management, we considered an automated system to extract and visualize low-level wind data exceeding a certain value, making the information available on the ground in a timely manner.

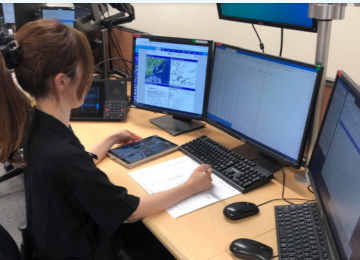
During our consideration, we held discussions not only in the operations department but also among many employees across departments and companies, including systems, maintenance, safety promotion, and flight crew.

As a result, we reduced irregular operations (turnaround or reroute) due to unexpected wind turbulence during landing. We continue to use actual data to analyze correlations with projected values to improve forecast accuracy. We continue to improve the system for direct utilization by flight operation management personnel, flight crews, and flight operation support personnel at each airport, thereby contributing to greater safety in flight operations and improved customer convenience.

Wind Shear Structure



1. Normal entry
2. Headwind increases dramatically, causing instability in aircraft speed and path
3. Change from a headwind to a sudden tailwind
4. A significant loss of speed and altitude may result in difficulty landing in a stable position



Utilize data to ensure safe operations

Ratio of Strong Wind* Cited as a Reason for Flights Turned Back or Rerouted Due to Inclement Weather

FY2020	41%
FY2021	36% (new policy implemented in November)
FY2022	19%

* As operations are based on a comprehensive judgment of factors, the figures above include the impact of measures other than the system described herein.

Ensuring Safe Operations through Easy-to-Use and Sustainably Effective Measures

Safety is our absolute priority. Since unexpected low-level wind turbulence can impact safe operations, we felt strongly the need to predict and communicate wind information in advance.

We established a system that produces continued effects rather than a one-time policy since the ANA Group environment encourages opinion exchange across departments toward the shared goal of safety.

In addition to this project, we are working to visualize and utilize weather data in three dimensions. We will continue to do everything in our power to improve the comprehensive safety of our operations.



SAKAMOTO Kei and KANDA Anna
All Nippon Airways Co., Ltd.
Operations Management Center



The FY2023-25 ANA Group Corporate Strategy describes the three-year period beginning fiscal 2023 as a time to solidify our foothold and reinvent ourselves to achieve our management vision. It will be a period to recover from the COVID-19 pandemic and evolve toward sustainable corporate value improvements. Unwavering safety is our first foundation for growth, followed by groupwide DX. And the power of the people in the ANA Group is what supports this foundation. Inheriting the DNA of endeavor since our founding, we strive to create new value and sustainable growth by maximizing the individual strengths of our employees around the world in a variety of settings and creating a driving force as a team.

→P.50 Human Resources Strategy

Case 1

Creating the Future from the Employee Perspective: Formulating a New Management Vision

The ANA Group's new management vision is Uniting the World in Wonder, which we published in fiscal 2023. We came up with this vision as a result of extensive discussions among employees about what they envisioned as the ideal ANA Group.

In 2022, which was the 70th anniversary of our founding, we conducted a survey and held dialogues with employees to consider the future direction of the group in overcoming the COVID-19 pandemic, and gathered more than 20,000 comments. At the same time, we launched the Future Creation Project, consisting of 329 employees from ANA Group companies including employees working at 53 overseas airports.

Through this project, we encourage each employee to become a *Doer* (a person of action), creating the future with their own hands and making a real difference. We held workshops and opportunities for dialogue with peers at each workplace to identify issues related to daily operations, work styles, people, and organizations. We took another hard look from all angles at what we must do for our future.

The common idea of the ANA Group of the future throughout these workshops and dialogues was that our employees wanted to deliver a sense of wonder to fellow employees, customers, and society. Our management team held discussions in response to this feedback, formulating a new management vision in unison with the wishes of our employees.

Group employees play the leading role in achieving our management vision. Every individual must be willing to face new challenges and take action based on new values. We work as a united group to foster a corporate culture that continues to transform.



Creating a Corporate Culture that Embraces Our New Management Vision

The Japanese term for a sense of wonder (*waku waku*) emerged as a common theme from the dialogues that took place across the group when we considered our new vision.

First, our employees themselves are embracing a sense of wonder to create and deliver new value to our customers and society. We believe that if every employee shares this desire, we will evolve into a more attractive group than ever before.



MATSUI Aika, MATSUURA Yoko, KIKUCHI Yuki, OSHIMA Seiji
Future Creation Project Secretariat

Under the Future Creation Project, we pursue corporate reform across the group and strive to create a culture that takes on the challenges of the future boldly while addressing the issues that impede the sense of wonder.



The Future Creation Project logo expresses the sense of wonder flowing from the ANA Group and how expectations and joy spread across the world, carried by the wind. The bright colors relate to the ANA Group, and are meant to express the creation of wonder for the future through group employees.

For more details, please visit:
<https://www.ana.co.jp/group/en/about-us/vision/>

Case 2

Systems to Support Employees Who Embrace Challenge New Business Contest Program *Da Vinci Camp* and *ANA Millionaire Pitch*

The ANA Group continues to develop systems to give shape to the ideas of our employees and encourage them to be spontaneous in taking on challenges.

Da Vinci Camp

We solicit a wide range of new ideas to uncover the seeds of new revenue-generating businesses that will enhance ANA Group value over the medium to long term. Building on the 15 years of work by its predecessor, *ANA Virtual Hollywood*, the *Da Vinci Camp* celebrated a third anniversary in fiscal 2023.

In fiscal 2022, we received 43 applications, including proposals from flight attendants, aircraft mechanics, and other front-line staff. After an internal review process, four innovative ideas were considered as candidates for commercialization. Employees act with enthusiasm and an adventurous spirit to take on new challenges boldly and without fear of failure.



After a year of refinements, proposals underwent a final review by directors, and the plans selected were prepared for full-scale commercialization.

ANA Millionaire Pitch

Launched in fiscal 2021, the *ANA Millionaire Pitch* business and services proposal program has become a mechanism for soliciting sustainable, quickly monetizable proposals from employees.

In 2022, we received more than 700 ideas from employees, 13 of which have been rolled out or are in the process. Throughout the process of giving shape to ideas, knowledgeable ANA Group employees act as mentors and offer advice, while close communication across departments contributes to the improvement of organizational capabilities.



Award ceremony in which board members give prizes for ideas that became revenue generators.

Examples of Fiscal 2022 ANA Millionaire Pitch Winning Proposals

Repurposing Aircraft Equipment Scheduled for Disposal



- An employee in the human resource services business suggested upcycling seat covers scheduled for disposal into room shoes.

For more details, please visit:
https://www.anahd.co.jp/ana_news/2023/01/12/20230112.html



- An aircraft mechanic suggested turning unwanted aircraft parts into limited-edition products sold through capsule toy machines.

For more details, please visit:
https://www.anahd.co.jp/ana_news/2023/07/26/20230726.html

Aircraft Photo Sessions



- An aircraft mechanic proposed an in-air class and photo tour to share the joy and gratitude for the return of Boeing 777 domestic route operations.

Collaborative Red Stamp Book



- A maintenance department member suggested creating a red stamp book (stamps collected from visits to shrines and temples) in collaboration with a shrine connected to aviation. The stamp books encourage ANA customers and others to become more familiar with the ANA Group.

Case 3

Teamwork and Organizational Capabilities through the Power of DX:
Operational Reform in the Engine Maintenance Division

ANA Engine Technics Co., Ltd., which is responsible for the maintenance of aircraft engines, conducts many ancillary maintenance tasks including inspections, parts supply management, and the management of certain processes. In fiscal 2022, the company digitized tasks previously performed orally or on paper. In so doing, ANA Engine Technics achieved significant operational improvements and improved teamwork. These improvements also built momentum in the workplace for reviewing and improving daily operations.

Steps Taken by ANA Engine Technics

- (1) Digitized various operations formerly conducted in analog form
- (2) Gave iPads to all mechanics to access the in-house portal site regardless of location or time; facilitated efficient use of time and resources
- (3) Accelerated cloud-based work styles and pursued DX
- (4) Eliminated duplicate tasks and improved efficiency and accuracy through digital transformation business process review

Before: Analog Management over Each Process

Inspections
Periodic inspection of cranes used for maintenance


Tools
Inspection before and after use; tracking and management

Work Requests
Coordinate with engine transporter management department

Equipment
Control inventory of equipment used for maintenance

Processes
Allocate personnel appropriately for assigned tasks

After: Centralized Management via Web Portal Used Google Docs for DX



Impact

- Saved 785 labor hours out of approximately 40,000 labor hours by reducing employee movement
- Reduced paper consumption by 40% compared to conventional methods
- Strengthened cooperation among departments
- Reduced human error by visualizing processes and requests using photographs
- Fostered a culture of continuous operational review



While the new mechanisms were a source of confusion and met resistance at first, project members provided detailed and patient explanations to every employee and designed systems for ease of implementation. The team also listened to feedback from the front lines, eventually creating a usable system for the organization through steady efforts and problem-solving.

The linkage of internal data reduced process duplication and fostered timely data visualization. The ANA Group will continue to consider ways to utilize these mechanisms within the group and evolve activities.

Innovations from Our Maintenance Departments

Our aim was to create an environment in which every person has easy access to information and foster a more comfortable workplace through mechanisms based on DX.

It was a big challenge to see how far we could go in streamlining operations without introducing new systems or spending money. We made the most of utilizing existing tools and the work tablets given to each person. We believe there are still seeds of innovation to nurture in our area of aircraft maintenance. We will continue to innovate in a way that allows our colleagues to shine more brightly, maintaining safety while responding flexibly to changes in the environment.



FUJII Hiroomi, KAMOSHIDA Makoto
ANA Engine Technics Co., Ltd.

Case 4

Commitment to High Service Quality: Skills Contest

The ANA Group holds skill contests in which participants compete and learn from each other in various specialized fields, including cabin attendants (CA), airport ground handling, contact center, in-flight cleaning, and cargo.

As society and values continue to change at a dizzying pace, we introduced innovative and sustained efforts during the COVID-19 pandemic to meet the needs of various customers and to become the airline of choice.

In preparation for each contest, employees study hard on their own and share skills through team-wide practice and regional qualifying rounds. In every contest, participants compete with confidence and pride as representatives of their respective organizations. Peers cheer each other on and learn new skills from each other. And the contestants continue to serve as role models for their organizations, raising the overall level of quality by training their successors.

Our relentless dedication to quality has earned us the highest rating of 5-STAR for 10 consecutive years in the World Airline Star Rating by U.K.-based SKYTRAX.

Division	Contest	Overview
Cabin (CA)	In-Flight Announcement Contest	Competition in making in-flight announcements that embody the ANA Brand
Ground Handling	Ground Handling Customer Service Skills Contest	Competition in providing polite service to every customer at the airport (boarding gates, ticket counters, etc.)
Contact Center (Telephone Support)	Customer Service with Empathy Contest	Competition in answering customer questions, suggesting solutions, and engaging with hospitality.
In-flight Cleaning	Cleaning Skills Contest	Competition in cleaning an aircraft cabin within a predetermined time period
Cargo	ANA Cargo AWARD	Competition highlighting expertise in freight forwarding and initiatives to improve operations, safety and quality in each organization



Digital Transformation (DX)

Message from the CIO

We will use digital technologies and data to transform our businesses and create new value.

KATO Yasuko

Executive Vice President
Group Chief Information Officer(CIO)



The FY2023-25 ANA Group Corporate Strategy defines DX as an important Group management foundation. It is essential for our Group to digitalize operations and transform business using data to accelerate our business in this era of rapidly changing VUCA.

We will work to improve forecasts business optimization, and customer loyalty by utilizing data not only in operations and marketing departments but also across cargo, the ANA Economic Zone, and each airline brand. At the same time, we will encourage management sophistication.

On the other hand, the state of our society is changing dramatically through the rapid evolution of AI, including generative AI, and the expansion of digital technologies such as avatars, drones, the metaverse, and web 3.0. The ANA Group will steadily seize these trends and leverage the strengths of our group human resources to provide the best mix of human and digital services.

As such, our current Medium-term Corporate Strategy will focus on the following four points in particular.

1. Data Management Enhancement

We developed *BlueLake*, a data lake that pools together internal data, enabling access to various ANA Group data that was previously held and utilized separately in each business unit. *BlueLake* serves the foundation for a variety of analyses for general employees to advanced data scientists, regardless of their skills and purpose, and will be used to expand the data and use cases within the Group. We also work to strengthen management to allow for the appropriate control and operation of data, and foster a culture that enables employees to use this group-wide data.

2. Securing Human Resources with Digital Skills and Supporting Their Development

DX cannot be promoted by only a few specialized human resources. Instead, it is important for all Group employees to utilize appropriate digital knowledge for their own respective roles. As such, we will further enhance our education curriculum (ANA Digital Resonance) that was launched in fiscal 2022 to improve the digital literacy of all employees. We will also focus on recruiting, re-skilling, and supporting the growth of human resources with digital skills.

3. Offensive and Defensive Digital Governance

Digital governance is an indispensable mechanism that supports the promotion of DX by actively utilizing data and digital technology in a safe and secure manner. We will continue to strengthen the governance of all Group companies through measures such as establishing guidelines and rules, supporting DX, educating, and conducting security screenings.

4. IT Infrastructure Evolution

The environment of our IT infrastructure is undergoing a major transition with the rise of the public cloud.

Between fiscal 2025 to 2026, ANA will integrate its domestic passenger service system with the passenger service system provided by Amadeus. We will examine future IT infrastructure that will enable us to provide speedy services flexible to change, such as the use of public cloud as a platform to support our DX strategy.

Major Initiatives

Examples of DX Initiatives

Revised Online Check-In Service

On April 1, 2023, we discontinued the SKiP service, which the ANA Group has used for 16 years, and shifted to an online check-in service as a part of our new service model ANA Smart Travel. This new service model will provide smooth and stress-free travel to all our customers. In addition to providing reservation and check-in services, ANA Smart Travel sends automatic notifications of flight information and provides information on Haneda Airport security checkpoints and lounge congestion, seat availability, in-flight entertainment, and more, enabling passengers to travel smoothly with a single mobile device. Having customers carry out procedures on their own enables us to streamline and review operations to be handled by attendants. In doing so, our frontline staff aims to further provide the unique hospitality of ANA.



Gate Apps Connecting Customers' Daily Life with the ANA Group

In October 2022, we renewed the ANA Mileage Club apps to achieve a world in which people live in a mileage-based ecosystem. This apps gives users access to ANA Group services in their daily lives. We also renewed our mobile payment service function of this apps, ANA Pay, in May 2023, enabling various recharge methods and touch payment with iD and Visa. This renewal also enables users to recharge miles from as low as one mile and use small amounts of miles in their daily lives, making mile usage more convenient than ever before. We aim to create a gate apps that connects the ANA Group and customers through various services, such as our ANA Pocket for earning points for daily travel, our new e-commerce mall ANA Mall, and the linkage of other mini apps.



Mechanisms Supporting DX

Digital Lead Training and Development

The ANA Group launched the Digital Lead Training and Development to help employees in charge of business division IT and data utilization to acquire full-fledged digital skills. We plan to train a total of approximately 40 employees during fiscal 2023. Participants will work with in-house instructors and accompaniment in the program to acquire basic knowledge and even propose solutions to workplace issues using digital technologies and data. Through this training course, participants will aim to generate results by acquiring problem-solving skills, using digital technologies and data, and transforming to a work style of collaborative creation between operational departments and DX promotion departments.



Data Utilization Infrastructure Development

BlueLake, which went into operation in 2022, is the data utilization platform of the ANA Group with dashboard functions, advanced analytical functions, data extraction functions, and more. This platform was mainly developed by young employees and was created in about four months. We established an agile team of in-house data engineers and scientists to expand the data that currently works to connect various systems and support their use based on the needs of each department. For example, the team built and launched a beta version of a dashboard function in December 2022 based on flight data that would lead to reduced fuel consumption. Through having pilots check this dashboard, we aim to create an environment that allows safe and environmentally and economically friendly operations.



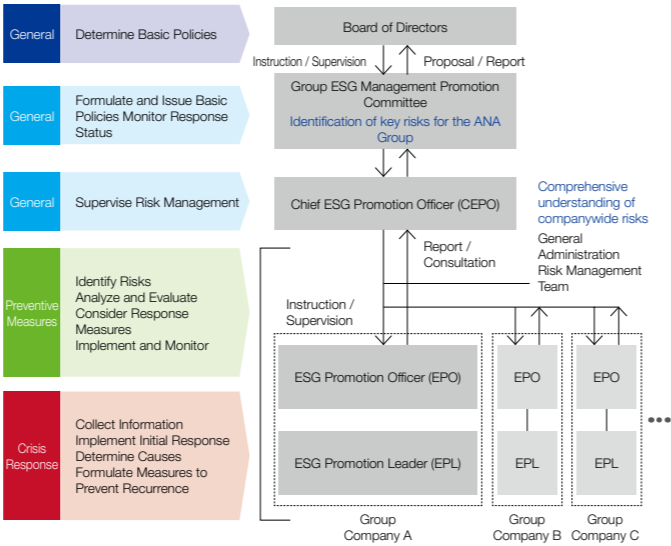
Risk Management

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 recurrence in case risks materialize.

Risk Management Structure

The ANA Group Total Risk Management Rules 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)

We formulated the ANA Group Basic Business Continuity Policy in preparation for responding to disasters. This policy ensures the safety of customers and all ANA Group directors and employees, minimizes the impact on management and on society as a whole, and resumes normal business operations as quickly as possible. This policy is an all-hazard type policy not restricted to specific disasters, and specific measures are being discussed at each group company. The Ministry of Land, Infrastructure, Transport and Tourism established guidelines that 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 Management Manual, 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.

Protection of Personal Information

In order to comply with national and international laws and regulations on the protection of personal data, the privacy policy and relevant internal rules are being modified, and the Amended Act on the Protection of Personal Information of Japan, which came into force on 1 April 2022, as well as revisions to laws in other countries (e.g. the U.S., Europe, China, and Thailand) are being appropriately addressed. We also conduct in-house training to each employee on the importance of protecting personal information and the need for strict handling of such information. In April 2023, the Privacy Governance Team was established as a dedicated governance structure to strengthen privacy governance in order to realize business development based not only on strict legal compliance but also on ethical appropriateness in the future use of data, including platform businesses utilizing customer data assets.

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 maintained 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 defense in depth in accordance with the guidelines formulated by related ministries. We monitor our security system 24 hours a day, 365 days a year. The use of intelligence (early warning information on cyberattacks) is extremely effective against cyberattacks as they become more sophisticated and cunning. The ANA Group utilizes preventive measures such as the Aviation ISAC (Information Sharing and Analysis Center) and the Transportation ISAC JAPAN, as well as Dark-Web research. We also introduced the Zero-Trust concept to defend against attacks and ensure reliability by checking with the person operating the system, the equipment generating the communication, and system processing.

In light of recent cybersecurity incidents at other companies, there is a growing need to strengthen not only the ANA Group security measures but also the defense of our entire supply chain. We will strengthen cooperation with related ministries, Keidanren (Japan Business Federation), and other related agencies to spread awareness on the need to strengthen security.

Our top material issue is to address the visualization of the IT assets of each company in the ANA Group supply chain. We identify issues and vulnerabilities through managing attack surfaces, which are points of external attack at each group company. Any issues and vulnerabilities discovered are prioritized and kept closely informed, communicated, and consulted so that each group company can take the necessary countermeasures.

Information security advisories and refresher training materials are regularly posted on our website for employees to help develop security human resources, and we raise employee awareness of security through their daily operations and +Security training. The development of human resources specializing in security is an urgent issue. In addition to continuing to hire experienced personnel, we work to develop security supervisory personnel by recruiting transfers from other departments and having them attend specialized security training.

As for our legal correspondence, we sequentially respond to privacy laws and regulations in each country. In Japan, we work closely with the national government, Keidanren, and other related organizations to promote the various IT systems and cybersecurity measures required by the Economic Security Promotion Act.



Recent Measures for Increasingly Severe Natural Disasters

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)

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, our advisory panel to the 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 group 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 conduct seminars tailored to topics and contents that reflect the needs of each group company and/or department to foster a more legal-related competence. 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 our intranet.



Educational materials on various laws and regulations

Information Dissemination

We manage an extensive compliance website on our intranet to encourage awareness on compliance throughout the group. This website includes codes of conduct that outlines the actions to be commonly followed by all group executives and employees. In addition, we specifically outline employee do's and don'ts, as well as provide educational materials on the website for in-house training and other purposes. We support group executives and employees in making appropriate decisions in compliance with said laws and regulations. Measures include posting the manuals and guidelines on various laws and regulations for them to check at anytime, as well as establishing a simple way for them to ask questions from the website on legal issues in their business. In addition, we distribute emails and newsletters as necessary on topics related to revisions to laws and regulations, as well as points of caution regarding labor issues and contract practices.



Compliance website

Initiatives to Prevent Harassment

We provide various training and education programs to prevent workplace harassment including training for newly appointed managers. In response to requests from group companies, we 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 through e-learning for group executives and employees to develop a proper understanding of harassment and strive for zero-tolerance and more comfortable work environments throughout the group.



E-learning materials

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.

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. We additionally introduced a reporting form to enhance convenience and allow direct reporting from the whistleblower website on our intranet. As a result, there were 225 reports within the group in fiscal 2022, and the system has spread throughout the group as a reliable and effective whistleblowing system.



ANA Alert poster

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.

