

ANA

Annual Report 2024

Fiscal 2023 (Year ended March 2024)

Uniting the World in Wonder

'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.'





About Annual Report 2024

The ANA Group pursues sustainable corporate value enhancement through our management vision, *Uniting the World in Wonder*. This year's annual report offers enhanced details of our analysis of management capital, the business environment, and our actions to improve capital efficiency. We also highlight the process of creating social and economic value based on the power of our people and teamwork. Read further under the past and the future regarding how every ANA Group employee executes business strategies and responds to medium- and long-term materialities through higher levels of expertise and team spirit. We hope that this annual report serves as another tool for meaningful communications assisting stakeholders in their understanding of ANA Group value creation.

Contents of This Report

The ANA Group (ANA HOLDINGS INC. and its consolidated subsidiaries) strives to create social 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 2024, we aim to encourage a deeper comprehensive understanding of the social 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, 2023 to March 31, 2024 (including some activities in and after April 2024).
- In this report, "the ANA Group" and "the group" refer to ANA HOLDINGS INC. and its consolidated subsidiaries.
- "The Company" in the text refers to ANA HOLDINGS INC.
- Any use of "ANA" alone in the text refers to ALL NIPPON AIRWAYS CO., LTD.

Mission Statement

Built on a foundation of security and trust, "the wings within ourselves" help to fulfill the hopes and dreams of an interconnected world.

ANA Group Safety Principles

Safety is our promise to the public and is the foundation of our business.

Safety is assured by an integrated management system and mutual respect.

Safety is enhanced through individual performance and dedication.

Management Vision

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.

Contents

04 The Value Creation Process

- 04 Passing Down Our Founding Spirit
- 06 Our Strengths
- 08 The Value Creation Process
- 10 Strengthening Management Capital

12 Management Message

- 12 Message from the President & CEO
- 18 Message from the CFO

24 ANA Group Management Strategy

- 24 ANA Group Management Cycle
- 26 Economic Condition Analysis
- 30 Business Strategy
- 42 DX Strategy
- 46 Materiality: People
- 48 Human Capital Strategy
- 60 Materiality: Environment
- 62 Transition Strategy
- 74 Materiality: Regional Revitalization
- 76 ANA Group ESG Management

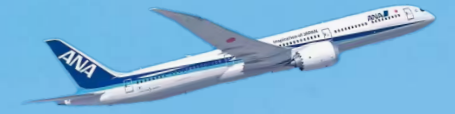
78 Management Foundations

- 80 Safety
- 84 Corporate Governance
- 86 Outside Director Roundtable Discussion
- 102 Risk Management
- 105 Compliance
- 106 Co-Creation with Stakeholders
- 110 Responsible Dialogue with Stakeholders
- 112 Financial Results and Other Information

The Value Creation Process

Passing Down Our Founding Spirit

Keeping with the Times and Delivering **Abundance** for Society



More Abundant Lifestyles

The Philosophy of Our Founders: MIDORO Masuichi and OKAZAKI Kaheita

In Japan's traumatic postwar environment, ANA founders MIDORO Masuichi (inaugural president), OKAZAKI Kaheita (second president), and other entrepreneurs embarked on a mission to contribute to their nation and communities through the aviation business. They began with just two helicopters, believing in a future where airplanes would foster more abundant lifestyles. Driven by the belief that airlines should not only pursue profit, but also be an independent entity true to the ideals of serving the public good, ANA was Japan's first purely private airline, boldly embracing business opportunities while remaining true to our founding management philosophies: A Business with Integrity, A Resolute and Independent Business, and A Self-Reliant Business.



MIDORO Masuichi
Inaugural President



OKAZAKI Kaheita
Second President

More Abundant Living

More Comfortable Air Travel



Travel for All



New Experiences



Management Vision

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

Diverse Connections that Begin in the Sky



New Logistics



New Travel



Mileage-Based Ecosystem



Founded in 1952

2030



1953 First commercial helicopter flight



1955 Tokyo-Nagoya-Osaka route begins service



1950s Pesticide spraying

Our Strengths

The greatest strength of the ANA Group is the power of our people who demonstrate expertise in aviation and a passion for customer service. We practice the ANA's Way, a group code of conduct that has been in our DNA since our founding, as we engage in coordinated teamwork that crosses company and organizational boundaries. This power of people and teamwork represents human capital within the ANA Group. Financial capital supports value creation through solid financial management capabilities, including cost management skills, flexible and agile financing, and risk management for market fluctuations. At the same time, strong relationships of trust (social and relationship capital) with various stakeholders built over years of interactions represents another important management capital for the ANA Group. We achieve sustainable growth by leveraging and maximizing these three capitals.

Expertise

Group Air Transportation Business employees, including flight crew, flight attendants, aircraft mechanics, and airport staff, must have an extremely high level of expertise in their respective duties. We develop truly professional human capital through practice, training, and experience in every workplace to maintain and improve high safety standards and world-class quality service standards.

Teamwork

Close cooperation among different companies and job categories is indispensable in offering high quality and services in terms of safety, on-time operations, and comfort. We embrace the belief in harmonizing without necessarily agreeing as the backbone of our interactions, engaging in teamwork to produce results that reflect detailed discussions and concerted efforts to achieve objectives. This teamwork is the driving force behind ANA Group value creation.

