

Financial Results for the Six Months ended September 2024 Q&A Summary

Q1) What were the main variances between 1H (Apr.-Sep.) results and plan for operating revenues and expenses in the Air Transportation Business?

- A1) • In the first half of the year, ANA Passenger Business revenues were higher than planned due to capturing strong demand. As a result, operating income improved by 4.0 billion yen from the initial plan.
- The main differences in operating revenues and expenses from the plan are as follows.
[Breakdown vs. plan (Air Transportation Business, 1H (Apr.-Sep.))]
Operating revenues : +12.0 billion yen
(International Passenger: +9.0 billion yen, Domestic Passenger: +6.5 billion yen, AirJapan: -3.5 billion yen, etc.)
Operating expenses : +8.0 billion yen
(Maintenance: +6.5 billion yen (Foreign exchange, Increase in the removal of engines) , Aircraft charter for cargo: +1.0 billion yen, etc.)

Q2) Is there any room for an upward swing in business performance under the revised plan for the second half?

- A2) • In the Passenger Business, current reservation trends for both domestic and international routes remain strong.
- It appears that the fuel market conditions will be lower than revised plan for the second half, which seems to be a positive factor.

Q3) What changes have been made to the passenger business in the revised plan for the second half from the initial plan?

- A3)[International Passenger]
- In terms of unit price, yield on North American and Asian routes, which account for a large proportion of overall revenue passenger kilometers, were higher than initial plan. This result was due in part to the impact of foreign exchange rates and led to higher overall yield than initial plan.
 - At the same time, passenger numbers showed a slower-than-expected recovery in demand for leisure travel originating from Japan, particularly on the Honolulu route. We factored this development into our revised plan.
 - We will continue to increase revenues while focusing on capturing high unit price demand to/from Japan.

[Domestic Passenger]

- In the second half of the year, we will continue our policy of pursuing the best mix of passenger numbers and unit price, while capturing the steady leisure demand early.

Q4) What is the impact of the increase in engine maintenance frequency on business performance?

- A4) • We expect maintenance expenses to be higher than initial plan due to the increased frequency of PW engine maintenance, as well as higher unit cost due to the impact of foreign exchange. However, we incorporated this consideration into our revised plan.
- Currently, the number of B787s in operation is constrained due to the replacement of engine parts. However, we have not been forced to reduce flights at this time and we will continue to minimize the impact on operations.

Q5) What are the keys to achieving your target of 200.0 billion yen in operating income in fiscal 2025?

- A5) • We believe it is important to expand capacity and capture demand for the high-margin International Passenger Business to achieve our ANA Group Corporate Strategy target of 200.0 billion yen in operating income.
- We will endeavor to increase profits while raising the unit price by encouraging the early build-up of strong leisure demand for the Domestic Passengers Business, as well as by capturing high unit price demand near the boarding date.
 - In addition, we must respond appropriately to growing revenue opportunities in the International Cargo Business with the consolidation of NCA.
 - We intend to scrutinize expenses for the next fiscal year while at the same time ensure fixed costs are under control.

End