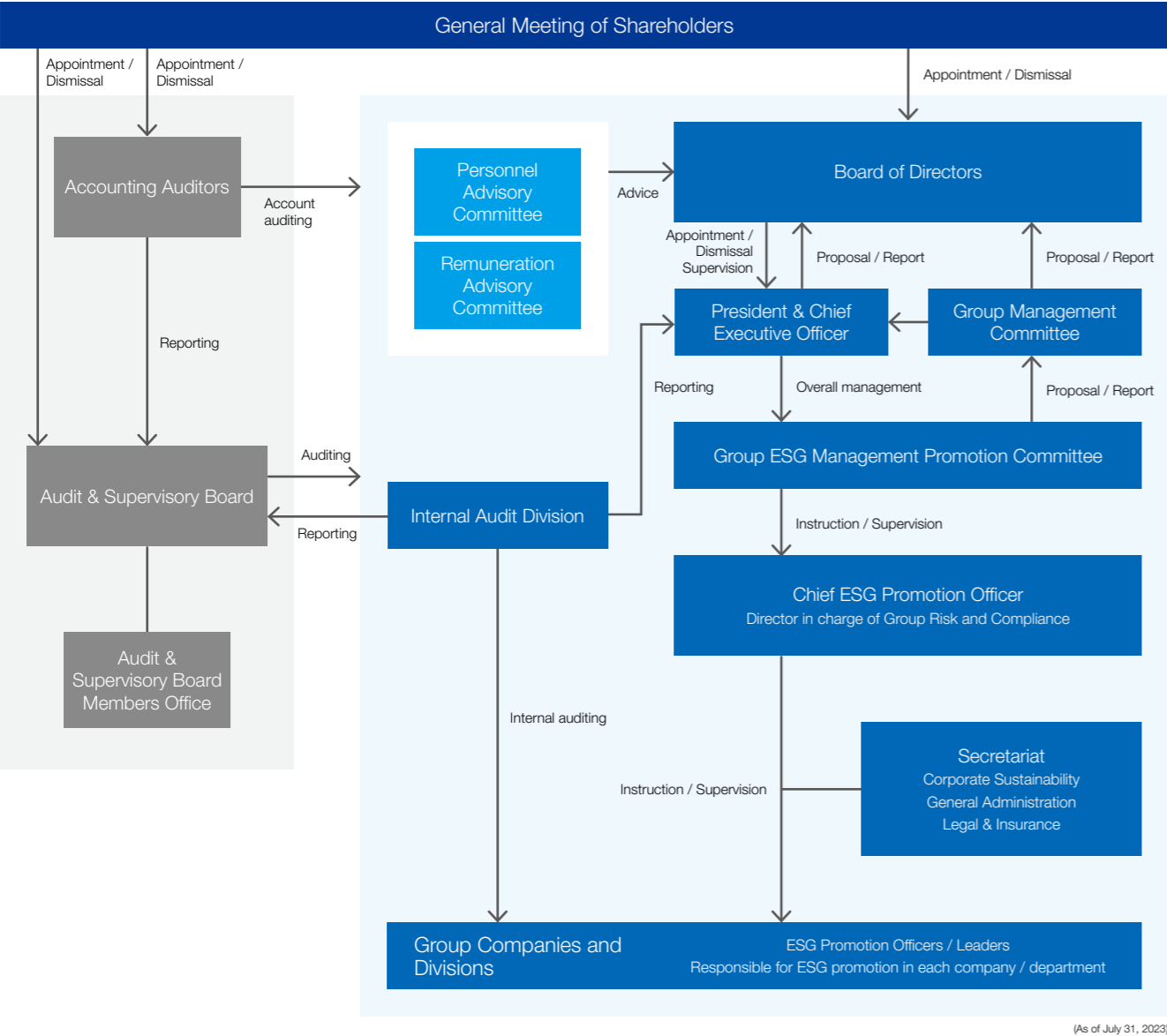
Corporate Governance

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, 2023)

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>	15
Audit & Supervisory Board members 5		
<p>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.</p>		

Group Management Committee

Number of Meetings*
56
<p>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.</p>

Advisory Committees

Chairman	Number of Members	Number of Meetings*
YAMAMOTO Ado	5	4
<p>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.</p>		

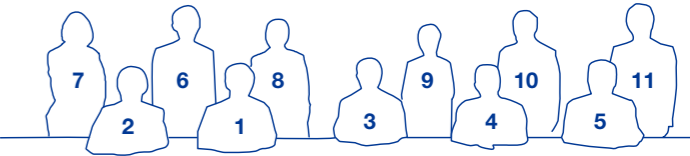
Chairman	Number of Members	Number of Meetings*
YAMAMOTO Ado	7	4
<p>The Remuneration Advisory Committee consists of a majority of outside directors, outside Audit & Supervisory Board members, and outside experts to ensure fair and transparent process of decision-making related to director remuneration. 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.</p>		

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 2022

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.



	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 Corporate Transformation Committee; In charge of Corporate Strategy, Group Procurement				●	●		●		●	●	
5	INOUE Shinichi	Member of the Board			President & Chief Executive Officer, ALL NIPPON AIRWAYS CO., LTD.				●	●	●				●	●
6	HIRASAWA Juichi	Member of the Board, Executive Vice President		●	In charge of Government & Industrial Affairs, Executive Secretariat, Economic Security				●	●				●	●	
7	KAJITA Emiko	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				●	●	●		●	●		
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 78th Ordinary General Meeting of Shareholders.
https://ssl4.eir-parts.net/doc/9202/ir_material5/207579/00.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 knowledge of social and economic trends.

Reasons for Appointment of Directors

- 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 COVID-19 pandemic and for achieving sustainable increases in Group corporate value.
- These director candidates assumed their positions after being appointed at the 78th 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 Positions Outside Director, Tokio Marine Holdings, inc. Outside Director, Kirin Holdings Company, Limited
	HIRAKO Yuji Member of the Board, Vice Chairman	2015: Member of the Board of Directors 2022: Member of the Board, Vice Chairman (present) Major Concurrent Positions Outside Director, Seven Bank, Limited Outside Director, JVCKENWOOD Corporation
	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)
	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.
		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 and he has achieved a profit growth for four consecutive years. In addition, he led measures during the business crisis resulting from COVID-19 such as quickly securing liquidity on hand as well as formulating and implementing our business structure reform plan. Since April 2022, Mr. Katanozaka has served as chairman and chair of the board of directors, endeavoring to strengthen the functions of the board 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) Major Concurrent Positions President & Chief Executive Officer, ALL NIPPON AIRWAYS CO., LTD. Chairman of All Japan Air Transport and Service Association Co., Ltd.
	HIRASAWA Juichi Member of the Board, Executive Vice President	2022: Member of the Board of Directors (present)
	KAJITA Emiko Member of the Board, Executive Vice President	2023: Member of the Board of Directors (present)

	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.
	KOBAYASHI Izumi Independent Outside Director	2013: Member of the Board of Directors (present) Major Concurrent Positions Outside Director, Mizuho Financial Group, Inc. Outside Director, OMRON Corporation
	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.
	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.


▶ Management Members: Audit & Supervisory Board Members As of July 31, 2023

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



OGAWA Eiji*

Outside Audit & Supervisory Board Member



MITSUHASHI Yukiko*

Outside Audit & Supervisory Board Member

* Independent Audit & Supervisory Board members

Reasons for Appointment of Audit & Supervisory Board Members

KANO Nozomu and MITSUHASHI Yukiko were elected at the 78th General Meeting of Shareholders.

		Reasons for Appointment
Audit & Supervisory Board Members	KANO Nozomu Outside Audit & Supervisory Board Member	KANO Nozomu has long served as a corporate executive officer of a policy-making finance institution and as a director of a private company. As such, he has a wealth of management experience and broad insight into finance, accounting, banking, and legal matters.
	MITSUHASHI Yukiko Outside Audit & Supervisory Board Member	MITSUHASHI Yukiko has a high degree of insight and knowledge in general legal matters as an attorney at law. Although she was only involved in corporate management as an outside officer, she possesses the aforementioned expertise, practical experience in business companies, and experience as an outside director at other companies.

Mr. MIURA Akihiko was elected at the 76th General Meeting of Shareholders.
Mr. MITSUKURA Tatsuhiko and Mr. OGAWA Eiji were elected at the 77th 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			●			●
OGAWA Eiji	●			●	●	
MITSUHASHI Yukiko	●				●	●

▶ Fiscal 2022 Initiatives

Major Agenda Items for the Board of Directors (Fiscal 2022)

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

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

5. Items Related to Organizational Restructuring

6. Items Related to Personnel and Organizations

7. Items Related to the Company and Important Subsidiaries
 - Discussion on the FY2023-25 ANA Group Corporate Strategy
 - Revision of the Group Management Vision
 - Discussions regarding business and other risks and risk
 - ANA Brand / Peach business plan
 - ANA Group situation under the COVID-19 pandemic
 - Current status and issues at domestic partner airlines
 - Progress in acquiring shares of Nippon Cargo Airlines Co., Ltd.

8. Items Related to Disposal and Receipt of Important Assets
 - Aircraft procurement, sales, and leases
 - System investment and capital investment

9. Investment-Related Matters

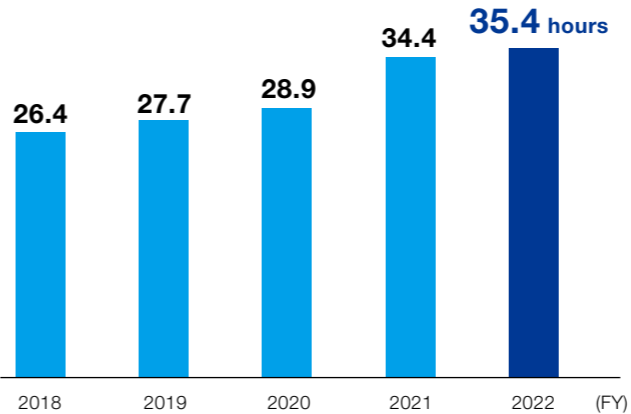
10. Items Related to Major Debts
 - Financing plans
 - Bond issuances

11. Items Related to Corporate Governance
 - Formulation of transition strategies carbon neutrality
 - Internal audit plans and results reports
 - Group ESG Management Promotion Committee report
 - Valuation of cross-shareholdings

12. Other Items
 - Information security measures
 - Progress of metaverse business
 - Status report on strategic investments
 - Net Promoter Score (NPS) survey results
 - ANA's Way Survey (ANA Group Employee Engagement Survey) results
 - Personnel Advisory Committee report
 - Remuneration Advisory Committee report

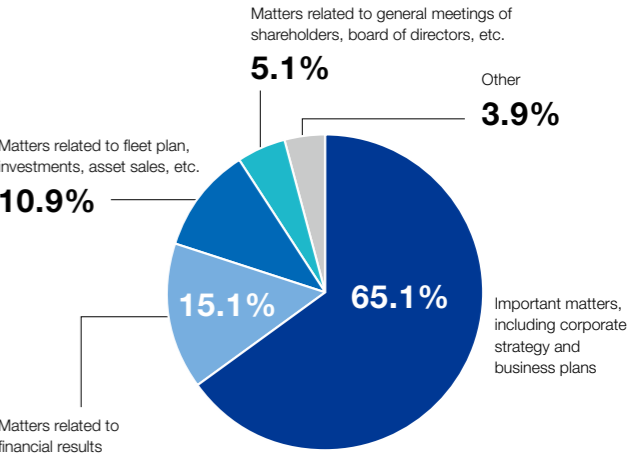
Changes in Board Meeting Length

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 2022)

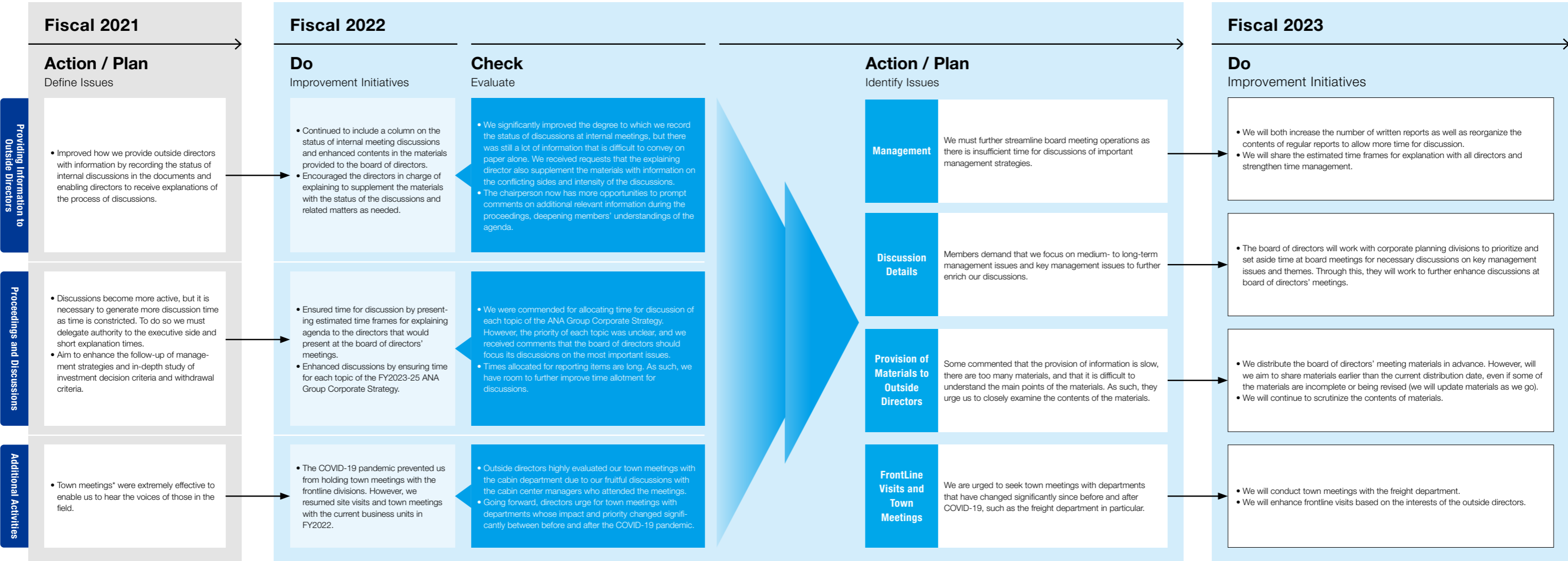
We encourage active discussions of corporate strategy at board meetings, selecting major related topics about which to exchange opinions from medium- to long-term perspectives.



► 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.

We conducted an evaluation of the effectiveness of the board of directors in fiscal 2021 with the help of a third-party organization to further enhance board objectivity and transparency. This evaluation confirmed the efficacy of the board of directors. In fiscal 2022, we decided to conduct another efficacy evaluation. (We plan to continue third-party assessments of board effectiveness about once every three years.)



* Dialogue between officers and employees

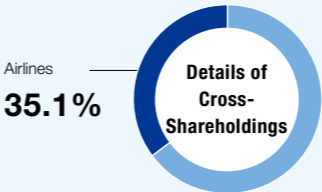
Cross-Shareholdings

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, ANA determines 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. ANA HOLDINGS owns shares in 30 publicly traded companies as cross-shareholdings for other than pure investment purposes. The total amount on the balance sheet of these shares as of the end of fiscal 2022 is ¥94,058 million.

Equity Alliances with Airlines

The total amount of shares of airlines owned by ANA HOLDINGS on our balance sheet is ¥34,337 million, which accounts for 35.1% 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 HOLDINGS, INC. through a wide range of business alliances, including code-share and mileage program alliances, the dispatch of directors, and outsourcing of airport operations.
- (2) Vietnam Airlines JSC**
 - 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.
- (3) Star Flyer Inc.**
 - Pursue strategic partnership with Star Flyer through a wide range of business alliances, such as code-sharing, the dispatch of directors, and outsourcing of airport operations.
- (4) Skymark Airlines Inc.**
 - Pursue strategic partnership with Skymark Airlines through a wider range of business alliances such as outsourcing maintenance work.

► 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 91

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.

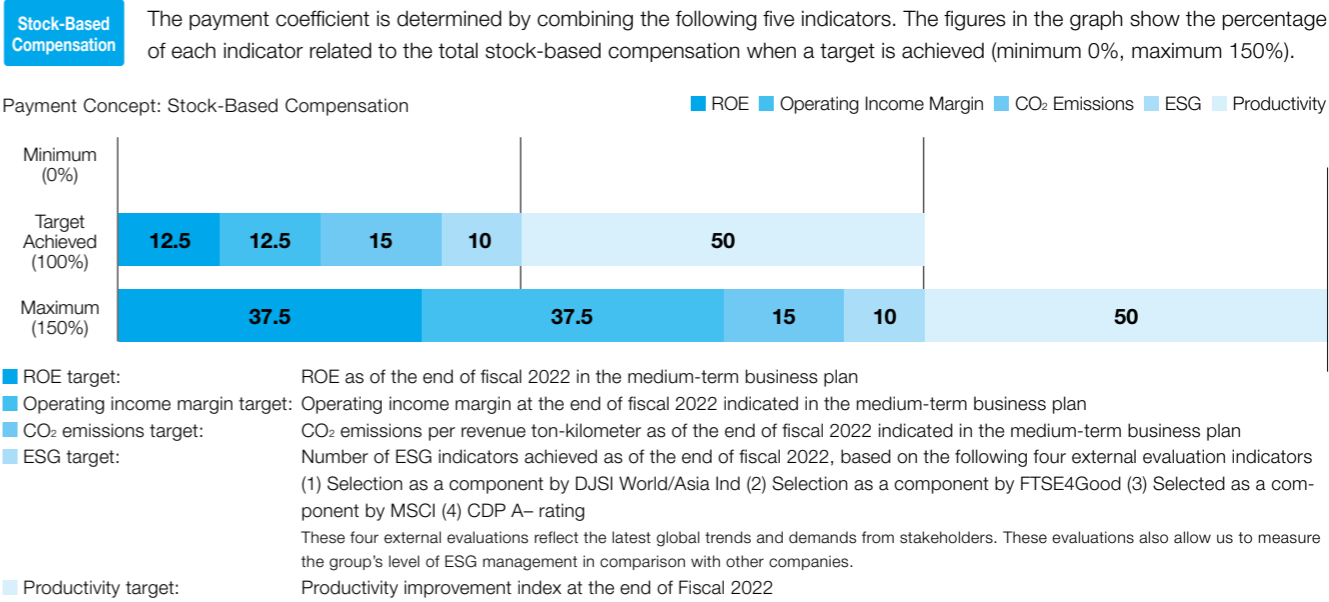
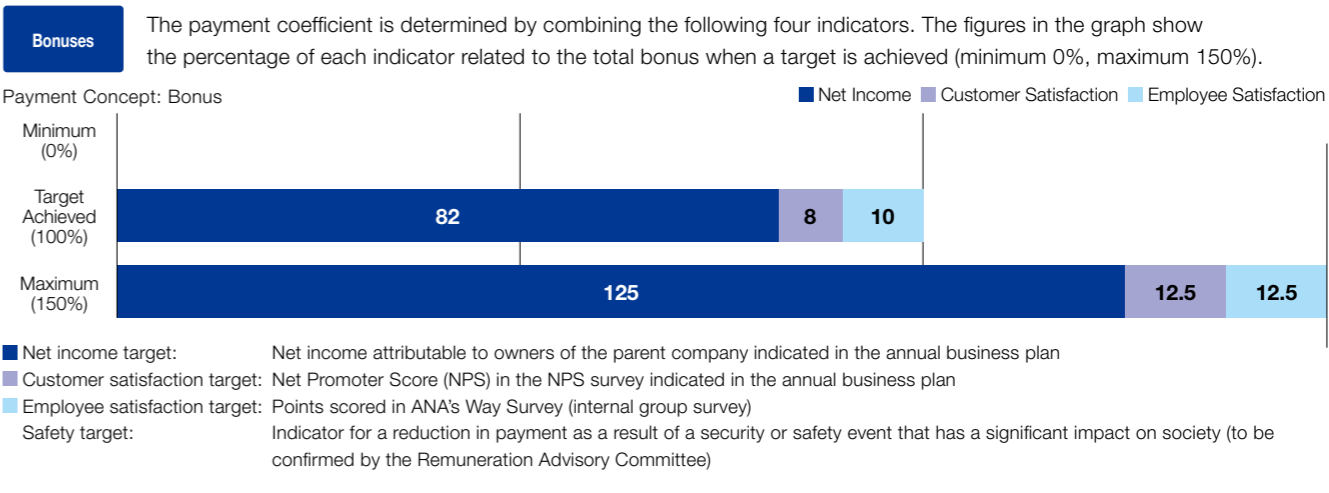
(3) Audit & Supervisory Board members

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)	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
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>	
	Outside directors	Uniform payment for all members	—	—	
	Audit & Supervisory Board members	Payment according to status as full-time or part-time	—	—	
Payment method		Monthly (cash)	Annually (cash)	Multi-year evaluation*3	Annual maximum of ¥180 million Per resolution at the 74th Ordinary General Meeting of Shareholders, held June 21, 2019

^{*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 2022 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	11	342	280	—	61
(Outside directors)	(4)	(53)	(53)	(—)	(—)
Audit & Supervisory Board members	6	122	122	—	—
(Outside Audit & Supervisory Board members)	(3)	(60)	(60)	(—)	(—)
Total	17	464	403	—	61

Notes:

1. The table above includes one internal Audit & Supervisory Board member who resigned as of the end of the 77th Ordinary General Meeting of Shareholders, held on June 20, 2022.
2. We estimate and record share remuneration for directors during the period under review, with a three-year evaluation period from fiscal 2020 to fiscal 2022.
3. It was resolved at the 66th Ordinary General Meeting of Shareholders of the Company, held on June 20, 2011, that the maximum amount of remuneration of directors per year would be ¥960 million. There were 17 directors (including two outside directors) as of the close of this Ordinary General Meeting of Shareholders. It was resolved at the 70th Ordinary General Meeting of Shareholders of the Company, held on June 29, 2015, that the maximum amount of share remuneration per year would be ¥100 million. There were seven directors (excluding outside directors) as of the close of this Ordinary General Meeting of Shareholders.
4. It was resolved at the 74th Ordinary General Meeting of Shareholders of the Company, held on June 21, 2019, that the maximum amount of annual remuneration for Audit & Supervisory Board members per year would be ¥180 million. There were five Audit & Supervisory Board members (including three outside Audit & Supervisory Board members) as of the close of this Ordinary General Meeting of Shareholders.
5. The amounts listed above are rounded down to the nearest million yen.