Mission Statement at the Time of Our Founding

高潔な企業
権威に屈する
ことのない、
主体性を持つ
企業
で
立
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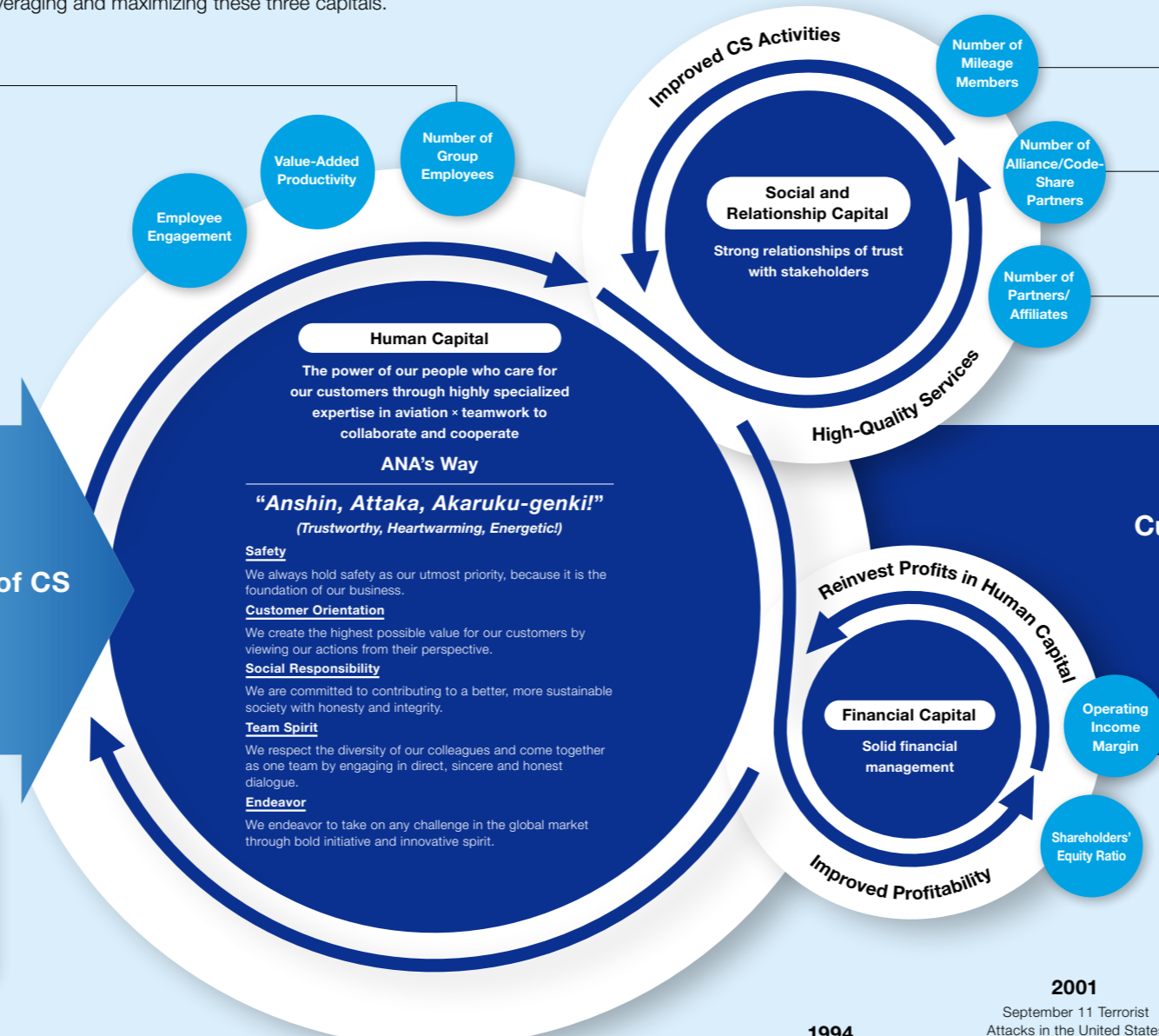
A Business with Integrity
A Resolute and Independent Business
A Self-Reliant Business

Founding Spirit

信はたていと
愛はよこ糸
和は協
将
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在
有
窮
之
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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"

In 2002, ANA implemented customer satisfaction (CS) reform under the banner of pursuing customer satisfaction to become the airline of choice for more customers. We clarified the meaning of listening closely to customer feedback, part of the ANA Group action guidelines at the time, incorporating specific measures into our corporate strategy. In this way, we ensured that every employee works with a strong desire to please customers, establishing a culture of cooperation that transcends departmental boundaries.



Customer Base

As of March 2024, the ANA Mileage Club had approximately 42 million members. We continue to use miles as a hook to increase the number of touchpoints between the ANA Group and our customers, building stronger relationships of trust by incorporating customer feedback into service improvements.

Collaborations with Other Airlines

ANA has been a member of Star Alliance since 1999, cooperating with Star Alliance entities in various services. We also partner and code-share with many airlines domestically and internationally. By building good relationships with other airlines, we create a more convenient network for customers and improve our services.

Diverse Business Partners and Local Governments

The ANA Group establishes relationships of trust with companies and organizations in Japan and overseas through a broad range of transactions. These transactions include the procurement of aircraft, engines, parts, and fuel oil, as well as contract services for airport ground handling and aircraft maintenance. We also work with local governments to promote regional development and exchange in the areas we serve.

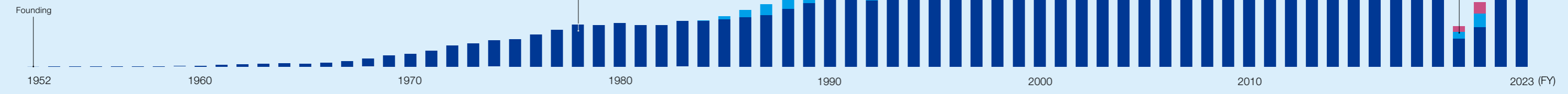
Cost Management

Over the years, we have encountered a number of risk events in the external environment affecting air transport demand, resulting in a significant decline in operating revenues. With every event, group employees worked together under the leadership of our management team to implement cost structure reforms to overcome the challenging business environment and achieve further profit growth.

Customer Delight,
Increased Stakeholder Trust

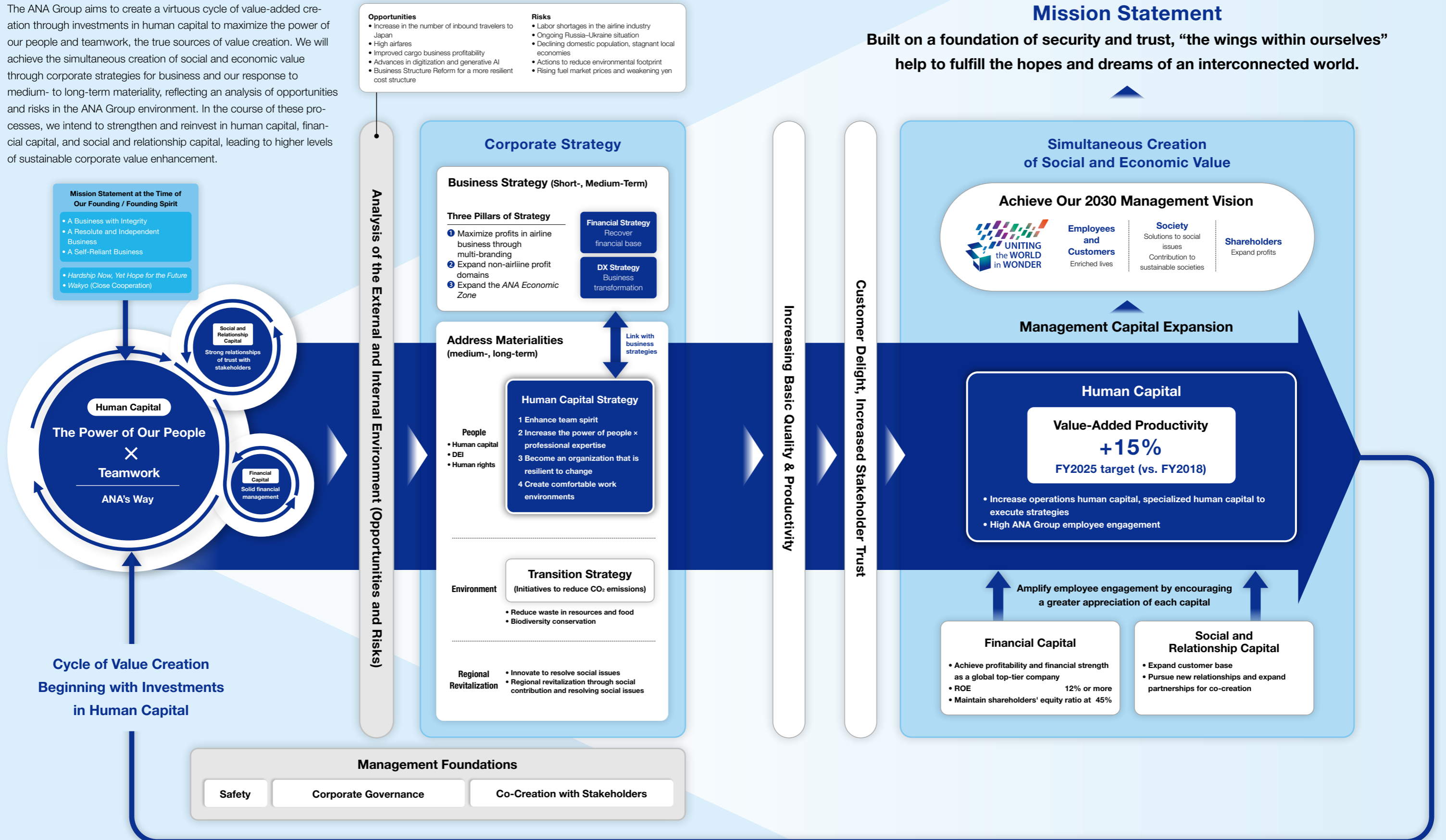
Revenue Passenger-Kilometers (RPK)