We reduced basic remuneration for directors and members of the Audit & Supervisory Board in fiscal 2022 according to position in response to deteriorating business performance throughout the COVID-19 pandemic. 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 both online and in person in fiscal 2022, enabling a greater number of employees to participate and 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

Dialogue with Experts in Europe

Participants

- UBS
- Church Commissioners for England
- Federated Hermes
- EIRIS Foundation

Topics

Progress of ESG Management in the ANA Group

General ESG Topics

Q What are the key points on encouraging ESG management going forward?

- Corporate ESG assessment criteria is shifting. It is becoming more directly related to management strategy and questions if the governance system is effectively resolving negative impacts on society. ESG assessment focuses on whether the company has the structure (in management decision-making) to enhance the sustainability of the company.
- There is a movement to strictly eliminate greenwashing. Highly transparent information disclosures and disclosures on the management systems that encompass the supply chain are necessary.

Environment

Q What do you think about our initiatives toward net zero emissions?

- Reducing CO₂ emissions is the highest priority topic in the airline industry. This is not an easy problem to solve, but clarifying that your company will take a leading position in the resolution of this issue will differentiate you from other companies. It is essential to provide a clear roadmap (at a company, industrial, and national level) on CO₂ reduction by fiscal 2030 and fiscal 2050 that is linked to management (growth) strategies. You must also explain this roadmap to investors. In doing so, it is acceptable to present short-term quantitative targets and qualitatively explain (disclose your story) targets for the long term.
- Leadership is required in shaping public opinion on sustainable aviation fuel (SAF), lobbying governments, and taking the initiative to involve competitors and other actors.
- We understand the need to use carbon offsets to reduce CO₂ emissions. However, you need to assign specialized personnel to determine the reliability of those carbon credits. Verifying samplings directly from the front lines is also important to ensure reliability.
- Stating that the ANA Group will not rely on emissions trading, but will rather utilize negative emissions technologies in your transition scenario, is highly commendable. We are particularly interested in technologies such as direct air capture (DAC)
- SBT Certification is effective in explaining the relationship between the Paris Agreement and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the International Civil Aviation Organization (ICAO).

Human Capital and Human Rights

Q What do you think about ANA Group initiatives on human capital and human rights?

- We are highly interested in the ANA Group identification of human rights issues and your appropriate implementation of corrective action in accordance with the United Nations *Guiding Principles on Business and Human Rights*. We continue to focus on strengthened supply chain management such as direct dialogue with frontline workers, the acceptance of complaints and grievances, and decision-making that involves management. At the same time, forced labor, working hours, and living wages are common supply chain risks across all sectors.
- We focus on human capital management and human resource strategies that help achieve long-term visions and management strategies. As such, we expect to see the establishment and disclosure of KPIs related to these strategies.



@Caux Round Table Japan

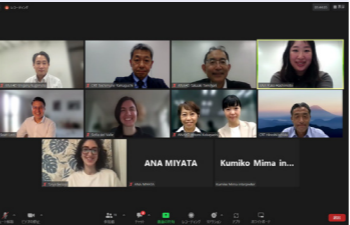
▼ Please visit our corporate website for more:
<https://www.ana.co.jp/group/en/csr/communications/>

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

Dialogue with Experts on Business and Human Rights (October 2022)

Participating Experts

- Sofia del Valle
World Benchmarking Alliance, Engagement Manager, Social Transformation
- Talya Swissa
World Benchmarking Alliance, Research Project Manager
- Sean Christopher Lees
UNDP Bangkok Regional Hub Business and Human Rights Specialist



Topics

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

Q How should we utilize privacy-sensitive customer information?

- Privacy requirements should include a globally published statement that sets forth your commitment to upholding privacy rights and the rules for collecting, sharing, and accessing personal information. A privacy statement must include the following information:
1) A clear explanation on what personal information will be collected
2) A clear explanation on with whom (third parties) collected personal information will be shared
3) An explanation to users on what kind of personal information was collected

Q What is necessary when identifying human rights and environmental issues along the value chain?

- The correct approach entails selecting specific goods that the ANA Group is involved in from production to sales, and then identify anticipated human rights and environmental issues at each step in the value chain. However, the following three principles should be considered when selecting issues from a human rights due diligence perspective:
1) How many people are impacted?
2) How significant is the impact?
3) What corrective measures can you apply?

Q What is necessary to consider when addressing climate change and human rights due diligence together?

- It is necessary to understand how your company impacts climate change and reflect this in your business model. It is also important to first assess the risk of contracted business partners in the flow of your value chain. Ensuring that their business is conducted in a manner consistent with ANA policies is also important once the business relationship is established. The same should be required of the suppliers with whom that company contracts. Providing incentives to suppliers for complying with the company human rights policy can encourage efforts toward respect for human rights in business decision-making. Incentives can include increase contract payments, increased orders, and contract extensions.

Internal Dialogue

Internal Discussions to Promote ESG Management Awareness

SDGs Special Lecture and Panel Discussion with Employee Participation

The ANA Group held a special lecture and panel discussion with the leading SDGs researcher in Japan, Professor Norichika Kanie (Keio University Graduate School of Media and Governance). The theme of this event was *Future SDGs and ESG Management Promotion - Contribution to SDGs Through Business, Human Resource Development (Education and Training) and SDGs*. Discussions aimed to reaffirm the importance of encouraging ESG management and contributing to the SDGs in our future society, as well as to deepen participants' understanding of what it means to achieve a sustainable society and business through our business as the ANA Group. After the discussions, employees exchanged opinions on these topics, giving them the opportunity to familiarize themselves with the SDGs and recognize their connection with our business.



ANA Group DEI Forum 2022

The DEI Forum currently welcomes its 8th year since establishment in 2015. The forum aims to accelerate DEI promotion in the workplace from a management perspective and strengthen organizational capabilities by improving engagement and productivity. The topic for 2022 is *Never Stand Still*. The ANA Group is required to take action in response to the recovery in demand from the COVID-19 pandemic. At the same time, we also expressed our desire to take action to achieve DEI. As such, the group held discussions with experts in addition to panel discussions with international employees. These discussions frankly discuss the necessity of DEI and the actions necessary to get involved in its achievement.

We streamed these discussions online and held public viewings at about 50 locations, with a total of approximately 2,000 group executives and employees participating over two days.

Internal Dialogue

Outside Director Town Meeting Initiatives

Fiscal 2022 Topics

Changes in Flight Attendants' Work Styles during the COVID-19 Pandemic and Future Issues and Directions

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. In fiscal 2022, the ANA Group held discussions between outside directors and the Inflight Services Center, which oversees the flight attendants that support our safety and service quality. Participants shared their responses to the excess capacity utilization due to the COVID-19-inflicted slumps in passenger demand, the needs for new and diverse work styles, and challenges in the current demand recovery phase.

Our Initiatives

Fiscal Year	Division	Department Name
Fiscal 2018	Maintenance	The Engineering & Maintenance Center, Each Group Maintenance Company
Fiscal 2019	Flight Operations	Flight Operations Center
Fiscal 2020	Marketing	CX Management Office
Fiscal 2021	Human Resources	Group Human Resources Strategy Department
Fiscal 2022	Cabin	Inflight Services Center



Topic 1 Flight Attendant Work Styles during the COVID-19 Pandemic

The ANA Group hired and trained many flight attendants in preparation for the expected slot expansions for Haneda Airport in 2020. However, the spread of COVID-19 significantly reduced flights, resulting in a large amount of excess capacity. What measures did the group take in response to this?

1. Expansion of Work Styles

Introduction of the New Short Working Day System

- The ANA Group responded to the COVID-19 pandemic by introducing a short working day system. This system is similar to that of work sharing and expands the options of work styles for employees, such as commuting from rural areas or selecting flight routes.
- Approximately 30% of all flight attendants chose this new work style, curtailing the operating force by about 1,500 employees. This system leads to the personal growth of employees by enabling them to choose a work style that fits their lifestyle more easily, have dual employment, and learn new skills.
- While having a work-life balance is important, it is also important to send the message that employees should choose a work style while considering how the fulfillment of their personal lives can lead to personal growth and benefit your work as well.

The Necessity of Securing Flexible Work Styles

- The group should continue the short working day system to ensure resilient operations in the face of deteriorating external environments.
- We will review the system and continue making efforts to broaden work styles. The group aims to adjust the operational capacity by increasing the number of eligible participants of the system in the event of another pandemic. To flight attendants, this system doesn't just provide more work style options, but it also enables them to become proficient through limiting the number of routes they work.

- The group will have to recruit more employees if it continues the short working day system, as each person will have a smaller workload. The group should think of how to match people to jobs on the premise of ensuring flexible jobs, as Japan struggles with structural labor shortages. Enforcing a uniform work style will be physically difficult for some employees.

2. Expansion of Internal and External Secondments and Dual Employment

Flight Attendants' Perspectives

- The number of seconded attendants in fiscal 2022 exceeded over 1,000 at peak times. As of December 2022, approximately 800 employees (300 internal and 500 external) are participating in secondment. The group has also received approximately 3,000 applications for dual employment.
- Secondment proves beneficial to attendants that gain experience at other companies, as they can rediscover themselves and see the Company from a different perspective. Flight attendants that experience the outside world may feel that ANA has a richer working environment.
- Some attendants feel more motivated after realizing they had been better off or that they want to take on a more active role. Management must be diligent in keeping those feelings alive.
- Some flight attendants take time to adapt to the new environment. Managers in charge of supporting employees on secondment reached out, offered care, and organized gatherings and seminars for their benefit.

Use of Employee Secondment Experience

- Each employee leverages their experiences from secondment by sharing their experiences and awareness on aspects of work from new perspectives. Positioning secondment as a stage for human resource development and strategically drawing out employees' strength is something the group must tackle.

- This secondment system is favored by the participating companies and will be continued, even though the group plans to reduce the scale of the system in accordance with operating conditions. Whereas this system was launched in response to the COVID-19 pandemic, the ANA Group will continue participation to strengthen organization from the perspective of cross-border learning and diversity.

Topic 2 Approach to Career Development for Flight Attendants

How has the COVID-19 pandemic changed flight attendants' outlook on work?

Impact on Job Turnover Rates

- Turnover rates significantly declined during the COVID-19 pandemic. This may be due to the effects of diversified work styles.
- The overall average may also have been impacted by the suspension of new graduate hiring, which decreased the number of young employees with high turnover rates. The group should conduct a precise analysis on the relationship between years of employment and turnover rates.
- The group should work to design a system that ensures flexible work styles if employees so wish. Companies will battle for employment going forward, and strict workplaces will not attract many employees, even for prestigious jobs.



Career Development Considerations for Each Employee

- It is becoming gradually more difficult to fit each employee into a standard career, as each flight's attendants growth process is different. Values of the younger generations are changing, broadening individual needs. Some want to acquire certifications earlier on, while some wish to have multiple slower-paced jobs. The ANA Group will review the current system, which is based on lateral promotions.
- The actual issue lies in the current uniform personnel system. Individual flight times will vary greatly from person to person with the introduction of the short working day system. As such, the horizontal personnel system would have to be changed uniformly.
- More employees experience secondment and dual employment, becoming interested in other occupations. This increases their desire to transition from flight attendants to administrative positions or transfer within the group. Even though the group would prefer to have them be active in the Inflight Services Center, it also wishes to help fulfill their individual careers and thereby grow and develop the group as a whole.
- Flight attendants are responsible for protecting the lives of their customers. This resolution and experience are great strengths that will enable them to take on responsibility in any career. The ANA Group strongly encourages them to broaden their horizons on other careers.

Topic 3 Measures and Issues in Flight Resumption

Are there any issues in resuming flights after their reduction in the COVID-19 pandemic?

Safety and Quality Issues

- Crew hours decreased to one-fifth of pre-COVID-19 levels with the reduced scale of flight operations. In response, the ANA Group took measures to maintain safety, quality, and workmanship. The group established a hands-on learning space and made efforts to compensate for this lack of experience and through practical and simulated experiences.
- Flight attendants that joined the ANA Group from fiscal 2019 to fiscal 2020 had little to no experience with the busyness of pre-COVID-19 travel peaks and had few flight hours. Demand for international flights, which had been slow to recover, is gradually returning. Recently, the group is experiencing some difficulties with an increase in full flights. The ANA Group set up temporary hands-on service training in response.

Flight Attendants Residing Abroad

- The group saw a sharp decline in international flights during the COVID-19 pandemic, preventing the airline from traveling to and from other countries.
- The group had worked to increase the number of flight attendants residing abroad as part of its globalization efforts. Before the pandemic, the group had approximately 400 flight attendants residing abroad. This number was halved by the natural decrease after the pandemic interrupted recruitment activities. Preparations to resume hiring are currently underway.
- Increasing the number of flight attendants living abroad will lead to improved recognition of the ANA Brand. This will also be significant in expanding the future overseas market share of the group.

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 2022



Dialogue with Shareholders and Investors	The 78th Ordinary General Meeting of Shareholders		
	No. of attendees	Voting rights exercise ratio	
	1,040 people	60.7 %	
	Dialogue with institutional investors / analysts		Financial Results Presentations / Corporate Strategy Briefing Sessions / Small Meetings (for institutional investors, analysts)
	248 times (153 in Japan / 95 overseas)		9
Communication with Our Employees	FY2023-25 ANA Group Corporate Strategy Top Management Presentations		
	No. of meetings	Total participants: Approx.	
	3	2,657 people	
	* Numbers include online interactions		
	Dialogue with Employees on Sustainability		SDGs Seminars for Overseas Employees (online)
	No. of meetings		No. of meetings
	6		4
	Total participants:	165 people	Total participants: Approx. 230 people
Dialogue with Experts	Environment	Human Rights	ESG Rating Agencies
	1	1	2
Dialogue with Business Partners	ANA Group Procurement Policy Briefing Sessions		
	7 domestic suppliers of tableware and cutlery We sent questionnaires to suppliers to gauge the status of ESG-related initiatives at each company and provided feedback in response to their results.		
Dialogue with Communities	ANA Blue Academy		
	No. of meetings	Total no. of elementary students (5th-6th):	
	2	95 students	
	The ANA Blue Academy <i>Mirai Tsukuru</i> is a career education program for fifth and sixth graders in which we visit schools and allows students to experience one of the five jobs in the ANA Group.		

External Recognition

Inclusion in ESG Indexes, etc. As of July 2023

<ul style="list-style-type: none">• CDP Climate Change A• Dow Jones Sustainability World Index• Dow Jones Sustainability Asia Pacific Index• FTSE4Good Index• FTSE Blossom Japan Index• FTSE Blossom Japan Sector Relative Index	<ul style="list-style-type: none">• MSCI Japan Empowering Women Index (WIN)• MSCI Japan ESG Select Leaders Index• MSCI ESG Leaders Indexes• The S&P Global Sustainability Yearbook 2023<ul style="list-style-type: none">- Top 10%• EcoVadis Sustainability Rating<ul style="list-style-type: none">- BRONZE	<div><p>2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</p><p>2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX</p></div>	<div><p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p><p>FTSE4Good</p><p>FTSE Blossom Japan</p><p>Top 10% 78 /100</p></div>
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Quality

<ul style="list-style-type: none">• SKYTRAX COVID-19 Airline Safety Rating (ANA Group, 2022)<ul style="list-style-type: none">- Awarded 5-STAR for the tenth consecutive year• SKYTRAX World Airline Awards (ANA Group, 2022)<ul style="list-style-type: none">- World's Best Airport Services- World's Best Airline Cabin Cleanliness- Best Airline Staff Service in Asia		<ul style="list-style-type: none">• CIRIUM (ANA Group, 2022) Worldwide Major Airlines<ul style="list-style-type: none">- Network Category: No. 1- Mainline Category: No. 2Asia-Pacific Major Airlines<ul style="list-style-type: none">- Network Category: No. 1- Mainline Category: No. 2	
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Management Strategy

<ul style="list-style-type: none">• Ministry of Economy, Trade and Industry<ul style="list-style-type: none">- DX Certification• Tokyo Stock Exchange / Ministry of Economy, Trade and Industry<ul style="list-style-type: none">- Noteworthy DX Company 2023• The Japanese Society for Artificial Intelligence<ul style="list-style-type: none">- The 36th Annual Conference of the Japanese Society for Artificial Intelligence, 2022 Annual Conference Award (Turbulence Prediction System from Wind Distribution using CNN)• Job Rainbow (ANA)<ul style="list-style-type: none">- D&I AWARD- BEST Workplace 2022	<ul style="list-style-type: none">• work with Pride (35 Group Companies)<ul style="list-style-type: none">- PRIDE Index 2022 Gold Award• Ministry 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 (Overseas Courier Service Co., Ltd., 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 Company Promoting Women's Participation and Advancement in the Workplace<ul style="list-style-type: none">- "Eruboshi" Certification (ANA, ANA Systems Co., Ltd., Overseas Courier Service Co., Ltd., ANA TELEMART CO., LTD.)• Nippon Kenko Kaigi, Ministry of Economy, Trade and Industry<ul style="list-style-type: none">- Certified Health and Productivity Management Recognition Program 2023 (ANA HOLDINGS INC.)- Certified Health and Productivity Management Organization Recognition Program 2023 (18 Group Companies, of which 8 Companies are White 500)
	 	    

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Message from the Independent Outside Directors



Fiscal 2022 was a turning point year for the ANA Group. We not only returned to profitability for the first time in three fiscal years, but we also overcame the COVID-19 pandemic by looking toward the future under a new management vision and medium-term corporate strategy. The ANA Group is executing this corporate strategy and will move to a stage solidifying our return to a growth trajectory. We asked outside directors YAMAMOTO Ado, KOBAYASHI Izumi, KATSU Eijiro, and MINEGISHI Masumi about their views on the ideas and initiatives on which the ANA Group should focus, as well as issues that require attention in the future.



Remembering the Experience of the COVID-19 Pandemic, the ANA Group Is Pursuing a New Management Vision to Enhance the Cohesiveness of Our Employee Base, Striving to Return to Growth and Fulfill Our Responsibility to Society

YAMAMOTO Ado
Independent Outside Director

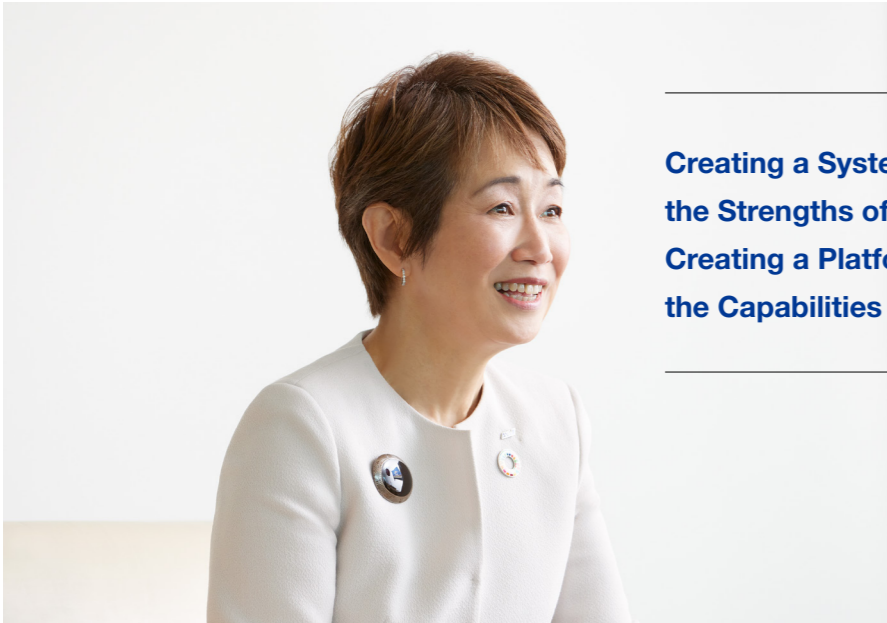
The ANA Group formed a new management vision in conjunction with its 70th anniversary. The end of the global COVID-19 pandemic and clear recovery in air passenger demand served as a good opportunity to strengthen the unity of the ANA Group behind this new management vision defining our future. Value creation within the ANA Group is predicated on the growth and happiness of every employee, and the new management vision reflects the group's focus on creating a bright future for our employees. When group employees around the world continue to work with energy, take on new challenges, and strive as one to achieve our management vision, the result will be new value for customers and society.

ANA Group management held numerous town meetings with employees to communicate the status of the group and convey positive messages to employees who were anxious about weak performance under the COVID-19 pandemic. Senior managers communicated personal messages repeatedly, continuing to share an appropriate sense of urgency and hope for the future with employees. I believe this practice led to a greater sense of group unity and sustained engagement. This is just one example, but the record of how employees overcame the most unprecedented, most significant crises ever should be preserved and passed down to future generations. I believe the experience of overcoming the singular risk of the complete suspension of human travel will not only be a source of confidence for all employees who faced the crisis but will also be a source of confidence for employees in facing future challenges. When I was president of my company, I made sure to write the details of business failures and withdrawals throughout

the company's history, passing the information on to junior colleagues. I think the ANA Group should consider ways to pass lessons from recent history to the next generation.

The ANA Group continues to be an indispensable part of society in the post-COVID-19 world, serving as infrastructure that supports the exchange of people and goods. The group must look ahead to ensure access to the right human resources and aircraft to achieve a return to growth. Another important topic is the group's efforts to reduce environmental impact. Reducing CO₂ emissions is the group's responsibility to the global environment and society, and the group must accelerate progress through concrete measures to address this issue.

Many were concerned that the COVID-19 pandemic would lead to a decrease in the number of people using air travel for business with the rise of telework and online conferencing. However, we are seeing an increasing number of companies asking employees to return to the office as social and economic activities normalize. While regular meetings and other activities may shift online, the value of face-to-face meetings remains as important as ever in situations such as signing contracts with a new client. We see business trips and other travel opportunities returning gradually. Further, the number of inbound visitors to Japan for leisure is increasing rapidly, and the group faces a wide range of needs on a global level. I expect the ANA Group will advance steadily toward transformation and achieve profit growth by pursuing a policy to optimize its Air Transportation Business portfolio through the three brands of ANA, Peach, and AirJapan.



**Creating a System That Leverages
the Strengths of Human Resources;
Creating a Platform That Maximizes
the Capabilities of Every Employee**

KOBAYASHI Izumi
Independent Outside Director

The ANA Group faced a very difficult business environment due to the outbreak of COVID-19. But the group overcame the crisis through agile decision-making. One reason for this success was a group of highly resourceful and adaptable human resources. Many things happen every day on the front lines, both in the airport and on the plane. Simply performing work in accordance with manuals is not always sufficient. Each employee must think constantly about how to respond to and resolve unexpected events. I believe that the overwhelming strength of the ANA Group lies in the high degree of flexibility and mobility that employees have come to possess through the accumulation of such day-to-day activities.

To utilize the strengths of ANA Group employees further, the board of directors discusses women's empowerment and non-Japanese employees as issues to address through the human resources strategy. I believe the training cycle functions effectively as it is, with women seconded to manage group companies to learn more about management, and then returned to their former companies. But the many talented women across the organization need a system that encourages them to play more active roles. In addition, as a company that operates routes globally, ANA should incorporate more perspectives of foreign employees working in Japan and abroad. Numerical goals, KPIs, or

recruiting human resources of various abilities are not enough when pursuing diversity, equity, and inclusion (DEI). What is really important is for the group to become an organization that makes the most of each person's strengths. Diversity and inclusion, in the truest sense, is when leaders assess the strengths and personalities of their subordinates accurately, seeking in earnest to draw out the strengths of each individual. Besides personal success in sales, etc., the ability to nurture subordinates must be an important factor in selecting leaders. I believe that excellent leaders create increased corporate value when they see the success of every person in their individual organizations.

Job-based employment has been the focus of much attention recently. But I believe that the role employees play need not be bound by the framework of employment status or career paths. Whether one is active in a particular area through high-level expertise, or whether one exercises leadership in situations bridging departments and opinions, is merely a difference in roles to the end result of achieving the overall mission of the company. An effective formula for organization management is one in which individuals contribute their unique abilities to the greatest extent possible, sharing in the success and receiving proper evaluations based on the degree of their contribution.

**Enhancing Global Competitiveness While
Motivating Employees to Raise Earnings by
Capturing Inbound Demand**

KATSU Eijiro
Independent Outside Director



The FY2023-25 ANA Group Corporate Strategy describes how the ANA Group plans to grow earnings, mainly in the Air Transportation Business. The market that the group must capture for future growth is the overseas market, particularly through the International Passenger Business and inbound travel to Japan.

There are three key elements to capturing this inbound demand. The first is to strengthen total care, including pre- and post-airline travel. For the ANA Brand as a full-service carrier, in particular, the group must enhance customer experience value through enriched services from the very beginning to the very end of the journey. *ANA Smart Travel* allows users to carry out a number of tasks online regardless of time or location, including airline ticket reservations, purchases, and check-in. But there is room to evolve and create a system for smooth and stress-free travel. An example would be MaaS linkage with other means of transportation, such as railroads and buses, that connect airports to final destinations. The group must communicate such features in an easy-to-understand manner. Digital services used by large numbers of people result in data accumulation and further service improvements.

The second key element is to expand opportunities for human resources to become global employees. The ANA Group approaches potential customers around the world amid diversifying values and changing social environments. Having global employees in each country who have a deep

understanding of local market cultures and preferences will undoubtedly be a valuable asset. It is important that the group improves brand recognition globally by incorporating the opinions of these employees and improving the ANA Group brand as an attractive option for overseas customers.

The third key element is to strengthen cooperation with other airlines. Airline consolidation is accelerating abroad in the wake of the COVID-19 pandemic. The ANA Group must consider a number of factors to compete with other airlines on a global scale. Route network efficiencies and joint systems are just two examples. The group must streamline operations through collaboration from various approaches to increase its competitive stance.

The ANA Group achieved net profits in fiscal 2022. This accomplishment reflects significant progress coming out of the greatest crisis ever to face the industry. And this feat was accomplished because the group united as one, executing initiatives, including business structure reforms, even in the face of the difficulties caused by COVID-19. Employee motivation will remain a very important part of the process to improve performance further in the future. If employees work with confidence and take on various challenges boldly, the ANA Group is sure to create new value and generate more profits than even before COVID-19. The ANA Group must continue this trend of sharing results with stakeholders—including employees, shareholders, and society—creating positive cycles.



Pursuit of Services Maximizing ANA Strengths in the Non-Airline Business, Emphasizing Ownership and Customer Focus

MINEGISHI Masumi
Independent Outside Director

In the year since I became an outside director, I have developed two strong impressions of the ANA Group. First, I believe management takes excellent care of its employees. At the same time, employees have a high level of trust in the company, creating a positive relationship between the two. I also appreciate the fact that the Spirit of Challenge, established at the founding of the company, has deep roots in the workplace still. Employees embrace taking on new challenges, which management encourages.

The ANA Group Corporate Strategy describes how the group will tackle reform in the mainstay Air Transportation Business, while also growing the Non-Airline Business and expanding the *ANA Economic Zone*. An economic zone strategy is one in which companies having a strong customer base in their core business create new services in areas not adjacent to that core business. The company then leverages existing customers into using the new services. However, this represents one-way thinking from the logic of the company. Establishing an economic zone requires that a company build up the competitiveness of each service focusing on the most important concept: be the service of choice among customers. The key to success will be to build superior economic zone services by using the ANA Group brand power to provide more value and perform analyses to understand ultimately how to be the service of choice among customers.

The ANA Group has grown on the back of the Air Transportation Business. Accordingly, the group has yet to build a wealth of skills and experience in the Non-Airline

Business. However, if the group focuses on customer value, compares objectively how they differ from competitors, and works with a sense of ownership to create something better, I believe the ANA Group will move steadily in the right direction. Through repeated trial and error, the ANA Group will discover its own strengths and winning strategies. As a team of employees, the group will work together to implement a cycle of challenging the top companies in the industry, increasing competitiveness by winning the support of customers, and reinvesting management resources to grow the Non-Airline Business.

In the process of taking on new business challenges, the group may face crises. Whether the group can take the initiative and respond to change as an organization will make the difference between success and failure. The organization as a whole must foster a sense of *business ownership*, in which employees feel a sense of personal responsibility for the business, and *career ownership*, in which employees seek ways to utilize their experience and skills. When both management and employees take a proactive approach to their business and careers, they will be more empowered with on-the-ground skills, flexibility, and the ability to respond to change. In this way, the ANA Group will evolve into a more resilient organization.

It will be important for the ANA Group to take the necessary and obvious steps in identifying specific areas in which it maximizes strengths, engaging in required investments, and refining its services from the perspective of the customer.

Message from Chair of the Board of Directors

The Board of Directors encourages healthy discussions, summarizes opinions, and advances our governance system, aiming to achieve sustainable business growth and improve corporate value over the medium to long term.

There are two main points that I keep in mind when managing the board since I assumed the position of Chair one year ago. The first is that the outside directors are regularly active and occasionally give harsh criticism. As chair, I encourage internal directors to not only answer questions but also express their own opinions in response. Outside directors want to hear honest opinions based on frontline situations directly from the directors in charge. They also expect that items discussed at the board of directors meetings will be reflected in concrete measures on the front lines and utilized in management. Therefore, I made improvements by holding town meetings where outside directors directly communicate with employees in various divisions as well as by providing separate opportunities for discussions between outside directors, directors in charge, and the secretariat of the board of directors. The second point I keep in mind is to summarize the views of the board members to help members on the executive side focus on business operations. The role of the directors is to achieve sustainable business growth and enhance the medium- to long-term corporate value of the Group. To accomplish this, directors must enhance the transparency and objectivity of the board, supporting the executives' decisions with prompt and decisive decision-making. Board members with diverse backgrounds express their opinions from a variety of perspectives. This enables us to implement management that encourages both awareness and decision-making on the executive side.

In June 2022, Mr. Minegishi joined the board of directors as an outside director. His frank and rational opinions on the establishment and growth of our Non-Airline Business, a new business for our company, stimulate both the directors in charge and all members of the board of directors for the better, helping to revitalize the board. In June 2023, the gender balance of the board of directors improved with the appointment of Ms. Kajita as an internal director and Ms. Mitsuhashi as an external auditor. These women will leverage their vast knowledge in areas such as ESG

management promotion, sustainability, legal affairs, and risk management as well as offer new opinions and perspectives to the board. Through this, I expect they will aid the board of directors demonstrate its governance.

Board of directors meetings in fiscal 2022 devoted large amounts of time to discuss the formulation of the FY2023-25 ANA Group Corporate Strategy and the new Management Vision, which is being formulated for the first time in 10 years. In fiscal 2023, we will accelerate substantive discussions to achieve our goals as we receive reports on progress made in the process of implementing each of the measures set forth in our Corporate Strategy. It will be necessary for the board of directors to confirm that major themes related to materiality are reflected in each policy and will lead to the creation of both social value and economic value. As chair, I will work to address these issues to further improve the effectiveness of our operations and meet the expectations of our shareholders and the capital markets.

KATANOZAKA Shinya
Chair of the Board of Directors



Consolidated 11-Year Summary

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

Yen (Millions)												U.S. dollars (Thousands) (Note 3)
(FY) (Note 2)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2022
For the Year												
Operating revenues (Note 4)	1,707,484	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	12,787,268
Operating expenses	1,587,454	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	11,888,369
Operating income (loss)	120,030	(173,127)	(464,774)	60,806	165,019	164,516	145,539	136,463	91,541	65,986	103,827	898,899
Income (loss) before income taxes	114,342	(175,374)	(545,372)	51,501	154,023	196,641	139,462	131,064	77,983	36,391	70,876	856,301
Net income (loss) attributable to owners of the parent	89,477	(143,628)	(404,624)	27,655	110,777	143,887	98,827	78,169	39,239	18,886	43,140	670,089
Cash flows from operating activities	449,822	(76,413)	(270,441)	130,169	296,148	316,014	237,084	263,878	206,879	200,124	173,196	3,368,696
Cash flows from investing activities	(204,026)	230,019	(595,759)	(230,218)	(308,671)	(324,494)	(194,651)	(74,443)	(210,749)	(64,915)	(333,744)	(1,527,941)
Cash flows from financing activities	(142,909)	93,646	1,098,172	23,869	(46,480)	(29,989)	3,349	(133,257)	(30,424)	(85,569)	84,549	(1,070,238)
Free cash flow	245,796	153,606	(866,200)	(100,049)	(12,523)	(8,480)	42,433	189,435	(3,870)	135,209	(160,548)	1,840,754
Substantial free cash flow (Note 5)	373,104	(111,948)	(373,464)	(79,149)	(18,028)	61,410	39,655	88,035	(22,350)	38,929	54,256	2,794,158
Depreciation and amortization	144,313	147,328	176,352	175,739	159,541	150,408	140,354	138,830	131,329	136,180	123,916	1,080,753
EBITDA (Note 6)	264,343	(25,799)	(288,422)	236,545	324,560	314,924	285,893	275,293	222,870	202,166	227,743	1,979,652
Capital expenditures	116,892	133,364	156,710	351,361	375,864	304,707	254,425	281,416	274,702	183,739	162,752	875,398
At Year-End												
Total assets	3,366,724	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	25,213,240
Interest-bearing debt	1,607,918	1,750,108	1,655,452	842,862	788,649	798,393	729,877	703,886	819,831	834,768	897,134	12,041,623
Shareholders' equity (Note 7)	862,419	797,249	1,007,233	1,061,028	1,099,413	988,661	919,157	789,896	798,280	746,070	766,737	6,458,616
Per Share Data (Yen, U.S. dollars) (Note 8)												
Earnings (loss) per share	190.24	(305.37)	(1,082.04)	82.66	331.04	417.82	28.23	22.36	11.24	5.41	13.51	1.42
Book value per share	1,833.64	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	13.73
Cash dividends	—	—	—	—	75.00	60.00	6.00	5.00	4.00	3.00	4.00	—
Average number of shares during the year (Thousand shares)	470,334	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	
Management Indexes												
Operating income margin (%)	7.0	(17.0)	(63.8)	3.1	8.0	8.3	8.2	7.6	5.3	4.1	7.0	
Net income margin (%)	5.2	(14.1)	(55.5)	1.4	5.4	7.3	5.6	4.4	2.3	1.2	2.9	
ROA (%) (Note 9)	3.7	(5.3)	(16.0)	2.4	6.4	6.8	6.5	6.1	4.2	3.2	5.1	
ROE (%) (Note 10)	10.8	(15.9)	(39.1)	2.6	10.6	15.1	11.6	9.8	5.1	2.5	6.6	
Shareholders' equity ratio (%)	25.6	24.8	31.4	41.4	40.9	38.6	39.7	35.4	34.7	34.3	35.9	
Debt/equity ratio (Times) (Note 11)	1.9	2.2	1.6	0.8	0.7	0.8	0.8	0.9	1.0	1.1	1.2	
Asset turnover (Times) (Note 12)	0.5	0.3	0.3	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	
Payout ratio (%)	—	—	—	—	22.7	14.4	21.3	22.4	35.6	55.5	29.6	
Number of employees	40,507	42,196	46,580	45,849	43,466	41,930	39,243	36,273	34,919	33,719	32,634	
Operating Data												
International Passenger Operations												
Passenger revenues	433,470	70,151	44,726	613,908	651,587	597,446	516,789	515,696	468,321	395,340	348,319	3,246,236
Available seat-km (Millions)	35,875	20,524	14,465	68,885	65,976	64,376	60,148	54,710	49,487	41,451	37,947	
Revenue passenger-km (Millions)	26,408	5,550	2,840	50,219	50,776	49,132	45,602	40,635	35,639	30,613	28,545	
Number of passengers (Thousands)	4,212	825	427	9,416	10,093	9,740	9,119	8,167	7,208	6,336	6,276	
Load factor (%)	73.6	27.0	19.6	72.9	77.0	76.3	75.8	74.3	72.0	73.9	75.2	
Unit revenues (¥)	12.1	3.4	3.1	8.9	9.9	9.3	8.6	9.4	9.5	9.5	9.2	
Yield (¥)	16.4	12.6	15.7	12.2	12.8	12.2	11.3	12.7	13.1	12.9	12.2	
Domestic Passenger Operations												
Passenger revenues	529,593	279,877	203,119	679,962	696,617	689,760	678,326	685,638	683,369	675,153	665,968	3,966,097
Available seat-km (Millions)	49,901	34,288	26,896	58,552	58,475	58,426	59,080	59,421	60,213	61,046	58,508	
Revenue passenger-km (Millions)	32,201	16,382	11,567	39,502	40,704	40,271	38,990	38,470	38,582	37,861	36,333	
Number of passengers (Thousands)	34,534	17,959	12,660	42,916	44,325	44,150	42,967	42,664	43,203	42,668	41,089	
Load factor (%)	64.5	47.8	43.0	67.5	69.6	68.9	66.0	64.7	64.1	62.0	62.1	
Unit revenues (¥)	10.6	8.2	7.6	11.6	11.9	11.8	11.5	11.5	11.3	11.1	11.4	
Yield (¥)	16.4	17.1	17.6	17.2	17.1	17.1	17.4	17.8	17.7	17.8	18.3	
LCC Passenger Operations (Note 13)												
Revenues	90,265	37,813	22,071	81,953	93,611	87,555	—	—	—	—	—	675,990
Available seat-km (Millions)	12,232	7,863	4,932	11,076	12,052	11,832	—	—	—	—	—	
Revenue passenger-km (Millions)	8,991	4,846	2,403	9,202	10,394	10,212	—	—	—	—	—	
Number of passengers (Thousands)	7,775	4,267	2,080	7,288	8,153	7,797	—	—	—	—	—	
Load factor (%)	73.5	61.6	48.7	83.1	86.2	86.3	—	—	—	—	—	
Unit revenues (¥)	7.4	4.8	4.5	7.4	7.8	7.4	—	—	—	—	—	
Yield (¥)	10.0	7.8	9.2	8.9	9.0	8.6	—	—	—	—	—	
International Cargo Operations												
Cargo revenues	308,088	328,750	160,503	102,697	125,015	118,002	93,301	113,309	124,772	104,736	86,589	2,307,256
Cargo volume (Tons)	805,799	976,644	655,019	866,821	913,915	994,593	954,027	810,628	841,765	710,610	621,487	
Domestic Cargo Operations												
Cargo revenues	24,119	24,932	20,881	25,533	27,454	30,710	30,860	31,740	32,584	32,116	32,231	180,626
Cargo volume (Tons)	253,661	251,332	218,032	373,176	393,773	436,790	451,266	466,979	475,462	477,081	463,473	

Notes: 1. As of March 31, 2023, there were 54 consolidated subsidiaries and 13 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 ¥133.53 = US\$1, the approximate exchange rate as of March 31, 2023.
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 beginning of fiscal 2017.
9. ROA = (Operating income + Interest and dividend income) / Simple average of total assets
10. ROE = Net income (loss) 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.
* 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.
* We applied the Accounting Standard for Revenue Recognition as of the beginning of fiscal 2021.

Management’s Discussion and Analysis

Economic Conditions

General Economic Overview

During the fiscal year under review, the Japanese economy experienced a moderate recovery. While consumer spending and capital expenditures picked up gradually, imports and exports showed signs of weakening.

Looking to the future, the economy is expected to pick up, supported by easing of restrictions on movement and normalization of socioeconomic activities. At the same time, unstable international conditions, including soaring global energy prices and monetary tightening in the U.S. and European countries, could have a negative impact on any recovery. The airlines industry in Japan expects the recovery to continue in leisure demand for domestic routes and in inbound travel and business demand on international routes. However, developments in geopolitical risk and the situation in Ukraine warrant close monitoring.

Fuel Price Trends

Crude oil prices fluctuated widely throughout the year due to concerns about crude oil supply disruptions caused by the deteriorating situation in Ukraine. At the beginning of the year, crude oil prices rose sharply due to concern about supply shortages caused by the EU embargo on Russian crude oil. Crude oil prices began to trend downward in the third quarter in response to fears of a global recession caused by monetary tightening in various countries and the spread of COVID-19 in China. As a result, the average price of crude oil was \$92.5 per barrel for the fiscal year under review and \$76.8 per barrel on March 31, 2023.

The market price of Singapore kerosene tracked the price of crude oil. The average price for the fiscal year was \$123.4 per barrel, ending at \$94.8 per barrel on March 31, 2023.

Foreign Exchange Market

The U.S. dollar–yen exchange rate fluctuated widely throughout the fiscal year. The yen weakened to 150 yen to the dollar in October against the backdrop of a widening interest rate differential between Japan and the U.S., while appreciating rapidly in December in response to policy revisions by the Bank of Japan.

The Japanese yen averaged ¥135.48 per U.S. dollar for fiscal 2022, ending the year at ¥132.86 per U.S. dollar on March 31, 2023.

Air Transport Traffic Trends

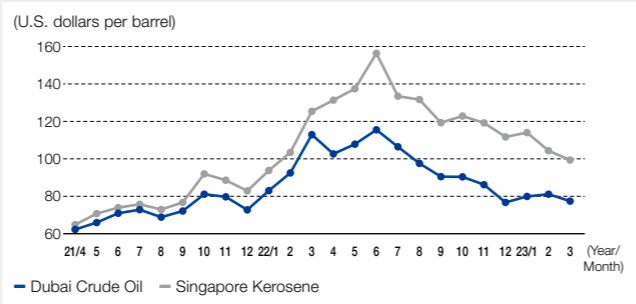
International Air Transportation Association (IATA) member airlines reported a 152.3% year-on-year increase in RPK for scheduled international flights in 2022. RPK for scheduled domestic flights rose 10.9% for the year. At the same time, RTK in connection with scheduled global air cargo increased 32.3%. (Source: IATA World Air Transport Statistics, 2023)

In Japan, passengers on trunk routes* increased 78.7% year on year to 39.42 million. The number of passengers on local routes* increased 85.4% to 51.24 million. In total, passengers on scheduled domestic flights increased 82.4% to 90.66 million. Cargo volume increased 14.5% to 0.54 million tons. The number of passengers carried by Japanese airlines on international flights increased 440.1% to 9.51 million, while the volume of international cargo handled by

Japanese airlines decreased 16.6% to 1.47 million tons. (Source: Ministry of Land, Infrastructure, Transport and Tourism, Annual Summary of Air Transportation Statistics)

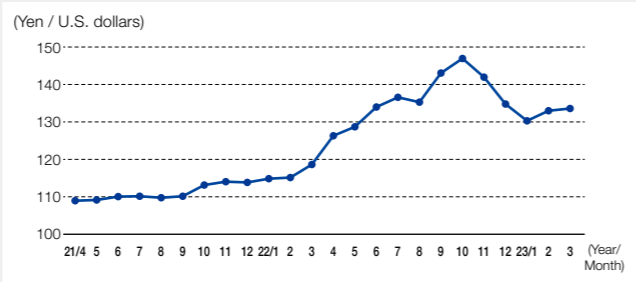
* Trunk routes refer to routes connecting Sapporo (New Chitose), Tokyo (Haneda), Tokyo (Narita), Osaka (Itami), Osaka (Kansai), Fukuoka, and Okinawa (Naha) airports with one another. Local routes refer to all other routes.