- Peach / AirJapan
- ANA International Services
- ANA Domestic Services



The Value Creation Process

The ANA Group aims to create a virtuous cycle of value-added creation through investments in human capital to maximize the power of our people and teamwork, the true sources of value creation. We will achieve the simultaneous creation of social and economic value through corporate strategies for business and our response to medium- to long-term materiality, reflecting an analysis of opportunities and risks in the ANA Group environment. In the course of these processes, we intend to strengthen and reinvest in human capital, financial capital, and social and relationship capital, leading to higher levels of sustainable corporate value enhancement.



Strengthening Management Capital

The ANA Group has accumulated a variety of capital over the course of our history. As we implement our corporate strategy in light of the business environment, we continue to increase these capitals by closing the gap between goals for each capital and the current state of the ANA Group.

Our Vision and the Reasons Why	Current Status of Capitals (Input) *As of March 2024	Examples of Improvements	Examples of Monitoring Indicators and Targets (Output)	
<p>Human Capital as the Source of Added Value</p> <p>Highly specialized human capital in our Air Transportation Business must demonstrate their individual skills and teamwork to provide high-quality services.</p> <p>Skills and teamwork are an absolute must for establishing a competitive edge over other companies. We must continue to strengthen human capital if the ANA Group is to continue sustainable growth in these difficult and unpredictable times.</p> <p>The stronger our human capital, the stronger our other management capital will be.</p>	<p>The power of our people (highly engaged employees with specialized expertise and skills in aviation) and teamwork (collaboration and cooperation across organizational boundaries)</p> <ul style="list-style-type: none"> Group employees 41,225 ANA's Way Survey avg. score 3.95 Ratio of female directors and female managers (ANA Group) 21.3% / 20.2% Number of Good Job Program messages 172,678 	<p>Issue Recognition</p> <ul style="list-style-type: none"> Lack of workers to support airport operations and expand business scale Lack of workers to establish a revenue pillar in the Non-Air Business Ability to innovate and be agile in response to change 	<p>Examples of Improvements</p> <ul style="list-style-type: none"> Strengthened dialogue and feedback between management and employees in the field Facilitated communication across companies and organizations Expansion of Hand Raising System Recruited and developed professional human capital Knowledge development, development of innovative human capital Diverse employees contributed through their individual strengths Fostered a culture that encourages change and excitement Support for senior employees Revised wage levels and benefit programs Ensured employee safety and health, creating comfortable work environments Stronger recruiting activities 	<p>FY2025 Targets</p> <ul style="list-style-type: none"> ANA's Way Survey avg. score 4.03 No. of dialogues held by management 1,200 No. of cross-department messages 200,000 Value-added productivity +15% improvement (vs. FY2018) Retention -0.5 pt (vs. FY2020) Ratio of female directors and female managers 30% (as quickly in the 2020s as possible)
<p>Achieve Profitability and Financial Strength as a Global Top-Tier Airline</p> <p>Our Air Transportation Business requires enormous sums of capital for aircraft procurement and other needs. Therefore, we must continue building relationships of trust with the capital and financial markets through sustained business growth and solid financial management, maintaining stable financing regardless of the ups and downs of business.</p>	<p>Sound financial management supporting the generation of stable profits</p> <p>FY2023 Results</p> <ul style="list-style-type: none"> Operating income margin 10.1% ROA 6.1% ROE 16.5% EPS ¥335 Shareholders' equity ratio 29.3% Credit rating R&I: A- (Stable), JCR: A- (Positive) 	<p>Issue Recognition</p> <ul style="list-style-type: none"> Quick restoration of financial base damaged by COVID-19 	<p>Through FY2025:</p> <ul style="list-style-type: none"> Priority given to financial base restoration Build shareholders' equity through profit accumulation Maintain high level of cash on hand Maintain A credit rating <p>FY2026 and After:</p> <ul style="list-style-type: none"> Reduce total assets Accumulate shareholders' equity 	<p>Targets for FY2026 and After</p> <ul style="list-style-type: none"> EPS to pre-COVID-19 level Shareholders' equity ratio 45% <p>Targets for FY2030</p> <ul style="list-style-type: none"> Operating income margin 10% or higher ROA 8% or higher ROE 12% or higher
<p>Expanding Partnerships to Co-Create Mobility and Relationships</p> <p>We must maintain good relationships with customers and a vast range of stakeholders to be the airline of choice. At the same time, we continue to build a network of partners with whom we create new services and work together to revitalize economies for relationships that go beyond the mere movement of people and goods.</p>	<p>Strong relationships with stakeholders</p> <ul style="list-style-type: none"> Number of airports served 335 (including code-share) ANA Mileage Club members 42 million Number of JV partner airlines 4 Number of code-share partners 30 Number of Star Alliance member airlines 26 Number of shareholders 761,448 Individual and comprehensive cooperation agreements with local governments 24 <p>Good business relationships with suppliers, manufacturers, contractors, and other business partners</p>	<p>Issue Recognition</p> <ul style="list-style-type: none"> Build a network of co-creation to support corporate strategy 	<p>Examples of Improvements</p> <ul style="list-style-type: none"> Expand route network further (expand multi-brand capacity, partnerships with domestic and international airlines) Increase ANA Mileage Club membership Provide timely and appropriate information to the capital markets Increase opportunities for dialogue between management and stakeholders Support regional revitalization through collaboration with local governments Conduct fair and transparent procurement across the supply chain based on the ANA Group Procurement Policy 	