Monthly Prices for Dubai Crude Oil and Singapore Kerosene



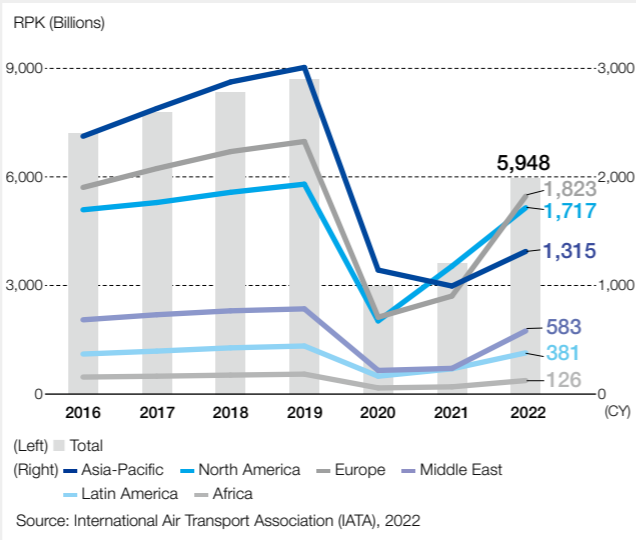
Source: Bloomberg

Monthly Yen-Dollar Exchange Rate



Source: Bloomberg

Global Air Transportation Passenger Volume by Region



Performance for Fiscal 2022

Overview of the ANA Group

The ANA Group (“the Group”), led by holding company ANA HOLDINGS INC., consists of 133 subsidiaries (including ALL NIPPON AIRWAYS CO., LTD.) and 37 affiliates. A total of 54 companies are treated as consolidated subsidiaries, with another 13 treated as equity-method subsidiaries and affiliates. Group employees numbered 40,507 individuals, a decrease of 1,689 compared to the previous fiscal year-end.

The environment surrounding the airline industry has been improving rapidly, as restrictions on behavior have eased with respect to domestic flights and entry restrictions have eased in many countries with respect to international flights.

In terms of business performance, operating revenues rose significantly year on year, supported by a recovery in travel amid the economic conditions described above. We posted a profit for the first time in three fiscal years. Even as we expanded the scale of flight operations, we continued with strict cost management measures that curbed increases in operating expenses.

On the balance sheet, retained earnings increased mainly due to an increase in operating revenues. Cash and deposits together with marketable securities amounted to ¥1,183.7 billion in liquidity on hand.

Segment Information

(Fiscal Year)	Operating Revenues			Operating Income (Loss)			EBITDA		
	2022	2021	Change	2022	2021	Change	2022	2021	Change
Air Transportation	¥1,539,443	¥ 885,096	¥654,347	¥124,158	¥(162,932)	¥287,090	¥262,611	¥(22,379)	¥284,990
Airline Related	247,129	206,806	40,323	2,332	(660)	2,992	6,685	4,390	2,295
Travel Services	73,815	46,282	27,533	(277)	(2,105)	1,828	(89)	(1,971)	1,882
Trade and Retail	103,252	81,694	21,558	3,511	549	2,962	4,442	1,642	2,800
Subtotal	1,963,639	1,219,878	743,761	129,724	(165,148)	294,872	273,649	(18,318)	291,967
Others	38,066	38,130	(64)	599	1,388	(789)	987	1,886	(899)
Adjustments	(294,221)	(237,684)	(56,537)	(10,293)	(9,367)	(926)	(10,293)	(9,367)	(926)
Total (Consolidated)	¥1,707,484	¥1,020,324	¥687,160	¥120,030	¥(173,127)	¥293,157	¥264,343	¥(25,799)	¥290,142

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 nancial statements.
4. EBITDA = Operating income + Depreciation and amortization

Air Transportation Business

Air Transportation Business operating revenues amounted to ¥1,539.4 billion, a year-on-year increase of 73.9%. This result was mainly due to the capture of recovering passenger demand as consumers in Japan began to travel outside the home, the government eased restrictions on movement, and various other countries began to relax border restrictions. Continued strong cargo unit prices also contributed to this result, despite weakening cargo demand. Operating income amounted to ¥124.1 billion compared to an operating loss of ¥162.9 billion in the previous fiscal year. This result was mainly due to efforts to control expenses through cost management and other measures, despite an increase in flight operation-linked expenses associated with re-scaling our business.

Expenses, and Operating Income (Loss)

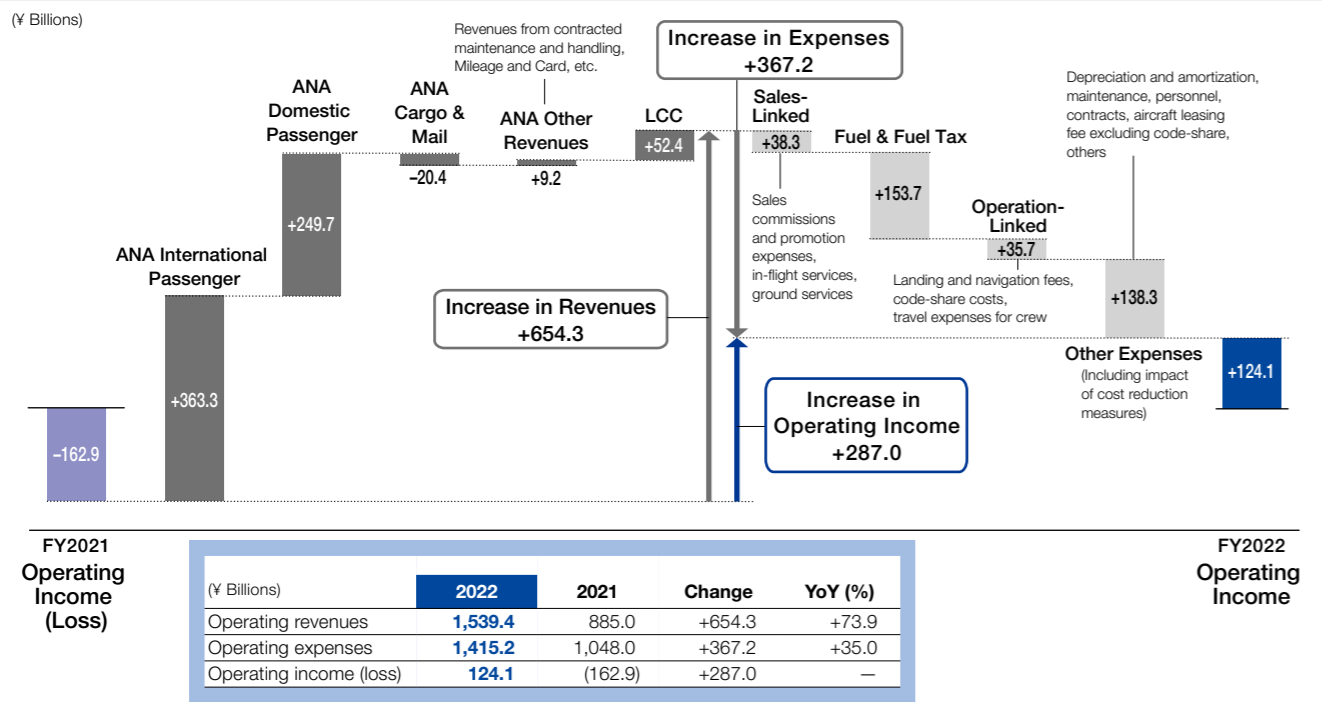
In fiscal 2022, we captured passenger demand as it recovered in stages, recording consolidated operating revenues of ¥1,707.4 billion, an increase of ¥687.1 billion (67.3%) year on year.

Operating income amounted to ¥120.0 billion compared with an operating loss of ¥173.1 billion in the previous fiscal year, despite an increase in flight operation-linked expenses stemming from expanded flight operations, as we continued with strict cost management measures.

Review by Segment

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

Changes in Operating Income (Loss) (FY2022 vs FY2021)



Results by business are as follows.

ANA International Passenger Business

The international passenger business captured demand for connections between North America and Asia, border restrictions were eased and travel demand recovered earlier than in other regions. Business demand from Japan and demand for inbound travel to Japan began recovering in September 2022 in response to relaxing border restrictions in Japan. As a result of our efforts to capture this demand, we recorded significantly higher passenger volume and revenues than the previous fiscal year, with international passenger volume recovering to 40% pre-COVID-19 levels.

Our route network increased flights on North American and Asian routes to and from Narita Airport in the first half of the year to capture demand for connections between North America and Asia. We also increased flights on the Haneda–Delhi and Haneda–Sydney routes beginning in January 2023 to respond to recovering demand from Japan and inbound travel demand to visit Japan.

ANA International Passenger Business Results

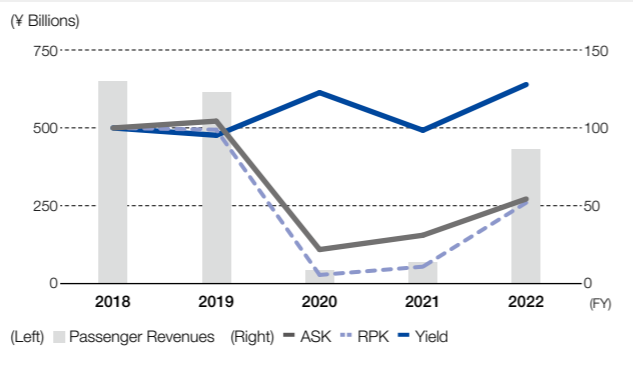
(Fiscal Year)	2022	2021	YoY (%)
ASK (Millions)	35,875	20,524	+74.8
RPK (Millions)	26,408	5,550	+375.8
Number of passengers (Thousands)	4,212	825	+410.3
Load factor (%)	73.6	27.0	+46.6*
Passenger revenues (¥ Billions)	433.4	70.1	+517.9
Unit revenues (¥)	12.1	3.4	+253.5
Yield (¥)	16.4	12.6	+29.9
Unit price (¥)	102,899	84,978	+21.1

* Difference

Sales and service efforts included the March 2023 *Let's Go Overseas With ANA* campaign commemorating ANA's 70th anniversary. Under this campaign, we sold special fares to Asia, Europe, and the United States to stimulate leisure demand.

We added a *Quick & Light Meal* and a *No Thank You Option* (decline of in-flight meal) to our international in-flight meal pre-order service beginning with flights departing on March 31, 2023. These options provide passengers with more freedom and comfort during their in-flight time while contributing to less food loss on board.

As a result, available seat-kilometers (ASK) and revenue passenger-kilometers (RPK) increased 74.8% and 375.8%, respectively, while load factor increased 46.6 points to 73.6%. Passenger numbers increased 410.3% to 4.21 million, while unit price increased 21.1% to ¥102,899. Operating revenues increased 517.9% to ¥433.4 billion.



* Figures for ASK, RPK, and Yield are indexed using the figures for fiscal 2018 as 100.

ANA Domestic Passenger Business

Amid policies to balance the prevention of COVID-19 with socio-economic activities, leisure demand in ANA domestic passenger operations recovered significantly beginning in the second half of the year, assisted by Nationwide Travel Support and other measures. Amid the impact of an 8th wave of COVID-19 infections, we launched a ¥7,000 one-way flight to any domestic destination, a program to commemorate the ANA 70th anniversary. We also endeavored in other ways to attract new customers and stimulate demand, resulting in higher passenger volume and revenue year on year, with domestic passenger volume recovering to 70% of pre-COVID-19 levels.

By the third quarter, all Boeing 777 aircraft with refurbished engines were in service in our route network. We shifted to wide-body aircraft and added extra flights, mainly on weekends, during the year-end and New Year holidays, and spring break, working to capture the recovery in demand.

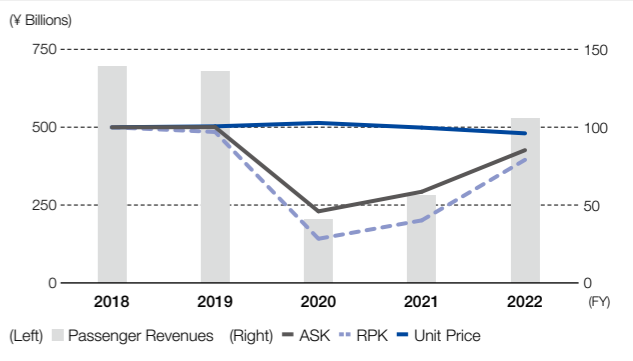
ANA Domestic Passenger Business Results

(Fiscal Year)	2022	2021	YoY (%)
ASK (Millions)	49,901	34,288	+45.5
RPK (Millions)	32,201	16,382	+96.6
Number of passengers (Thousands)	34,534	17,959	+92.3
Load factor (%)	64.5	47.8	+16.8*
Passenger revenues (¥ Billions)	529.5	279.8	+89.2
Unit revenues (¥)	10.6	8.2	+30.0
Yield (¥)	16.4	17.1	−3.7
Unit price (¥)	15,335	15,584	−1.6

* Difference

Sales and service efforts included the updated ANA VALUE TRANSIT, a transit fare for specific segments, beginning with reservations in January 2023. This update improved customer convenience by offering expanding options for transit flights to a maximum of three flights. In December 2022, ANA launched a new concept called *The Premium Kitchen* for in-flight meals in premium class on domestic flights. ANA updated menu choices based on customer feedback, and disposable plastic containers used for in-flight meals were replaced with paper containers, etc., to promote ESG initiatives further.

As a result, ASK and RPK increased 45.5% and 96.6%, respectively, while load factor increased 16.8 points to 64.5%. Passenger numbers increased 92.3% to 34.53 million, while unit price decreased 1.6% to ¥15,335. Passenger revenues increased 89.2% to ¥529.5 billion.



* Figures for ASK, RPK, and Unit Price are indexed using the figures for fiscal 2018 as 100.

ANA Cargo and Mail Business

International cargo operations experienced the negative impact of declining demand for automotive components and fewer flights operated using passenger aircraft as we worked to capture passenger demand. As a result, cargo weight was lower year on year. However, we maintained high unit prices by capturing cargo with higher unit prices, including large special commercial products.

As a result, international cargo volume for fiscal 2022 amounted to 800 thousand tons (down 17.5% year on year), while operating revenues amounted to ¥308.0 billion (down 6.3%). Available ton-kilometers (ATK) decreased 5.2% year on year and revenue ton-kilometers (RTK) decreased 20.0%.

Domestic cargo operations saw a 47.6% increase in ATK compared with the previous fiscal year, while RTK decreased 0.2%. Although demand for inter-company transport was sluggish, home delivery demand remained strong throughout the year. Cargo volume increased 0.9% to 0.25 million tons, and cargo revenues decreased 3.3% to ¥24.1 billion.

Operating revenues for international and domestic mail business amounted to ¥6.2 billion and ¥2.8 billion, year-on-year increases of 15.1% and 8.7%, respectively.

As a result, the ANA Cargo and Mail Business recorded fiscal 2022 operating revenues of ¥341.3 billion, a year-on-year decrease of 5.6%.

Management's Discussion and Analysis

ANA Cargo and Mail Business Results

(Fiscal Year)	2022	2021	YoY (%)
Cargo and mail services revenues (¥ Billions)	341.3	361.7	-5.6
International cargo			
ATK (Millions)	6,605	6,966	-5.2
RTK (Millions)	4,147	5,186	-20.0
Cargo volume (Thousand tons)	805	976	-17.5
Cargo revenues (¥ Billions)	308.0	328.7	-6.3
Unit price (¥/kg)	382	337	+13.6
Mail revenues (¥ Billions)	6.2	5.4	+15.1
Domestic cargo			
ATK (Millions)	1,413	957	+47.6
RTK (Millions)	281	281	-0.2
Cargo volume (Thousand tons)	253	251	+0.9
Cargo revenues (¥ Billions)	24.1	24.9	-3.3
Unit price (¥/kg)	95	99	-4.1
Mail revenues (¥ Billions)	2.8	2.6	+8.7

LCC (Peach)

With the easing of restrictions on domestic travel and border control measures in various countries, Peach expanded the scale of domestic flight operations and resumed previously suspended international flights to capture leisure and inbound travel demand. As a result, both passenger numbers and revenues outperformed the previous fiscal year.

In our route network, we responded to increasing domestic route demand by expanding flight operations, including increasing the number of flights on the Narita–Sapporo (New Chitose) and Narita–Fukuoka routes. On international routes, we resumed the Kansai–Incheon route in August 2022, followed by Kansai–Taipei, Kansai–Hong Kong, and others. In March 2023, we launched the new Nagoya (Chubu)–Taipei route.

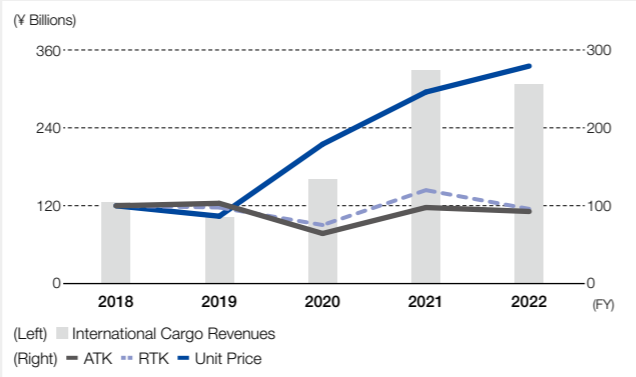
Sales and service efforts included the new *Yadotsuki Tabi Kuji* package, launched in February 2023 on the heels of *Tabi Kuji* (random-destination tickets) in the previous fiscal year. In this initiative, we created demand through a unique travel experience that leaves the travel destination completely to chance.

As a result, ASK and RPK increased 55.6% and 85.5%, respectively, while load factor increased 11.9 points to 73.5%. Passenger numbers increased 82.2% to 7.77 million, while unit price increased 31.0% to ¥11,610. Operating revenues increased 138.7% to ¥90.2 billion.

Others

Other operating revenues in the Air Transportation Business amounted to ¥144.7 billion, a 6.9% increase year on year. Results

International Cargo Business Results

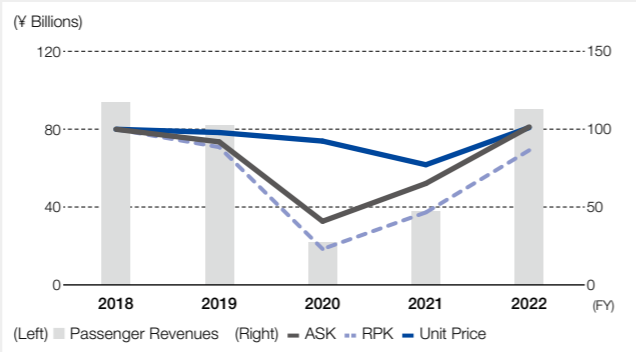


* Figures for ATK, RTK, and Unit Price are indexed using the figures for fiscal 2018 as 100.

LCC Business Performance (Peach Aviation Limited)

(Fiscal Year)	2022	2021	YoY (%)
ASK (Millions)	12,232	7,863	+55.6
RPK (Millions)	8,991	4,846	+85.5
Number of passengers (Thousands)	7,775	4,267	+82.2
Load factor (%)	73.5	61.6	+11.9*
Passenger revenues (¥ Billions)	90.2	37.8	+138.7
Unit revenues (¥)	7.4	4.8	+53.5
Yield (¥)	10.0	7.8	+28.7
Unit price (¥)	11,610	8,862	+31.0

* Difference



* Figures for ASK, RPK, and Unit Price are indexed using the figures for fiscal 2018 as 100.

include incidental revenues from mileage memberships, in-flight sales, contracted maintenance, etc.

Operating Expenses

Air Transportation Business operating expenses increased ¥367.2 billion year on year to ¥1,415.2 billion. Specific expense amounts and explanations of year-on-year changes are described below.

Breakdown of Operating Revenues and Expenses

(Fiscal Year)	2022	2021	Change
Segment operating revenues	¥1,539,443	¥ 885,096	¥654,347
International Passenger	433,470	70,151	363,319
Cargo	308,088	328,750	(20,662)
Mail	6,268	5,448	820
Domestic Passenger	529,593	279,877	249,716
Cargo	24,119	24,932	(813)
Mail	2,898	2,666	232
LCC revenues	90,265	37,813	52,452
Other revenues	144,742	135,459	9,283
Segment operating expenses	1,415,285	1,048,028	367,257
Fuel and fuel tax	347,729	193,966	153,763
Landing and navigation fees	60,540	42,981	17,559
Aircraft leasing fees	133,388	113,054	20,334
Depreciation and amortization	138,453	140,553	(2,100)
Aircraft maintenance	138,049	96,181	41,868
Personnel	193,416	158,505	34,911
Sales commissions and promotion	47,630	27,618	20,012
Contracts	207,023	168,836	38,187
Other expenses	149,057	106,334	42,723
Segment operating income (loss)	¥ 124,158	¥(162,932)	¥287,090

<Fuel and Fuel Tax>

Fuel and fuel tax expenses amounted to ¥347.7 billion, a ¥153.7 billion (79.3%) increase year on year. This expense accounted for 24.6% of Air Transportation Business operating expenses, compared with 18.5% in the previous fiscal year.

This ¥153.7 billion increase was mainly due to an increase in ANA unit price factors (including hedging effectiveness) of approximately ¥96.0 billion, and increases in consumption volume factors of approximately ¥45.0 billion for ANA and approximately ¥13.0 billion for the LCC.

<Landing and Navigation Fees>

Domestic and international passenger flights increased 32.2% and 7.8%, respectively (excluding Peach Aviation flights). Freightier flights decreased 17.7%. Passenger route landing and navigation fees amounted to ¥60.5 billion, up ¥17.5 billion (40.9%) 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 ¥20.3 billion (18.0%) to ¥133.3 billion, mainly due to increases in domestic code-share flights operated by other airlines along with a recovery in passenger demand.

<Depreciation and Amortization>

Depreciation and amortization expenses decreased ¥2.1 billion (1.5%) to ¥138.4 billion. This result was mainly due to an increase in fully amortized intangible assets and the sale of certain assets.

<Aircraft Maintenance>

Aircraft maintenance expenses increased ¥41.8 billion (43.5%) to ¥138.0 billion. This increase was due to an increase in maintenance frequency stemming from the increase in aircraft flights.

<Personnel>

Personnel expenses increased ¥34.9 billion (22.0%) year on year to ¥193.4 billion, mainly due to the termination of monthly wage reductions and an increase in bonuses.

<Sales Commissions and Promotion>

Sales commissions and promotion expenses increased ¥20.0 billion (72.5%) year on year to ¥47.6 billion stemming from an increase in sales commissions in line with higher passenger revenues.

<Contracts>

Contract expenses increased ¥38.1 billion (22.6%) year on year to ¥207.0 billion. Ground handling contracts and other contracted operations increased due to an increase in the number of passenger flights.

<Other Expenses>

Other expenses increased ¥42.7 billion year on year (40.2%) to ¥149.0 billion. The main factor behind this increase was an increase in in-flight service expenses due to an increase in the number of passengers.

Management's Discussion and Analysis

Airline Related Business

Airline related business operating revenues rose ¥40.3 billion (19.5%) year on year to ¥247.1 billion with the easing of Japan's border control measures and a recovery in passenger demand driving growth in ground handling services, including boarding and baggage loading, and in-flight meal production. Operating income amounted to ¥2.3 billion compared with an operating loss of ¥0.6 billion in the previous fiscal year.

Performance in the Airline Related Segment

(Fiscal Year)	2022	2021	Change
Segment operating revenues	¥247,129	¥206,806	¥40,323
Segment operating expenses	244,797	207,466	37,331
Segment operating income (loss)	¥ 2,332	¥ (660)	¥ 2,992

Travel Services

Passenger demand recovered steadily for domestic travel. The Nationwide Travel Support program introduced in the second half of the year led to an increase in dynamic travel package sales, while *ANA Traveler's Hotel* products, eligible for purchase using miles points, also performed well. In addition, the business endeavored to expand new services, including the launch of *ANA Traveler's Golf*, an online tee-time reservation service, in September 2022. In April 2022, the business resumed tours to Hawaii for the first time in nearly two years, expanding the number of overseas travel destinations gradually since.

As a result of the preceding, fiscal 2022 Travel Services operating revenues amounted to ¥73.8 billion, a ¥27.5 billion (59.5%) increase year on year. Operating loss narrowed compared with the previous fiscal year, amounting to ¥0.2 billion (¥2.1 billion operating loss in the previous fiscal year).

In October 2022, the Group updated the ANA Mileage Club app to serve as a gateway to various Group services useful in everyday lives. In January 2023, the Group opened the ANA Mall, a new online shopping mall where consumers can earn and use miles. We will continue to offer higher levels of convenience for our customers and seek to create a world in which people live in a mileage-based ecosystem.

Performance in the Travel Services Segment

(Fiscal Year)	2022	2021	Change
Segment operating revenues	¥73,815	¥46,282	¥27,533
Domestic package products	45,954	26,243	19,711
International package products	1,512	171	1,341
Other revenues	26,349	19,868	6,481
Segment operating expenses	74,092	48,387	25,705
Segment operating loss	¥ (277)	¥ (2,105)	¥ 1,828

Trade and Retail

Operating revenues increased year on year due to higher sales at airport merchandise store ANA FESTA and the duty-free ANA DUTY FREE SHOP as airline demand recovered. Strong demand in the semiconductor market led to increased transaction volume in the electronics business, which also contributed to this result.

As a result of the preceding, fiscal 2022 Trade and Retail business operating revenues rose ¥21.5 billion (26.4%) year on year to ¥103.2 billion. Operating income increased ¥2.9 billion (539.5%) to ¥3.5 billion.

Performance in the Trade and Retail Segment

(Fiscal Year)	2022	2021	Change
Segment operating revenues	¥103,252	¥81,694	¥21,558
Segment operating expenses	99,741	81,145	18,596
Segment operating income	¥ 3,511	¥ 549	¥ 2,962

Others

Despite an increase in lounge operations, quarantine-related screening operations, and other contract services, operating revenues declined year on year due to lower sales in the real estate business as a result of the sale of a major property in the previous fiscal year, among other factors.

As a result, this business recorded operating revenues of ¥38.0 billion (0.2% decrease), essential level with the previous fiscal year. Operating income amounted to ¥0.5 billion, a decrease of ¥0.7 billion (56.8%).

Performance in the Others Segment

(Fiscal Year)	2022	2021	Change
Segment operating revenues	¥38,066	¥38,130	¥ (64)
Segment operating expenses	37,467	36,742	725
Segment operating income	¥ 599	¥ 1,388	¥(789)

Non-Operating Income (Loss) / Expenses, Special Income (Loss) / Expenses

Fiscal 2022 non-operating and special income and expenses amounted to a loss of ¥5.6 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 Income (Loss) / Expenses, Special Income (Loss) / Expenses

(Fiscal Year)	2022	2021	Change
Non-Operating (Loss) Income	¥ 28,589	¥40,551	¥(11,962)
Interest income	838	297	541
Dividend income	1,092	988	104
Equity in earnings of unconsolidated subsidiaries and affiliates	801	—	801
Foreign exchange gain, net	2,306	2,540	(234)
Gain on sales of assets	7,854	4,256	3,598
Gain on donation of non-current assets	1,060	653	407
Subsidies for employment adjustment	5,043	23,955	(18,912)
Other, net	9,595	7,862	1,733
Non-Operating Expenses	(36,809)	(52,359)	15,550
Interest expenses	(24,845)	(25,343)	498
Equity in losses of unconsolidated subsidiaries and affiliates	—	(2,031)	2,031
Loss on sales of assets	(85)	(677)	592
Loss on disposal of assets	(3,233)	(7,974)	4,741
Grounded aircraft expenses	(4,638)	(12,697)	8,059
Other, net	(4,008)	(3,637)	(371)
Special Income (Loss)	3,574	28,310	(24,736)
Gain on sales of investment securities	—	8,278	(8,278)
Gain on sales of property and equipment	1,587	20,032	(18,445)
Gain on reversal of foreign currency translation adjustments	1,987	—	1,987
Special Expenses	(1,042)	(18,749)	17,707
Loss on valuation of investment securities	(1,042)	(5,337)	4,295
Impairment loss	—	(9,357)	9,357
Loss on cancellation of contracts	—	(4,055)	4,055
Total	¥ (5,688)	¥ (2,247)	¥ (3,441)

Net Income (Loss) Attributable to Owners of the Parent

As a result of the preceding, income before income taxes amounted to ¥114.3 billion compared with a loss of ¥175.2 billion in the previous fiscal year. After income taxes, municipal taxes, business taxes, and other adjustments, net income attributable to owners of the parent amounted to ¥89.4 billion compared with a net loss of ¥143.6 billion in the previous fiscal year. Income per share was ¥190.24 (compared to loss of ¥305.37 in the previous fiscal year).

Comprehensive income amounted to ¥63.2 billion compared with a comprehensive loss of ¥93.7 billion in the previous fiscal year, mainly due to the recording of net income 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, 2023, we have secured commitment line agreements totaling ¥100.0 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 2022

Free cash flow amounted to ¥245.7 billion (sum of cash flows from operating activities and investing activities). Net cash used in financing activities totaled ¥142.9 billion. As a result, cash and cash equivalents increased ¥105.4 billion from the beginning of the fiscal year, amounting to ¥726.4 billion at the end of the fiscal year.

Cash Flows from Operating Activities

After adjusting the ¥114.3 billion in income before income taxes for depreciation and amortization, notes and accounts payable, notes and accounts receivable, and other non-cash items, net cash provided by operating activities amounted to ¥449.8 billion, compared to net cash used of ¥76.4 billion in the previous fiscal year.

Cash Flows from Investing Activities

Net cash used in Investing activities was ¥204.0 billion, compared to net cash provided by financing activities of ¥230.0 billion in the previous fiscal year. This result was mainly due to cash outlays for capital expenditures and payments into time deposits. Substantial cash flows from investing activities after excluding net outlays of ¥127.3 billion from 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) amounted to ¥76.7 billion.

Free Cash Flow

Net cash provided by operating activities totaled ¥449.8 billion. Since net cash used in investing activities was ¥204.0 billion, free cash flow for fiscal 2022 amounted ¥245.7 billion, an increase of ¥92.1 billion compared with the previous fiscal year. 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) amounted to ¥373.1 billion, compared with a net expenditure of ¥111.9 billion in the previous fiscal year.

Cash Flows from Financing Activities

Net cash used in financing activities was ¥142.9 billion, compared to net cash provided by financing activities of ¥93.6 billion in the previous fiscal year. This result was mainly due to redemption of convertible bonds with stock acquisition rights and repayments of loans.

Capital Expenditures and Aircraft Procurement

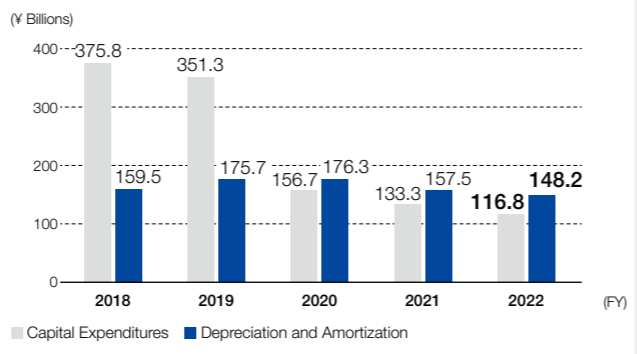
Capital Expenditures

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 2022 amounted to ¥116.8 billion, a decrease of 12.4% year on year.

By segment, Air Transportation Business capital expenditures decreased 11.8% year on year to ¥115.1 billion. Airline Related Business expenditures increased 1,316.0% to ¥2.1 billion, while Travel Services Business expenditures increased 260.9% to ¥1.4 billion. Trade and Retail Business expenditures increased 154.9% to ¥1.1 billion, and Others decreased 69.4% to ¥0.1 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 2022

Based on the fleet strategy described previously, our total number of aircraft was 276 as of the end of fiscal 2022, level with the previous fiscal year.

The table below shows changes in the number of aircraft by type for the fiscal year under review. The ANA Group added seven aircraft,

consisting of one Boeing 787-10, one Boeing 787-9, two Airbus A321-200neoLRs, and three Airbus A320-200neos.

Meanwhile, the group retired seven aircraft, consisting of two Boeing 777-300s, three Boeing 767-300s, and two Airbus A320-200s.

Changes in the Number of Aircraft in Fiscal 2022

				() changes	
Aircraft	Number of Aircraft		Owned	Leased	
Airbus A380	3		3	0	
Boeing 777-300	18	(-2)	9	(-2)	9
Boeing 777-200	10		9	(+1)	1 (-1)
Boeing 777F	2		2	0	
Boeing 787-10	3	(+1)	2		1 (+1)
Boeing 787-9	40	(+1)	34	(+1)	6
Boeing 787-8	36		31	5	
Boeing 767-300	15	(-3)	15	(-3)	0
Boeing 767-300F (Freighter)	9		6	3	
Airbus A321-200neoLR	3	(+2)	0		3 (+2)
Airbus A321-200neo	22		0	22	
Airbus A321-200	4		0	4	
Airbus A320-200neo	21	(+3)	11		10 (+3)
Airbus A320-200	27	(-2)	0		27 (-2)
Boeing 737-800	39		24	15	
De Havilland Canada DASH 8-400	24		24	0	
Total	276	(±0)	170	(-3)	106 (+3)

Aircraft Procurement Plan for Fiscal 2023

We plan to add a total of 13 aircraft during fiscal 2023. These 13 aircraft consist of four Boeing 787-10s, four Boeing 787-9s, and five Airbus A320-200neos.

We also plan to retire eight Airbus A320-200s.

Financial Position

Assets

Total assets as of March 31, 2023 amounted to ¥3,366.7 billion, an increase of ¥148.2 billion compared to March 31, 2022.

Total current assets amounted to ¥1550.8 billion, up ¥256.8 billion from the end of the previous fiscal year, mainly due to an increase in cash and deposits. Cash and deposits amounted to ¥603.6 billion, an increase of ¥151.0 billion compared to the end of the previous fiscal year. Marketable securities increased ¥81.7 billion to ¥580.0 billion. As a result, liquidity on hand amounted to ¥1,183.7 billion, up ¥232.7 billion year on year. Total non-current assets at the end of the fiscal year stood at ¥1,814.9 billion, down ¥107.9 billion from one year earlier.

Liabilities

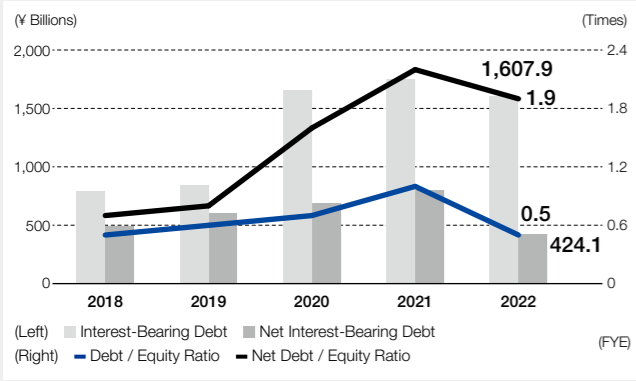
Total liabilities as of March 31, 2023 amounted to ¥2,496.3 billion, up ¥81.3 billion from one year earlier.

Current liabilities increased ¥195.5 billion year on year to ¥883.4 billion, mainly due to an increase in contract liabilities resulting from expanded airline ticket bookings. Total long-term liabilities amounted to ¥1,612.9 billion, a decrease of ¥114.1 billion.

Interest-bearing debt, including finance lease obligations, decreased ¥142.1 billion to ¥1,607.9 billion, mainly due to redemptions of convertible bonds with stock acquisition rights and repayments of loans. Our debt/equity ratio amounted to 1.9 times, a decrease of 0.3 point compared with the end of the previous fiscal year. Net debt/equity ratio on a net interest-bearing debt basis was 0.5 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)	2022	2021	Change
(¥ Millions)			
Short-term debt:	¥ 209,850	¥ 236,902	¥ (27,052)
Short-term loans	92,170	100,070	(7,900)
Current portion of long-term loans	84,633	62,775	21,858
Current portion of bonds	30,000	—	30,000
Current portion of bonds with stock acquisition rights	—	70,000	(70,000)
Finance lease obligations	3,047	4,057	(1,010)
Long-term debt*:	1,398,068	1,513,206	(115,138)
Bonds	155,000	185,000	(30,000)
Convertible bonds with stock acquisition rights	220,000	220,000	—
Long-term loans	1,017,585	1,102,218	(84,633)
Finance lease obligations	5,483	5,988	(505)
Total interest-bearing debt	¥1,607,918	¥1,750,108	¥(142,190)

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

Net Assets

Net assets as of March 31, 2023 amounted to ¥870.3 billion, an increase of ¥66.9 billion compared to the end of the previous fiscal year.

Shareholder's equity as of March 31, 2023 amounted to ¥794.4 billion, an increase of ¥92.0 billion compared to the end of the previous fiscal year.

Total accumulated other comprehensive income amounted to ¥67.9 billion, a decrease of ¥26.9 billion compared to the end of the previous fiscal year. This was mainly due to a decrease in deferred gain on derivatives under hedge accounting.

As a result, total shareholders' equity increased ¥65.1 billion from the end of the previous fiscal year, amounting to ¥862.4 billion. Shareholders' equity ratio increased 0.8 point to 25.6%.

Book value per share (BPS) at the end of the fiscal year was ¥1,833.64, compared to ¥1,695.06 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, 2023 were as follows:

Bond Ratings

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

* Shifted to positive on April 14, 2023

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)	2022	2021
(¥ Millions)		
Retirement benefit obligation	¥(217,079)	¥(217,959)
Plan assets at fair value	57,568	61,524
Net liability arising from defined benefit obligation in the consolidated balance sheet	(159,511)	(156,435)
Liability for retirement benefits	(161,129)	(157,395)
Asset for retirement benefits	1,618	960
Net liability arising from defined benefit obligation in the consolidated balance sheet	(159,511)	(156,435)
Net periodic benefit costs	14,765	14,364
Main basis for actuarial calculations		
Discount rates	0.1-1.5%	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	¥4,587	¥3,884

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 2022 and Plans for Fiscal 2023

Although passenger demand has been recovering during the year under review, the impact of COVID-19 on Group performance to date has been significant. Our immediate task is to restore and strengthen the Group financial base. Therefore, it is with regret to announce that we have decided to not pay a dividend for the year under review. Dividends for the next fiscal year remain undecided at this stage. We intend to resume dividend payments as quickly as possible by achieving our profit targets.

Operating Risks

As a corporate group whose core business is air transportation, we consider safety to be our most important social mission and consider any damage or impediment to this mission to be the most important risk we face. In addition to the severe impact of the COVID-19 pandemic over the past several years, we face a variety of other risks, including risks related to climate change, which has increased in importance and urgency, and risks related to international affairs, which are becoming increasingly uncertain.

The following is a summary of the risks as of the end of the current fiscal year that the ANA Group believes may have a significant impact on investor decisions. The following includes forward-looking statements, which may not be consistent with actual conditions, and may omit other risks that affect the 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. In such cases, however, ANA Group business operations could be affected by flight cancellations or reductions due to a shortage of available aircraft.

Changes and Outlook

We believe this risk 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. Addressing climate change issues is becoming 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 with significantly lower CO₂ emissions than conventional fuels throughout the life cycle, 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 outside carbon reduction programs, 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 prefer 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

We believe that issues related to climate change represent urgent worldwide matters, and that addressing this risk is of extremely high importance and priority. We also believe that the aviation industry in general and the ANA Group, in particular, may be required to take more stringent and sophisticated measures to address this risk more quickly in the future.

Response

In addition to taking proactive measures, including replacing aircraft with newer, more fuel-efficient types, we will work to establish an SAF development and supply system through public-private partnerships (including other companies in the industry), SAF manufacturers, and the government.

The ANA Group discloses information in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on our corporate website.
(<https://www.ana.co.jp/group/en/csr/environment/goal/>)

2. 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 increasingly uncertain due to U.S.-Chinese frictions, the Russia-Ukraine situation, the emergence of third-party powers, etc. Other uncertainties regarding future events have also emerged.

International air transportation has grown against the backdrop of economic globalization. However, if this trend stagnates or reverses, or if peace fails due to war or conflict, etc., ANA Group revenues could be affected negatively due to slow demand for business travel or a decrease in demand for tourism.

Instabilities in international affairs 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 force aircraft to stop flying over or reroute around war or conflict zones. The impact of these costs could be far-reaching.

Changes and Outlook

Uncertainty about the direction of international affairs and the globalization of economic activities is increasing. We believe there is a growing need to manage and address these matters as risks.

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.

3. Outbreaks of large-scale infectious diseases have a tremendous impact on the ANA Group.

Summary

The ANA Group was impacted severely by the COVID-19 pandemic. If a large-scale outbreak of infectious disease were to occur again in the future, demand for our services could decline drastically due to restrictions or prohibitions on travel, having a significant impact on ANA Group business performance. Controlling Air Transportation Business expenditures in the short term will not be easy, since aircraft expenses, personnel expenses, and other fixed costs account for a large portion of our business. In addition, measures to curb business expenditures could affect group business performance, even during the phase of recovery in demand, as a certain amount of time would be required to rebuild business structures.

Changes and Outlook

In general, climate change (global warming) is said to increase the risk of infectious disease, and 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 also diversifying our business structure, expanding revenue domains not linked to the Air Transportation Business and expanding the *ANA Economic Zone* for the sustainable growth of the ANA Group.

4. The impact of a system failure is significant.

Summary

The ANA 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 related 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.

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 building 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 ANA Mileage Club members. 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, etc., and lose the trust of our customers and society, thereby experiencing a competitive disadvantage.

Changes and Outlook

We believe the need to address this risk appropriately is only rising in light of heightened social awareness and norms regarding information handling, based on increasingly strict laws and regulations.

Operating Risks

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 education and 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, and we believe in the need to address this risk from multiple perspectives.

Response

The ANA Group established a human rights due diligence mechanism under the ANA Group Policy on Human Rights and reflecting the procedures detailed in the United Nations Guiding Principles on Business and Human Rights. We strive to manage this risk appropriately by conducting human rights risk assessments across our supply chain. When necessary, we confirm and investigate human rights risks with external parties directly. Within the ANA Group, we conduct employee education on human rights and perform periodic monitoring at management-level meetings.

7. The risk of severe natural disasters is increasing.

Summary

Air transportation has the advantage of being relatively more resilient to natural disasters compared to 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 ANA Group flight operations could occur if the Haneda or Narita airports are impacted by a natural disaster.

Changes and Outlook

Climate change (global warming) is said to lead to more frequent and severe natural disasters, and we believe this risk will be one of several increasingly important risks 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 ANA 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. A weakening of the yen boosts yen-equivalent revenues earned in foreign currencies overseas by the ANA Group. However, the group has more foreign currency-denominated expenses than foreign currency-denominated revenues, and the effect does 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 are always a possibility, we believe the potential of this risk has increased recently in light of growing uncertainties regarding international and economic conditions.