<p>Continuing to be the World's Airline of Choice, While Pursuing Customer Satisfaction and Creating New Value</p> <p>We intend to enhance the knowledge and expertise accumulated in the Air Transportation Business to expand into the contract and solutions businesses to an even greater degree, growing the ANA Economic Zone by leveraging the ANA Brand quality.</p> <p>Data-driven thinking and action create value and ensure quality uninfluenced by personal feelings or rules of thumb.</p>	<p>Knowledge and expertise fostering customer satisfaction and high brand power</p> <ul style="list-style-type: none"> ANA brand strength SKYTRAX 5 Star for 11 consecutive years (2012-2023) Expertise cultivated in the airlines business Detailed manuals for maintaining high basic quality as an organization BlueLake data platform 	<p>Issue Recognition</p> <ul style="list-style-type: none"> Improve ANA brand recognition overseas Strengthen IT infrastructure and foster a culture of data usage Utilize expertise cultivated in aviation to advance Non-Air Business 	<p>Examples of Improvements</p> <ul style="list-style-type: none"> Strengthened branding overseas Created a mechanism for sharing and leveraging cross-organizational expertise Expanded BlueLake data use Fostered a culture of data use Strengthened data management and digital governance Secured digital talent and supported their development 	<p>Targets</p> <ul style="list-style-type: none"> Continued SKYTRAX 5-Star status Increase amount of usable data 4x by FY2025 (vs. FY2022) <p>Improve brand strength by monitoring the following operations quality indicators</p> <ul style="list-style-type: none"> Safety On-time performance Customer satisfaction
<p>Establishing a Structure to Expand Business in Line with Demand and Improve Basic Quality</p> <p>We procure aircraft systematically from a long-term perspective to expand routes and flights to meet the needs of our customers.</p> <p>At the same time, we provide safe, environmentally friendly, high-value, world-class airline services, increasing our fleet composition of fuel-efficient aircraft and building integrated operating systems.</p>	<p>A wide variety of aircraft and support facilities, systems</p> <ul style="list-style-type: none"> ANA Group aircraft 276 (including 11 cargo planes) Ratio of fuel-efficient aircraft 81% ANA Blue Base training facility Maintenance facilities supporting safety Operating systems supporting basic operational quality 	<p>Issue Recognition</p> <ul style="list-style-type: none"> Strengthen overall capacity to support corporate strategy 	<p>Examples of Improvements</p> <ul style="list-style-type: none"> Engaged in fleet strategy based on network strategy Reorganized freighters by making NCA a subsidiary Increased fuel-efficient equipment Made investments in facilities and systems to improve basic quality further 	<p>FY2025 Targets</p> <ul style="list-style-type: none"> No. of ANA Group aircraft 285 to 295 Capital expenditures ¥270 billion (average over FY2023-2025) <p>Targets by the End of FY2030</p> <ul style="list-style-type: none"> Mid- and narrow-body aircraft in fleet 80% International ANA brand aircraft in fleet 45% Fuel-efficient aircraft in fleet 90%
<p>Balancing the Creation of Abundant Societies and Business Sustainability</p> <p>Air travel is a highly convenient, long-distance, high-speed mode of transportation. At the same time, air travel is considered one of the most environmentally hazardous modes of transportation. Obviously, reducing the environmental impact of air travel is an important issue. We intend to strengthen our efforts across a wide range of areas to provide transportation services for more abundant lives and a safe global environment. To this end, we are stepping up efforts in climate change mitigation, primarily through the reduction of greenhouse gas emissions, biodiversity conservation, and the effective use of resources.</p>	<p>Effective use of resources through day-to-day efforts</p> <p>FY2023 Results</p> <ul style="list-style-type: none"> CO₂ emissions 15.1% reduction (vs. FY2019; aircraft operations) CO₂ emissions 21.4% reduction (vs. FY2019; excluding aircraft operations) Reduce resource waste ratio 49.0% reduction (vs. FY2019) Reduce food waste ratio 4.3% 	<p>Issue Recognition</p> <ul style="list-style-type: none"> Achieve net zero CO₂ emissions and sustainable business growth 	<p>Examples of Improvements</p> <ul style="list-style-type: none"> Operational Improvements and New Aircraft Technologies Shifting to low-carbon aviation fuel, including SAF* Used emission trading schemes Used negative emissions technologies (NETs) Shifted to services that reduce resource and food waste ratios Eliminated illegal wildlife trade through air transportation Engaged in environmental conservation activities aimed at biodiversity conservation, etc. <p>* SAF: Sustainable aviation fuel</p>	<p>FY2030 Targets</p> <ul style="list-style-type: none"> CO₂ emissions from aircraft operations Net 10%+ reduction (vs. FY2019) Replace 10% or more of fuel used with SAF CO₂ emissions excluding aircraft flight operations Net 33%+ reduction (vs. FY2019) Resource waste ratio 70%+ reduction (vs. FY2019) Food waste ratio 3.8% or less Biodiversity conservation (elimination of illegal wildlife trade via air transportation; environmental conservation activities, etc.)

Message from the President & CEO



SHIBATA Koji

President &
Chief Executive Officer,
Representative Director

We are making even greater strides, driven by the strength and teamwork of ANA Group employees.

FY2023-25 ANA Group Corporate Strategy Progress

In fiscal 2023, the ANA Group posted operating income at the ¥200 billion level for the first time in our history, reaching the target for the final year of the ANA Group Corporate Strategy in only our first year under the new plan. Operating income margin exceeded 10% for the first time ever, and ROE reached a record high of 16.5%. The Company has improved performance rapidly in just three years since posting our largest-ever loss in fiscal 2020.

These strong results were due in part to the recovery in passenger demand on domestic routes in the wake of COVID-19 being reclassified to a Category 5 infectious disease under Japan's Act on the Prevention of Infectious Diseases. Tightening supply-demand balance on international routes and high unit price also contributed. Other factors include the impact of fixed cost reductions under Business Structure Reform and, of course, the efforts of the ANA Group employees who have worked so hard and creatively to recover capacity. At the same time, we must not forget to thank you, our stakeholders, for your support. We announced the resumption of dividends at the end of the interim period and raised the year-end dividend from ¥30 to ¥50 per share to reward our shareholders who believed in and supported our revival. However, dividends and the dividend payout ratio (14.9% for fiscal 2023) remain insufficient at levels still lower than pre-COVID-19. We intend to recover our financial base to pre-pandemic levels as quickly as possible, after which we will raise shareholder returns.