Response

We take measures to reduce, 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

The ANA Group considers and executes investments to achieve growth for the future. However, these investments also entail risks. Our Air Transportation Business introduces new aircraft to maintain and improve competitiveness against other companies, as well as to reduce greenhouse gas emissions. However, these investments may not be as effective as expected in the event of prolonged and diverse effects related to COVID-19, the rapid and dramatic development of technologies, associated changes in social behavior, or the fragmentation of global economic activities due to political circumstances.

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, regional revitalization businesses, various air mobility businesses, Metaverse avatar businesses, *ANA Economic Zone* 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

We continue to believe risk management related to investments is 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 multilayered management system that incorporates pre-investment evaluation and post-investment withdrawal standards.

10. A declining population may cause 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.

Population declines may also have an impact on the ability to secure the labor force necessary for ANA Group business operations. In this event, unit labor costs may increase or business operations may be limited due to labor shortages.

Changes and Outlook

We believe this risk has a high probability of emerging in the future.

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 grow over the medium to long term.

To secure a sufficient workforce, we will improve our ability to compete in recruitment via proactive investments in people. These investments will include allocating and expanding education and training opportunities appropriately. At the same time, we pursue mechanization, labor savings, and unattended operations, which we understand may not represent a source of differentiation from other companies.

11. Expansion of high-speed rail networks 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 ANA Group's domestic operations. This impact could include a decline in market share or a drop in unit price due to intensified price competition.

Changes and Outlook

We believe this risk is likely to emerge over the medium to long term.

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 medium to long term, we will continue to expand our international business, which addresses a market likely to grow over the medium to long term.

(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 the 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.

Operating Risks

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 ANA Group has recorded deferred tax assets. However, these assets may be reversed in the event of a decrease in expected future taxable income.

The 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 the ANA Group revenues and earnings, many of the group’s other businesses, including Airline Related, Travel Services, and Trade and Retail businesses, are related to the Air Transportation Business. Any significant negative impact on the Air Transportation Business could affect these other businesses materially.

f. Risks related to lawsuits

Lawsuits filed in Japan or overseas related to the ANA 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 300 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 2023, 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).

Consolidated Financial Statements

Consolidated Balance Sheet

ANA HOLDINGS INC. and its consolidated subsidiaries
As of March 31, 2023

As of March 31	Yen (Millions)		U.S. dollars (Thousands)
	2023	2022	2023
ASSETS			
Current assets:			
Cash and deposits	¥ 603,686	¥ 452,679	\$ 4,520,976
Marketable securities	580,037	498,310	4,343,870
Notes and accounts receivable	186,052	149,437	1,393,334
Accounts receivable from and advances to unconsolidated subsidiaries and affiliates	2,741	3,787	20,527
Lease receivables and investments in leases	14,724	17,628	110,267
Inventories	44,655	44,074	334,419
Prepaid expenses and other	119,183	128,251	892,555
Allowance for doubtful accounts	(258)	(245)	(1,932)
Total current assets	1,550,820	1,293,921	11,614,019
Property and equipment:			
Land	44,045	44,385	329,850
Buildings and structures	257,665	260,000	1,929,641
Aircraft	1,781,646	1,783,736	13,342,664
Machinery and equipment	99,411	99,234	744,484
Vehicles	33,137	33,353	248,161
Furniture and fixtures	60,748	60,933	454,938
Lease assets	9,849	10,612	73,758
Construction in progress	186,967	176,446	1,400,187
Total	2,473,468	2,468,699	18,523,687
Accumulated depreciation	(1,202,156)	(1,118,362)	(9,002,890)
Net property and equipment	1,271,312	1,350,337	9,520,796
Investments and other assets:			
Investment securities	122,820	113,968	919,793
Investments in and advances to unconsolidated subsidiaries and affiliates	31,667	31,632	237,152
Lease and guaranty deposits	16,362	15,003	122,534
Deferred tax assets	263,303	273,452	1,971,864
Goodwill	18,115	20,230	135,662
Intangible assets	69,705	73,050	522,017
Other assets	22,620	46,840	169,400
Total investments and other assets	544,592	574,175	4,078,424
TOTAL	¥3,366,724	¥3,218,433	\$25,213,240

As of March 31	Yen (Millions)		U.S. dollars (Thousands)
	2023	2022	2023
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term loans	¥ 92,170	¥ 100,070	\$ 690,256
Current portion of long-term debt	117,680	136,832	881,300
Accounts payable	167,303	126,273	1,252,924
Accounts payable to unconsolidated subsidiaries and affiliates	1,225	3,322	9,173
Contract liabilities	393,545	256,023	2,947,240
Accrued expenses	53,198	25,174	398,397
Income taxes payable	6,910	2,908	51,748
Other current liabilities	51,370	37,287	384,707
Total current liabilities	883,401	687,889	6,615,749
Long-term liabilities:			
Long-term debt	1,398,068	1,513,206	10,470,066
Liability for retirement benefits	161,129	157,395	1,206,687
Deferred tax liabilities	206	1,498	1,542
Asset retirement obligations	1,537	1,550	11,510
Other long-term liabilities	51,992	53,480	389,365
Total long-term liabilities	1,612,932	1,727,129	12,079,173
Contingent liabilities			
Equity:			
Common stock:			
Authorized – 1,020,000,000 shares;			
Issued – 484,293,561 shares in 2023 and 484,293,561 shares in 2022	467,601	467,601	3,501,842
Capital surplus	407,328	407,328	3,050,460
Retained earnings (Accumulated deficit)	(21,126)	(113,228)	(158,211)
Treasury stock – 13,961,988 shares in 2023 and 13,956,694 shares in 2022	(59,365)	(59,350)	(444,581)
Accumulated other comprehensive income:			
Unrealized gain on securities	36,824	32,311	275,773
Deferred gain (loss) on derivatives under hedge accounting	42,496	72,167	318,250
Foreign currency translation adjustments	2,481	3,688	18,580
Defined retirement benefit plans	(13,820)	(13,268)	(103,497)
Total	862,419	797,249	6,458,616
Non-controlling interests	7,972	6,166	59,701
Total equity	870,391	803,415	6,518,317
TOTAL	¥3,366,724	¥3,218,433	\$25,213,240

Consolidated Statement of Income

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2023

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands)
	2023	2022	2023
Operating revenues	¥1,707,484	¥1,020,324	\$12,787,268
Cost of sales	1,403,567	1,049,414	10,511,248
Gross income (loss)	303,917	(29,090)	2,276,020
Selling, general and administrative expenses	183,887	144,037	1,377,121
Operating income (loss)	120,030	(173,127)	898,899
Other income (expenses):			
Interest income	838	297	6,275
Dividend income	1,092	988	8,177
Equity in earnings of unconsolidated subsidiaries and affiliates	801	–	5,998
Foreign exchange gain, net	2,306	2,540	17,269
Gain on sales of assets	7,854	4,256	58,818
Gain on donation of non-current assets	1,060	653	7,938
Interest expenses	(24,845)	(25,343)	(186,063)
Equity in losses of unconsolidated subsidiaries and affiliates	–	(2,031)	–
Loss on sales of assets	(85)	(677)	(636)
Loss on disposal of assets	(3,233)	(7,974)	(24,211)
Grounded aircraft expense	(4,638)	(12,697)	(34,733)
Gain on reversal of foreign currency translation adjustments	1,987	–	14,880
Impairment loss	–	(9,357)	–
Loss on cancellation of contracts	–	(4,055)	–
Other, net	11,175	51,153	83,689
Other income (expenses), net	(5,688)	(2,247)	(42,597)
Income (loss) before income taxes	114,342	(175,374)	856,301
Income taxes:			
Current	4,578	2,682	34,284
Deferred	19,666	(35,817)	147,277
Total income taxes	24,244	(33,135)	181,562
Net income (loss)	90,098	(142,239)	674,739
Net income attributable to non-controlling interests	621	1,389	4,650
Net income (loss) attributable to owners of the parent	¥ 89,477	¥ (143,628)	\$ 670,089

Year Ended March 31	Yen		U.S. dollars
	2023	2022	2023
Per share of common stock:			
Basic net income (loss)	¥190.24	¥(305.37)	\$1.42
After adjusting for diluted shares net income per share	170.16	–	1.27
Cash dividends applicable to the year	–	–	–

Consolidated Statement of Comprehensive Income

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2023

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands)
	2023	2022	2023
Net income (loss)	¥ 90,098	¥(142,239)	\$ 674,739
Other comprehensive income (loss):			
Unrealized gain on securities	4,466	(6,104)	33,445
Deferred (loss) gain on derivatives under hedge accounting	(29,641)	50,438	(221,980)
Foreign currency translation adjustments	(1,139)	1,142	(8,529)
Defined retirement benefit plans	(554)	2,954	(4,148)
Share of other comprehensive income in affiliates	6	45	44
Total other comprehensive (loss) income	(26,862)	48,475	(201,168)
Comprehensive income (loss)	¥ 63,236	¥ (93,764)	\$ 473,571
Total comprehensive income (loss) attributable to:			
Owners of the parent	¥ 62,560	¥ (95,267)	\$ 468,508
Non-controlling interests	676	1,503	5,062

Consolidated Statement of Changes in Equity

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2023

	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, 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
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	(6)	-	(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
Net income attributable to owners of the parent				89,477		89,477							89,477
Purchase of treasury stock	(5)				(15)	(15)							(15)
Disposal of treasury stock			(0)		0	0							0
Changes in scope of consolidation													-
Changes in scope of equity method				2,625		2,625							2,625
Net changes in the year							4,513	(29,671)	(1,207)	(552)	(26,917)	1,806	(25,111)
Total changes during the fiscal year	(5)	-	(0)	92,102	(15)	92,087	4,513	(29,671)	(1,207)	(552)	(26,917)	1,806	66,976
Balance at March 31, 2023	470,331	¥467,601	¥407,328	¥ (21,126)	¥(59,365)	¥ 794,438	¥36,824	¥ 42,496	¥ 2,481	¥(13,820)	¥ 67,981	¥7,972	¥ 870,391

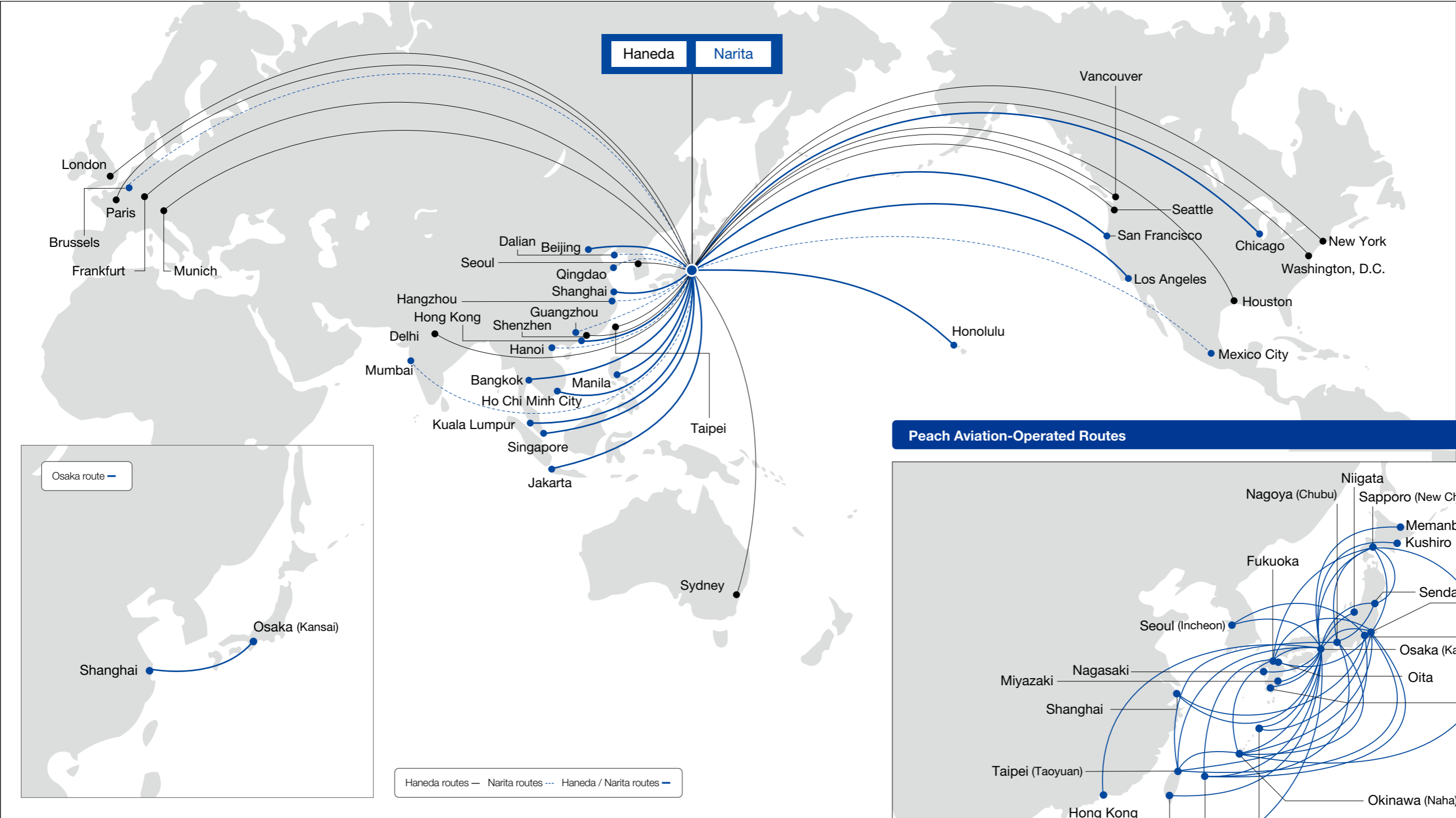
	Thousands		U.S. dollars (Thousands)										
	Number of shares of common stock outstanding	Common stock	Capital surplus	Retained earnings (Accumulated deficit)	Treasury stock	Total shareholders' equity	Accumulated other comprehensive income						Total equity
							Unrealized gain on securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Non-controlling interests	
Balance at March 31, 2022	470,336	\$3,501,842	\$3,050,460	\$(847,959)	\$(444,469)	\$5,259,874	\$241,975	\$ 540,455	\$27,619	\$ (99,363)	\$ 710,686	\$46,176	\$6,016,737
Net income attributable to owners of the parent				670,089		670,089							670,089
Purchase of treasury stock	(5)				(112)	(112)							(112)
Disposal of treasury stock			(0)										0
Changes in scope of consolidation													-
Changes in scope of equity method				19,658		19,658							19,658
Net changes in the year							33,797	(222,204)	(9,039)	(4,133)	(201,580)	13,525	(188,055)
Total changes during the fiscal year	(5)	-	(0)	689,747	(112)	689,633	33,797	(222,204)	(9,039)	(4,133)	(201,580)	13,525	501,578
Balance at March 31, 2023	470,331	\$3,501,842	\$3,050,460	\$(158,211)	\$(444,581)	\$5,949,509	\$275,773	\$ 318,250	\$18,580	\$(103,497)	\$ 509,106	\$59,701	\$6,518,317

Consolidated Statement of Cash Flows

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2023

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands)
	2023	2022	2023
Cash flows from operating activities:			
Income (loss) before income taxes	¥ 114,342	¥(175,374)	\$ 856,301
Adjustments for:			
Depreciation and amortization	148,270	157,505	1,110,387
Impairment loss	-	9,357	-
Amortization of goodwill	2,115	2,116	15,839
Gain on disposal and sales of property and equipment	(6,123)	(15,637)	(45,854)
Loss on cancellation of contracts	-	4,055	-
Loss (gain) on sales and valuation of investment securities	841	(2,941)	6,298
Reversal of foreign currency translation of investment securities	(1,987)	-	(14,880)
Increase in allowance for doubtful accounts	506	770	3,789
Increase in liability for retirement benefits	2,906	664	21,762
Interest and dividend income	(1,930)	(1,285)	(14,453)
Interest expenses	24,845	25,343	186,063
Subsidies for employment adjustment	(5,043)	(23,955)	(37,766)
Foreign exchange gain	(2,348)	(3,404)	(17,584)
Increase in notes and accounts receivable	(36,523)	(44,964)	(273,519)
Decrease in other current assets	5,758	20,687	43,121
Increase in notes and accounts payable	35,612	2,473	266,696
Increase in contract liabilities	137,522	15,445	1,029,895
Other, net	50,230	(43,432)	376,170
Subtotal	468,993	(72,577)	3,512,266
Interest and dividends received	2,202	1,682	16,490
Interest paid	(24,990)	(26,081)	(187,148)
Proceeds from subsidy income	7,300	26,046	54,669
Income taxes paid	(3,683)	(5,483)	(27,581)
Net cash provided by (used in) operating activities	449,822	(76,413)	3,368,696
Cash flows from investing activities:			
Increase in time deposits	(861,080)	(655,500)	(6,448,588)
Proceeds from withdrawal of time deposits	735,354	635,713	5,507,032
Purchases of marketable securities	(154,321)	(253,889)	(1,155,702)
Proceeds from redemption of marketable securities	152,739	539,230	1,143,855
Purchases of property and equipment	(93,450)	(120,591)	(699,842)
Proceeds from sales of property and equipment	42,717	87,055	319,905
Purchases of intangible assets	(23,442)	(12,773)	(175,556)
Purchases of investment securities	(674)	(2,975)	(5,047)
Proceeds from sales of investment securities	277	12,806	2,074
Proceeds from withdrawal of investments in securities	-	1,670	-
Other, net	(2,146)	(727)	(16,071)
Net cash (used in) provided by investing activities	(204,026)	230,019	(1,527,941)
Cash flows from financing activities:			
Decrease in short-term loans, net	(7,900)	-	(59,162)
Repayment of long-term loans	(62,775)	(72,702)	(470,119)
Proceeds from issuance of bonds	-	169,799	-
Redemption of bonds	(70,000)	-	(524,226)
Repayment of finance lease obligations	(3,764)	(3,011)	(28,188)
Proceeds from share issuance to non-controlling shareholders	2,000	-	14,977
Net increase of treasury stock	(15)	(16)	(112)
Other, net	(455)	(424)	(3,407)
Net cash (used in) provided by financing activities	(142,909)	93,646	(1,070,238)
Effect of exchange rate changes on cash and cash equivalents	2,527	3,626	18,924
Net increase in cash and cash equivalents	105,414	250,878	789,440
Cash and cash equivalents at beginning of year	621,037	370,322	4,650,917
Net decrease resulting from changes in scope of consolidation	-	(163)	-
Cash and cash equivalents at end of year	¥ 726,451	¥ 621,037	\$ 5,440,357