We are progressing generally in line with the action plans formulated under the ANA Group Corporate Strategy. In February 2024, Air Japan Co., Ltd. launched international routes under the AirJapan brand, adding another brand to the ANA and Peach multi-brand approach. ANA is increasing international route sales steadily while recovering business scale. This recovery includes the announcement of service to Milan, Stockholm, and Istanbul from December 2024 onward—service that had been postponed due to the impact of COVID-19. To grow our Cargo business, we continue to make arrangements for obtaining approvals from authorities in various countries in connection with the basic agreement to acquire all shares of Nippon Cargo Airlines Co., Ltd. from NYK Line. Our fiscal 2024 reflects plans

for lower profits due to reduced government support and increased maintenance costs. In fiscal 2025, however, we aim to return to operating income at the ¥200 billion level. To gain a foothold for full-fledged growth, we intend to implement the strategies described in the ANA Group Corporate Strategy consistently and steadily.

A Shift in Management Focus to the Medium and Long Term

The current corporate strategy runs through fiscal 2025. Given that performance has stabilized to a certain degree, however, we plan to shift management focus to the medium and long term, accelerating discussions toward business growth on all cylinders. Specifically, the Board of Directors has begun analyzing our business environment and discussing issues to address over the next 10 years through fiscal 2035. The construction of a new third runway at Narita International Airport is scheduled to be completed by the end of March 2029. With the additional capacity, Prime Minister Kishida reiterated the government's target for 60 million inbound travelers by 2030 at the April 2024 ministerial Council for Promoting Japan as a Tourism Nation. The Travel Agency projects that demand for air transportation will grow with the expansion of the Indian and Southeast Asian economies, and we expect a significant opportunity for growth in air transportation demand and supply. After identifying our aims to what extent, we will formulate our next management strategy through backcasting, showing our investors the future growth story of the ANA Group. Here, I want to share my thoughts on the three areas we believe will be growth drivers.

International Passenger Business as the Pillar of Further Growth by Conducting Management that Overlooks the Whole World

The first point is the International Passenger Business, which will eventually become a pillar of profit growth. In fiscal 2023, ANA International Passenger revenues were ¥728.1 billion, surpassing Domestic Passenger revenues for the first time ever and becoming a pillar of our business in both name and practice. I joined the Company chasing a dream to work in some capacity related to international flights at ANA. Ever since, I have been



involved in the International Passenger Business, so this is a very inspirational moment for me. When I joined ANA in 1982, operating revenues were approximately ¥420 billion. Revenues have increased fivefold in about 40 years, and the International Passenger Business has been the power behind this growth. At the same time, several airlines around the world, mainly in Europe and the U.S., have revenues more than twice the size of the ANA Group. We still have room to aim higher.

Looking at the current routes operated by the ANA Group around the globe, South America and Africa are considered white spots (empty zones where we do not operate our own direct flights). For example, I recently visited Brazil. The trip took a total of more than 30 hours between Haneda Airport and connections to flights of other airlines. I don't imagine this style of travel is very comfortable for most people. Many destinations even outside South America and Africa are inconvenient to access, including airports located outside major cities.

ANA, Peach, and AirJapan will expand the number of destinations to create an infrastructure for customers to travel more quickly and conveniently to any point in the world. Each brand will take advantage of their respective characteristics and strengthen alliances with overseas airlines—particularly those of Star Alliance. Offering the best mix of in-house and code-share flights, we will create a truly global network offering broad access to the world with more destination options and more convenient connection schedules.

The number of visitors to Japan continues to increase. At the same time, we recognize significant room for improvement in ANA Group overseas sales, both in terms of passenger volume and unit price. When I engage in overseas investor relations, I sometimes hear from local investors that given the world-class ANA service quality, we should be able to raise the unit price. While our fares have been traditionally higher than the competition, we

believe there is room to increase profit from our international routes by raising awareness overseas, improving convenience for non-Japanese customers, and expanding sales channels.

Domestic Passenger Business as a Stable Revenue Platform

The second pillar is to improve the profitability of our Domestic Passenger Business. Although domestic routes have been a stable base of revenue for many years, profitability has begun to show signs of weakening more recently. In addition to the existing structural issues, including a shrinking domestic population and large fluctuations in demand depending on the day of the week and time of day, we believe a combination of other factors have contributed to a decline in domestic passengers. These factors include a decline in business demand due to the rising trend of online meetings, soaring fuel oil prices, increased maintenance costs due to the aging of aircraft, and rising domestic wages and prices.

Certain issues will require time to resolve, but we will take care of the issues we can handle in-house as quickly as possible. The first of these issues is to build an optimal fleet portfolio based on the size of the market. We were sad to see that the former Mitsubishi Aircraft Corporation abandoned the development of the SpaceJet. At the same time, we must move forward decisively in selecting narrow-body aircraft of around 100 seats to replace the void left behind. We will improve load factors and increase asset efficiency through a route network, schedule, and appropriate aircraft to meet the demand for flights as we increase the ratio of narrow-body aircraft over the medium term.

The second is to expand the number of travelers to rural areas. The Japanese government has made tourism an important policy pillar. The ANA Group also pursues regional revitalization as a materiality. Communicating the rich nature, cultures, food, and other attractions of each region—as well as by matching regional issues with ANA Group assets—we will encourage mobility and personal interactions through tourism and agriculture, promoting the use of ANA Group-operated flights. Today, in-country travel by inbound travelers accounts for about 3% of all domestic passengers. We want to expand this ratio in the future.

We must address numerous other issues to improve profitability in terms of revenue and cost approaches. Examples include utilizing more sophisticated marketing and introducing more labor savings in ground handling. Air transportation is indispensable for an island nation such as Japan. We must continue to implement multifaceted structural reforms and establish a stable revenue platform if we are to help revitalize regional economies and fulfill our roles and responsibilities in a sustainable manner.

DX as the Center of Management Strategy

The third point is digital transformation (DX). In an environment of rapid change and diversifying customer needs, we must make effective use of digital technologies and data across the ANA Group, speeding up management decision-making and pursuing transformations that include more attentive services to customers. Based on this strong desire, we moved our DX strategy beyond the former positioning as a part of our management foundation, placing DX at the center of our business strategy.

One key topic is to balance enhanced productivity with improved customer and employee experience. We already pursue automation and mechanization in a variety of ground handling tasks. We will see significant labor savings if we extend these technologies to other key airports. Through generative AI and other advanced technologies in other operations, customer service, and staff operations, we aim to maximize the value we provide employees and customers. We will create an environment with the best mix of human and digital, allowing our people to focus on what they do best. DX is also important in the evolution of ANA Smart Travel to provide customers with a more comfortable travel experience. For example, some overseas airlines are ahead of the curve in terms of convenient services, such as mobile flight rebooking in the event of a flight cancellation. We will accelerate functional improvements to our website and the ANA app to ensure a smoother, more stress-free experience at every stage of the travel process, from planning and booking to airports, boarding, and arrival.