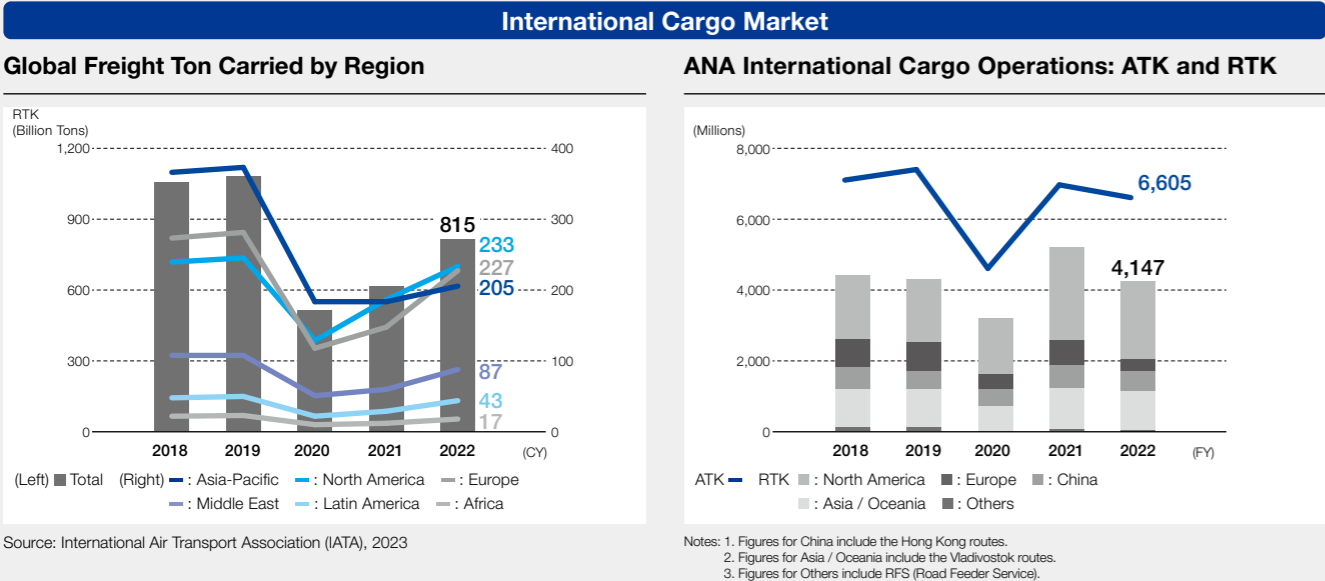
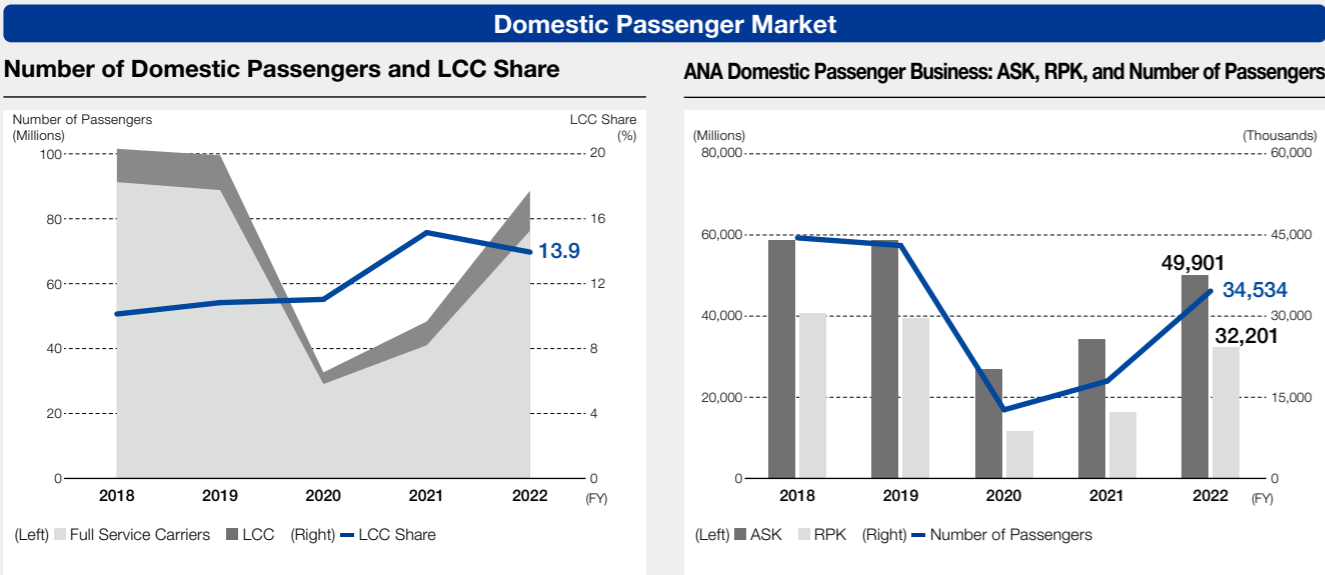
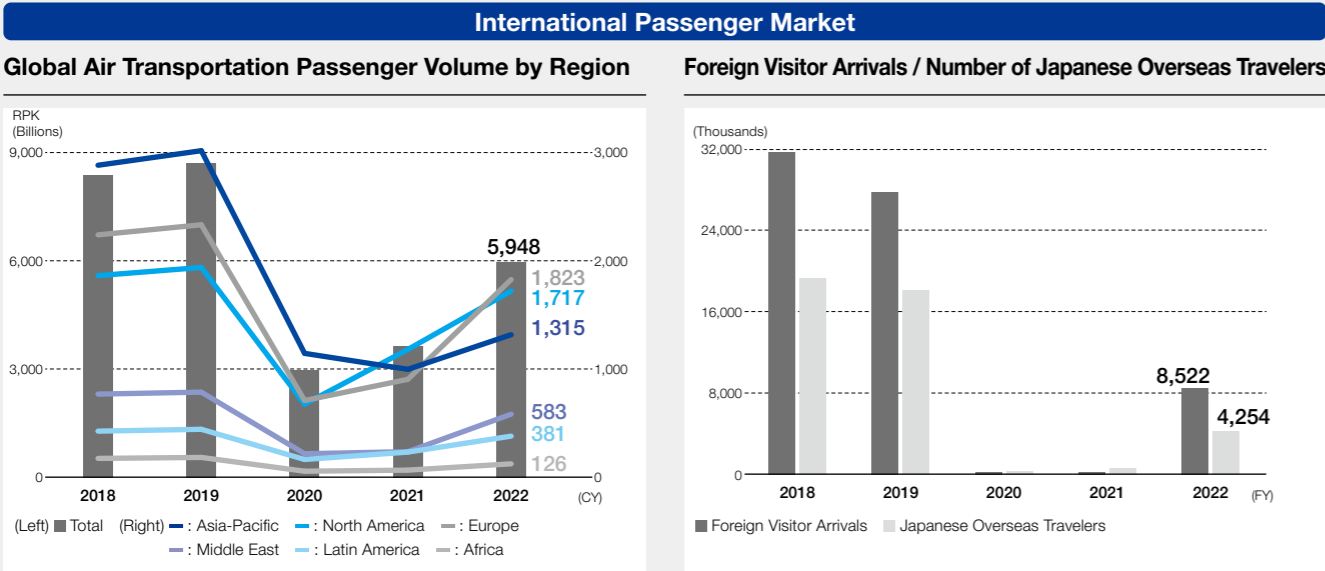
ANA-Operated International Routes



Peach Aviation-Operated Routes

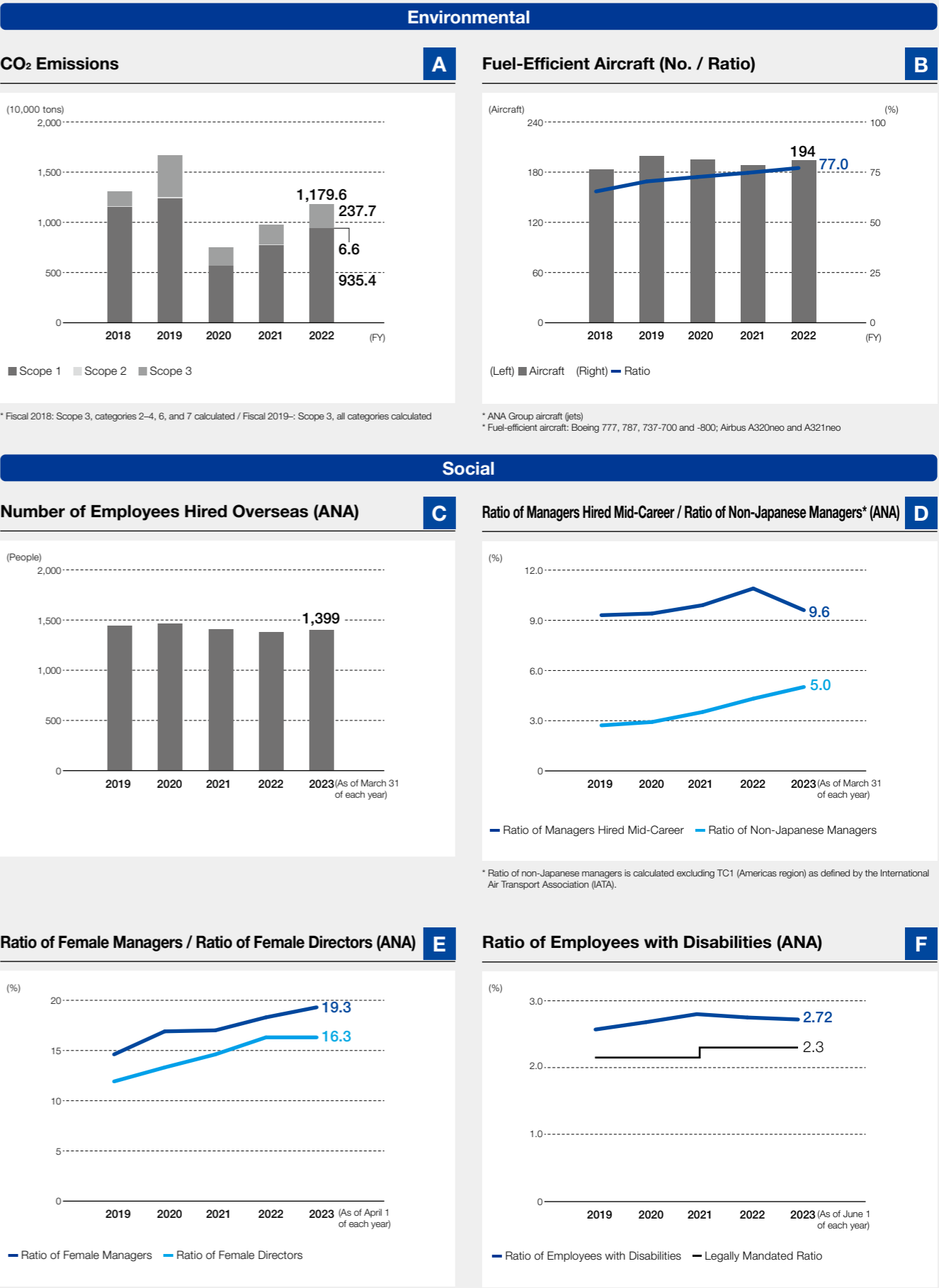


Market Data



Environmental and Social Data

For further information, Fact Book 2023 can be downloaded from the ANA Group corporate website in PDF format.
<https://www.ana.co.jp/group/en/investors/irdata/annual/>



ESG-Related Data

The following data is the environmental results related to the ANA Group. (Aggregate figures for fiscal 2022 are preliminary)
From fiscal 2019, we have also added the results of Peach Aviation.

Climate Change Countermeasures (E)

(FY)	Unit	2018	2019	2020	2021	2022
Carbon dioxide (CO ₂) emissions*						
Total (Aircraft, ground equipment and vehicles)	10,000 tons	1,156.0	1,245.8	548.0	776.0	941.9
Aircraft		1,142.8	1,233.2	538.7	766.9	932.5
Passenger		1,098.0	1,196.8	470.9	678.0	846.8
Cargo		44.9	37.4	67.8	89.0	85.7
Ground equipment and vehicles		13.2	12.6	9.3	9.1	9.4
A**9 Total (Scope 1, 2, and 3)	10,000 tons	1,306.3	1,682.2	723.3	976.0	1,179.6
Scope 1		1,147.0	1,237.3	541.4	769.5	935.4
Scope 2		8.9	8.4	7.0	6.6	6.6
Scope 3		150.4 ³	436.4 ^{*2}	174.9	199.9	237.7
[Breakdown by Category] ^{*4}						
	1,000 tons					
1 Purchased goods and services		—	986.6	624.9	548.8	753.0
2 Capital goods		926.4	788.6	361.3	327.2	250.9
3 Fuel- and energy-related activities (not included in Scope 1 or 2)		572.6	1,664.1	734.2	1,038.1	1,259.7
4 Upstream transportation and distribution		1.4	1.7	0.6	1.1	0.7
5 Waste generated in operations		—	30.8	17.5	17.3	32.2
6 Business travel		1.4	1.6	0.3	2.3	4.0
7 Employee commuting		2.0	9.4	9.9	8.9	8.5
11 Use of sold products		—	881.7	0.0	0.0	0.0
13 Downstream leased assets		—	^{*5}	^{*5}	55.6	67.6
Aircraft CO ₂ emissions per RTK	kg-CO ₂	0.97	1.01	1.21	1.09	1.00
Total Sustainable Aviation Fuel (SAF) emissions	1,000 tons	—	—	—	4.03 ^{*6}	6.32 ^{*6}
Total energy consumption						
	Crude oil equivalent: 10,000 kl					
Total		446	480	212	300	364
Aircraft energy		439	474	207	295	359
Ground energy (non-aircraft operations)		6.4	6.3	4.8	4.7	4.9
Ozone depletion (ANA only)						
Fluorocarbon Aircraft	kg	9.4	2.7	2.9	0.0	0.0
Ground (non-aircraft operations)		—	—	254 ^{*7}	169	80
Halon Aircraft		28.8	31.7	20.5	12.8	12.8
B**9 Fuel-efficient aircraft (Fiscal year-end) ^{*8}						
Number of aircraft ANA Group (jet aircraft)	Aircraft	183	199	195	188	194
Ratio	%	65.3	70.3	72.5	74.6	77.0

*1 We have not yet reflected the impact of Sustainable Aviation Fuel (SAF) on CO₂ emissions from fiscal 2018 to fiscal 2020
*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
*4 Scope 3, categories 8, 9, 10, 12, 14, and 15 are not applicable
*5 Not applicable
*6 Direct CO₂ emissions from the combustion of the SAF which ANA purchased in fiscal 2021 are not included in the Scope1, 2 and 3. SAF is made from animal fat and has an approximate 90% CO₂ reduction compared to the life cycle of conventional aviation fuel. Calculated beginning fiscal 2021
*7 Calculated beginning fiscal 2020
*8 Boeing 777, 787, 737-700, -800, Airbus A320neo, and A321neo
*9 **A** to **B**: See graphs on P.143

Resource Savings

(FY)	Unit	2018	2019	2020	2021	2022
Waste produced						
Total	1,000 tons	34.3	22.9	12.7	16.0	26.7
General waste (Cabin waste and sewage included)		28.4	15.3	7.8	4.8	15.5
General waste (Ground waste included)		2.7	2.9	1.0	2.8	1.6
Industrial waste		3.2	4.7	3.8	8.4	9.6
Water consumption						
Total	10,000 kl	69.7	68.4	35.1	31.6	41.3
Clean water		61.1	60.7	30.6	27.1	35.8
Non-potable water		8.6	7.8	4.5	4.4	5.5

Human Resources Data (ANA) (S)

	Unit	2019	2020	2021	2022	2023
People						
Number of employees (As of March 31 of each year)	People	14,242	14,830	15,114	13,689	14,566
C**5 Number of employees hired overseas (As of March 31)	People	1,442	1,464	1,404	1,375	1,399
Number of overseas managers hired locally (As of March 31 of each year)	People	161	157	173	198	207
D**5 Ratio of managers hired mid-career (As of March 31 of each year)	%	9.3	9.4	9.9	10.9	9.6
Ratio of non-Japanese managers ^{*1} (As of March 31 of each year)	%	2.7	2.9	3.5	4.3	5.0
E**5 Ratio of female managers (As of April 1 of each year, excluding individuals 60 years old and over)	%	14.6	16.9	17.0	18.3	19.3
F**5 Ratio of employees with disabilities ^{*2} (As of June 1 of each year)	%	2.57	2.68	2.80	2.75	2.72
Average age of employees (As of March 31 of each year)	Years	37.5	38.0	37.9	38.9	39.2
Years worked						
Average years worked (As of March 31 of each year)	Years	14.2	13.6	12.5	13.4	14.2
Job turnover rates						
Job turnover rates of employees (FY)	%	3.1	4.0	4.2	3.5	—
Average annual salary						
Gender wage gap (FY) ^{*3}	%	—	—	—	38.6	—
Diverse work styles						
Number of employees on pregnancy or childcare leave / Male (As of March 31 of each year)	People	629 / 20	645 / 29	643 / 27	727 / 61	856 / 194
Number of employees on nursing care leave (As of March 31 of each year)	People	16	10	11	17	13
Health management						
Ratio of employees with healthy BMI (Male / Female, As of March 31 of each year)	%	72.9 / 72.6	72.5 / 73.0	67.7 / 70.1	74.3 / 69.1	73.7 / 68.4
Ratio of employees that smoke (Male / Female, As of March 31 of each year)	%	17.2 / 3.7	16.7 / 3.1	14.5 / 2.6	14.1 / 2.3	13.6 / 2.4
Employee obesity rate ^{*4} (Male / Female, As of March 31 of each year)	%	11.1 / 1.4	12.9 / 1.0	8.2 / 1.7	11.2 / 1.3	11.1 / 1.0

*1 Excluding TC1 (Americas region) as defined by the International Air Transport Association (IATA)
*2 Total of ANA HOLDINGS INC., ANA, and qualified ANA Group companies (total of 11 companies including 1 special subsidiary)
*3 The significant difference in wages between men and women is due to factors that include the higher average age of men compared to women and the higher percentage of men in flight crew positions, where wages are relatively high.
*4 Ratio of employees with BMI of 18.5%–25.0%
*5 **C** to **F**: See graphs on P.143

Governance-Related Data (G)

	Unit	2019	2020	2021	2022	2023
Corporate governance						
E**5 Ratio of female directors (As of April 1 of each year)	%	11.1	12.5	14.6	16.3	16.3
Risk management						
Work-related accidents (As of March 31 of each year)		111	69	25	26	65

Flight-Related Data (All Passenger Flights on ANA International and Domestic Services)

(FY)	Unit	2018	2019	2020	2021	2022
In-service rate	%	98.2	97.4	43.5	59.3	95.0
On-time departure rate ^{*6}	%	88.4	88.7	97.3	94.5	88.1
On-time arrival rate ^{*6}	%	86.5	87.5	96.8	93.6	88.1

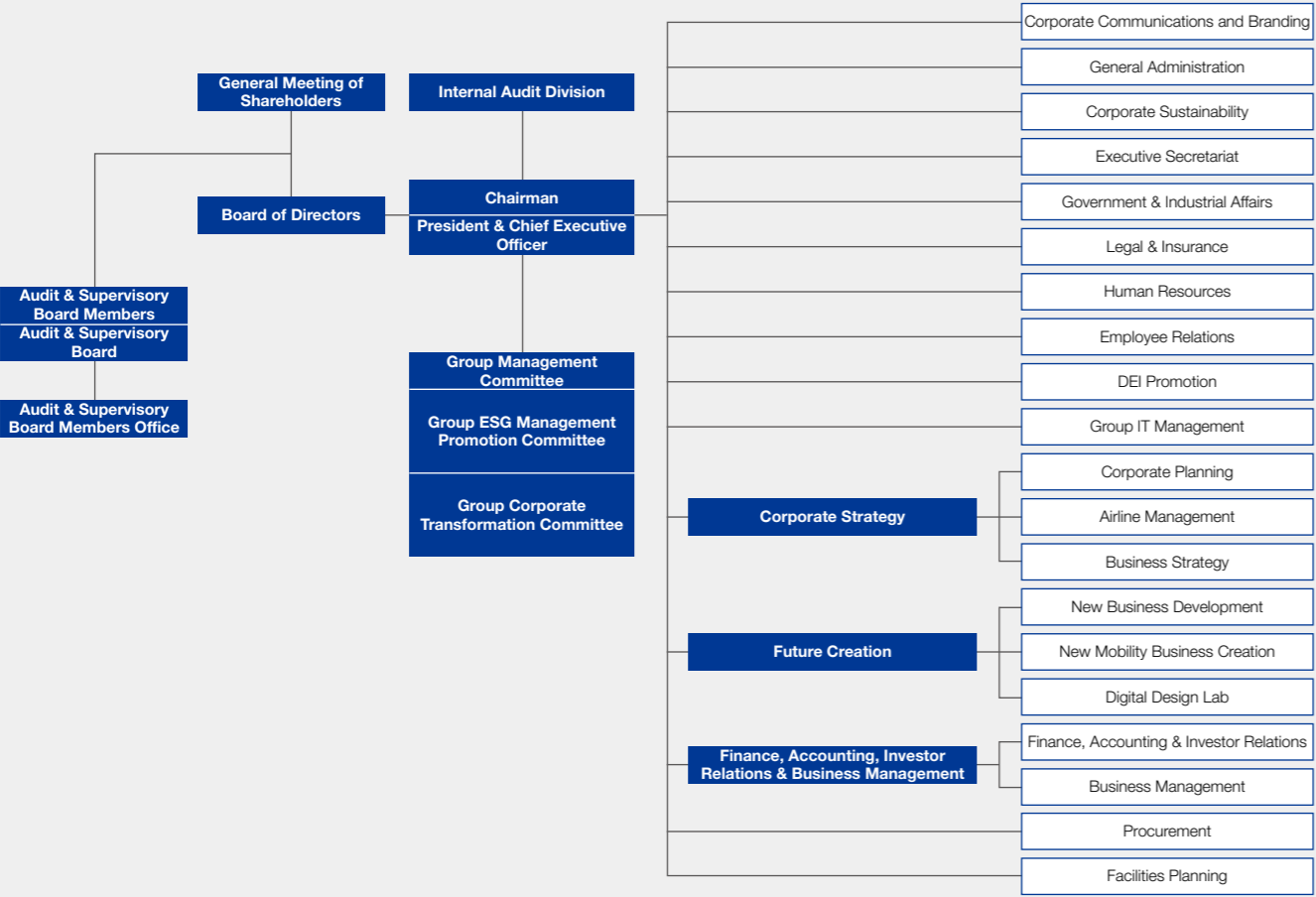
*6 Delays of 15 minutes or less, excluding canceled flights

Customer-Related Data

(FY)	Unit	2018	2019	2020	2021	2022
Number of customer feedback reports						
[Breakdown by route type]						
Domestic	%	62.4	59.5	54.6	65.6	58.65
International	%	34.8	37.9	11.7	11.2	23.99
Other	%	2.7	2.7	33.7	23.2	17.36
[Breakdown by report type]						
Complaint	%	45.8	42.3	30.1	29.1	38.30
Compliment	%	19.8	21.1	20.8	28.3	25.27
Comment / Request	%	16.5	16.6	28.8	21.9	19.62
Other	%	17.8	20.1	21.3	20.7	16.82

The ANA Group Profile

ANA HOLDINGS INC. Organization (As of July 1, 2023)



Number of Subsidiaries and Affiliates (As of March 31, 2023)

Operating segment	Total of subsidiaries	of which, consolidated	of which, equity method	Total of affiliates	of which, equity method
Air Transportation	5	4	—	2	—
Airline Related	40	29	—	4	2
Travel Services	6	5	—	3	1
Trade and Retail	72	8	—	1	—
Others	10	8	1	27	9
Total	133	54	1	37	12

Major Subsidiaries (As of March 31, 2023)

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, 2023)

Corporate Profile

Trade Name	ANA HOLDINGS INC.
Date of Foundation	December 27, 1952
Head Office	Shiodome City Center, 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo 105-7140, Japan
Number of Employees	40,507 (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

Administrator of Register of Shareholders

Sumitomo Mitsui Trust Bank, Limited (Stock Transfer Agency Department) 1-4-1, Marunouchi, Chiyoda-ku, Tokyo

Independent Auditor

Deloitte Touche Tohmatsu LLC

American Depositary

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>

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 2023

Fact Book 2023 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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