Another important topic is to create group synergies through data usage. The ANA Group collects data across several businesses, including data on approximately 42 million ANA Mileage Club members. However, we have yet to utilize this wealth of information to its full potential. By upgrading to one-to-one marketing based on customer preferences, consumption behavior patterns, and other information, we will expand the ANA Economic Zone, offering more opportunities to use air and non-air services to more customers.

ANA Group-Style Human Capital Management

Achieving a Virtuous Value Creation Cycle Centered on Human Capital

Human capital is the axis around which the ANA Group value creation process revolves. In fact, a full 80% of the compliments and 40% of the complaints we receive from customers at our contact center relate to human services. This fact proves that what customers expect most

from us is high service quality from our employees. Providing customer experience value that exceeds expectations and creates customer delight is our aim when we say *Uniting the World in Wonder*.

We held a Corporate Transformation Council in fiscal 2023 to communicate our new management vision, increase productivity, and foster work-style reform. In fiscal 2024, we are developing initiatives to put ANA Group-style human capital management into practice, rolling out this system in a progressive manner. First, we clearly communicated to employees management's intention to invest generously in human capital. We also unveiled the value creation cycle by which we enhance basic quality and productivity through improved engagement. In turn, this cycle leads to customer satisfaction, social value, and economic value. I then shared my thoughts on human capital management with directors and division heads, asking them to hold dialogues with employees in their respective workplaces. The phrase *human capital management* sounds very formal, but I urge managers to create an atmosphere in which employees feel comfortable stating their true opinions. I want managers to listen to and accept feedback with sincerity, basing discussions on true feelings and taking prompt action for actionable measures by management or employees. The most important factor in practicing the value creation cycle is to create work environments in which employees have a sense of job satisfaction and work with vitality and enthusiasm. I want to create environments in which employees see themselves as responsible for solving workplace issues, expressing their honest opinions without reserve. To this end, we will increase opportunities for two-way dialogue between management and employees, at the same time pursuing fair, impartial organizational management and a culture that embraces diversity.

To raise wages sustainably while seeking profits in the future, we must add value through the power of people. Customers must feel that the value they receive is worth the higher fares compared to other companies. We will achieve this virtuous value creation cycle while increasing value-added productivity (see p.49) to establish a competitive advantage through more refined and consistent ANA Group quality.

Message from the President & CEO

Understanding the Thoughts and Feelings of Our Employees

We practice the *three reality principle*, which emphasizes visiting the real site, understanding the real situation, and being realistic. To practice this principle, I take the time to visit and converse with ANA Group employees in their actual work locations. At the end of 2023, I made three visits to our maintenance shop, going early in the morning at 5:00 a.m. to see employees working on aircraft and engines. In guiding the rudder of our business, I place high importance on understanding the thoughts and feelings of our employees. I want to gain a deep understanding of what each employee does every day. In what kind of environment do they work? What are they thinking? I want to understand not from a superficial level, but more deeply from the same perspective as our employees. Only when we empathize truly with our employees can we speak in words that resonate with them. Only then can we reach out when they are in need and set the perfect stage for them to achieve their full potential. From this perspective, the job of a president is not only about management skills but also about work skills that include an in-depth knowledge of business and the ability to get work done. Even today, I strive constantly to improve my work skills.

Having received requests from one of our workplaces to add one more service member due to the heavy workload of flight attendants and the time required to serve customers, in fiscal 2023 our flight attendant division began a careful study of various perspectives, including perspectives of employees, customers, and productivity. I personally observed the service on an actual flight and spoke directly with flight attendants about specific service procedures and operational difficulties. After carefully considering the situation and taking into account the feelings of the employees, I supported the decision to increase the number of service members on the relevant flights. By combining several measures, we improved customer service times without increasing the overall organizational headcount. This is just one case in point, and I believe that an accurate understanding of employee thoughts and feelings should be the basis for many types of management decisions.

Teamwork Is a Unique Strength

After discussions about the ANA Group strengths underlying our human capital management story, we once again came to the conclusion that teamwork is our most unique strength. Peter Drucker, the father of modern business management, famously said, “Culture eats strategy for breakfast.” The driving force by which we weathered the COVID-19 pandemic was nothing more or less than the team spirit as described in ANA’s Way; the spirit of *wakyo* (close cooperation). At the beginning of 2024, a collision occurred between a Japan Airlines flight and the Japan

Coast Guard aircraft on a runway at Haneda Airport. It was our own ground handling staff who worked with the firefighters to guide evacuees away from the damaged aircraft. Our ground staff and mechanics also helped the evacuees access bathrooms on ANA aircraft. I believe this episode is proof of the strong sense of mission shared by our employees as individuals involved in the airline business who work together as a team every day. To ensure we always retain these unique strengths, we continue to encourage active communication within the group and strive for teamwork-based value creation.

Becoming a Beloved Company

Another major element helping us survive the COVID-19 pandemic was the support we received from stakeholders with whom our employees had built relationships of trust over our nearly 70-year history, including investments, loans, and employee secondments. I came to understand firsthand how non-financial capital not presented on financial statements—relationships of trust with employees, customers, and society—can be of real value when a company is in crisis. Creating ANA Group fans through our businesses and becoming a beloved company are essential for increasing corporate value. These factors also represent the greatest tool for risk management. To deepen relationships with our stakeholders, we will continue to engage in management from a long-term perspective, focusing on more than our own profits and building a corporate culture where ANA Group executives and employees act with integrity. We are dedicated to practicing ANA Group-style human capital management, and we will strive to foster an atmosphere where employees and people outside the Company feel a sense of attachment to the ANA Group.

Evolution toward an Integrated Management Philosophy

I mentioned that we are shifting our management focus to the medium to long term. I also want the ANA Group to evolve toward an integrated management philosophy. As part of our efforts to achieve this goal, we began to study redefining materiality. We defined our current base of materiality in fiscal 2015, and we have not revised materiality significantly since. We plan to redefine what we view as our challenges, taking into account the post-COVID-19 business environment and the role we should play. These considerations will serve as a new basis for our next management strategy in fiscal 2026 and beyond. When we formulate management strategies based on materiality, we strengthen the link between business strategies and ESG strategies. We also raise the awareness of Group

employees regarding sustainability and tie materiality to concrete, practical actions.

CFO NAKAHORI Kimihiro explains elsewhere in this integrated report our policy for achieving a price-to-book ratio (PBR) of 2 times. (See p.22) To achieve a PBR that exceeds accounting value significantly, we must visualize our non-financial capital, especially human capital, which is the strength of the ANA Group. We must clarify the relationship between non-financial capital and financial values, using data to communicate our value creation process in a more coherent story than we have to date. This story will benefit ANA Group employees in establishing a common understanding of the Company’s strengths, to understand accurately the meaning and aims of strategies and measures, and to work with a sense of conviction in the process of improving corporate value. We intend to make progress in this area through trial and error.

Toward the Next Stage: Our Will to Enhance Corporate Value

Struggling and Forging New Paths

The recovery in demand following the COVID-19 pandemic has slowed. Now is a critical juncture to determine whether we can achieve sustainable growth. In the process of implementing change, we expect to encounter challenges. But if we keep moving forward with a strong will—never giving up—a path will surely open. I have had many experiences in my working life in which, faced with difficult challenges, I focused singly on the one outcome I desired. After thinking deeply and pondering at length, I eventually arrived at an answer to break through the difficult situation from unexpected sources. Our management team, every employee, and I will continue to ponder measures to create added value. We will push forward directly toward our goals, forging new paths to the future of the ANA Group.

A Further Leap Ahead, Together with Group Employees

The International Air Transport Association (IATA) projects that the total number of passengers worldwide in 2024 will be approximately 4.7 billion, a record high. The airline business, which is the mainstay of the ANA Group, will undoubtedly continue to be a growth industry. When faced with COVID-19, people outside the Company concluded that the investment related to the expansion of international flight slots at Haneda Airport in 2020 had backfired. At the time, such opinions had an impact on our business performance; however, our willingness to take on the challenge of growing our business remains

unchanged to this day. Of course, we must return to a growth trajectory to avoid a repeat of history. At the same time, we must engage in total risk management and strengthen our resistance to volatility in both business and financial aspects.

Our company song was composed 62 years ago on the occasion of the 10th anniversary of the Company’s founding. The lyrics of that song say, “building a bridge of love that connects the world, with pride and determination, we go forward today with our hands and wings.” Our predecessors were already thinking about the global skies back then. Their lofty aspirations led to our vision of *Uniting the World in Wonder*. Since our very first days, the spirit of creating connections in the sky, expanding the potential of our employees, customers, and society, and contributing to a future full of dreams has been the foundation of the unyielding spirit of the ANA Group. Today, 41,000 ANA Group employees share the same passionate aspirations as our predecessors. We work hard every day to achieve the same goals. To me, this is our greatest asset and the driving force behind the growth of our group. I will take the responsibility to unite the dreams and hopes of our employees to contribute to a peaceful society by connecting the hearts and minds of people around the world through the movement of people and goods. I will take the responsibility to ensure we take a leap ahead toward the skies of the future.

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

August 2024

SHIBATA Koji

President & Chief Executive Officer,
Representative Director



Message from the CFO

Toward Improving Return on Capital and Share Price Further

We are strengthening management that is oriented toward the cost of capital and share price, striving for improved corporate value over the medium to long term.



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

1 Fiscal 2023 in Review

Q The ANA Group posted record profits in fiscal 2023. What were the factors behind this strong performance?

The ANA and Peach brands captured the strong post-COVID-19 inbound travel demand effectively, resulting in a significant increase in operating revenues, particularly in the Passenger Business. The brands improved profitability by

controlling yields to a high standard, even as the scale of operations recovered. In terms of expenses, we controlled fixed costs and leveraged continued partial government support, including subsidies and exemptions of taxes and public dues.

Q What progress have you made in restoring the group's financial base, as described in the ANA Group Corporate Strategy?

The strong performance of our Passenger Business led to a steady recovery in profits and cash flow generation. We are restoring our financial base at a pace faster than anticipated. Shareholders' equity amounted to ¥1,044.5 billion, and our shareholders' equity ratio was 29.3%, improving by about 4 points compared with the previous fiscal year. We think the

appropriate level of liquidity on hand from a medium-term perspective is ¥500 billion. When correcting to that level, the shareholders' equity ratio would be 37.1%, maintaining financial soundness. Rating and Investment Information, Inc. (R&I) recognized our rapid recovery in earnings and finances, upgrading our credit rating to A- and helping ensure flexibility in financing.

2 Balance Sheet Management

Q What is your perception of the current balance sheet?

We recognize that the balance sheet is inflated temporarily, mainly due to an increase in cash and deposits and interest-bearing debt resulting from funds procured to prepare against the possibility of the prolonged impact of the COVID-19 pandemic. The current balance sheet poses a challenge from the

standpoint of efficiency. We plan to reduce our balance sheet over the medium term by using cash on hand for interest-bearing debt repayments. We also plan to manage our aircraft, spare engines, and spare parts—the ANA Group's main assets—appropriately, while reducing cross-shareholdings.

Q Describe the repayment plan for the subordinated loans, which could be considered one measure to reduce the balance sheet.

As we progress in restoring our financial base with the recovery in our performance, we intend to use cash on hand to repay ¥200 billion each in 2025 (tranche A) and 2027 (tranche B) as

early repayments. We will keep a close eye on the impact of the change in lease accounting standards scheduled for fiscal 2027 and beyond.

Early Repayment Terms (Without Refinancing)	(1) Real net debt-to-equity ratio* ≤0.73
	$\frac{(\text{Loans} + \text{Bonds} + \text{Lease obligations} + \text{Future lease payments}) - (\text{Cash and deposits} + \text{Marketable securities})}{\text{Shareholders' equity (Net assets - Non-controlling interests)}}$
	(2) Shareholders' equity of ¥919.2 billion or more
	<small>In the case of tranche A for (1) and (2), we consider the recognized equity of tranche B.</small>

Our financial management policy is to maintain an appropriate level of shareholders' equity in line with business risks so that we can adapt to various changes in the business

environment, and we will continue to utilize hybrid financing, such as subordinated loans and subordinated bonds, as one of our financing methods as needed.

Q What are the conversion terms of the ¥150 billion in euro-yen convertible bonds issued in December 2021?

The bonds in question have a 120% soft call option provision designed to facilitate conversion. Under this provision, if the Company's share price (closing price of ¥2,883 at the time of issuance; ¥2,838.4 as of April 1, 2024) remains at 120% or more of the conversion price for 20 consecutive trading days (equivalent to ¥3,460 or more at the time of issuance; ¥3,407 or more as of April 1, 2024), the Company has the right to redeem the bonds at 100% of the principle in advance of or on December 10, 2024, which is three years after the issuance date. If the Company exercises this option, the share price will be above the conversion price, and bondholders will find it economically rational to convert to shares prior to early redemption. This provision has the effect of encouraging conversion to shares. We established these terms to ensure a

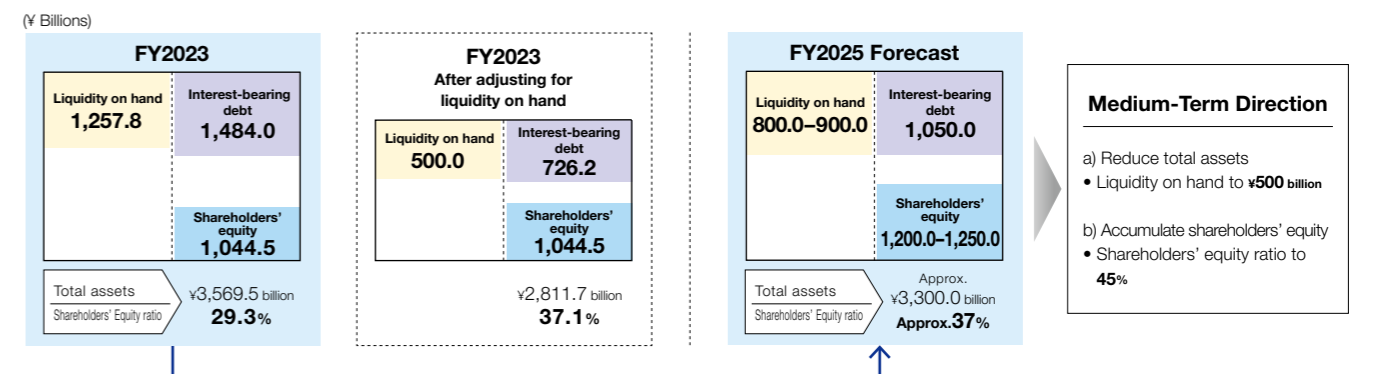
certain degree of flexibility in future financial strategies. The Company's share price reference in this provision begins on August 15, 2024. If our share price (closing price) exceeds ¥3,407 for 20 consecutive trading days after that date, we will be able to reduce interest-bearing debt and increase equity by ¥150 billion by exercising the soft call option.

On the other hand, we may not make a decision to exercise this right immediately considering share price level and our medium-term targets for shareholders' equity and shareholders' equity ratio. If the bonds are not converted into shares, the bonds will simply be zero coupon low interest bonds, redeemed when due. We plan to determine the funds based on the Company's financial condition, interest rates, capital market trends, and other factors at the time.

Q In what direction will you aim your balance sheet over the medium term?

The policy under the current ANA Group Corporate Strategy (FY2023-25) is to prioritize restoring our financial base by building shareholders' equity through profit accumulation. We expect our shareholders' equity ratio at the end of fiscal 2025 to be around 37%. In fiscal 2026 and beyond, we believe the

appropriate level of liquidity on hand will be ¥500 billion and are targeting a shareholders' equity ratio of around 45% as we continue to strengthen our risk tolerance capable of dealing with another large-scale pandemic. ANA aims to obtain a credit rating of A from R&I.



3 Return on Capital and Cost of Equity

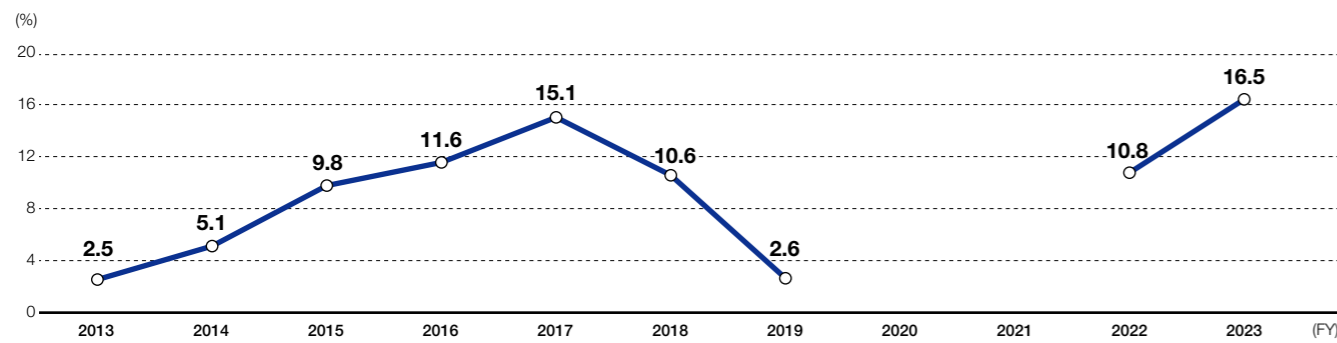
Q How do you view ROE levels historically? What initiatives are you taking to improve ROE?

From a premise of financial soundness, we work to maximize corporate value by improving ROE. With the expansion of slots at Haneda Airport in fiscal 2014, we increased our routes and network focused on international routes while improving profitability, leading to an ROE in excess of 10% for fiscal 2016. On the other hand, ROE declined due to weakening earnings caused by the COVID-19 pandemic after the first half of 2020. In fiscal 2022, ROE again exceeded 10%, reaching a record high of 16.5% in fiscal 2023, as passenger demand recovered and we engaged in detailed cost management. Our policy is to improve ROE by increasing profitability (net income margin) and

efficiency (asset turnover).

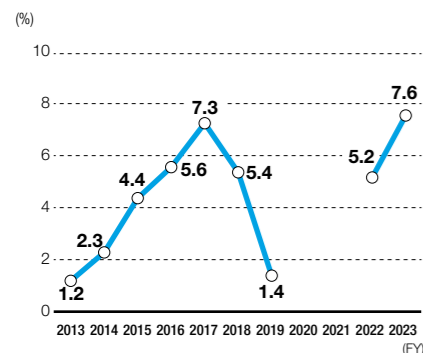
We plan to increase profitability by expanding our strong International Passenger Business and investing in growth, including in new business sectors. In addition, we intend to accelerate discussions on our airline portfolio (ANA, Peach, AirJapan) and business portfolios (passenger and cargo; airlines and non-air) to optimize the allocation of management resources across the ANA Group. As mentioned above in terms of efficiency, we recognize the balance sheet challenges we face, and we will continue to manage the balance sheet for effective value creation.

Return on Equity (ROE)



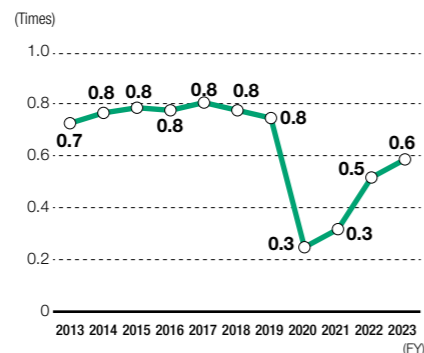
Note: Fiscal 2020 and fiscal 2021 omitted due to net losses.

Net Income Margin (Profitability)



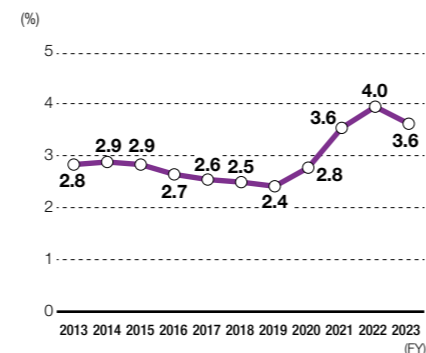
- Expand the International Passenger Business and improve profitability
- Expand business through growth investments, including new business sectors
- Accelerate discussions on the airline portfolio and business portfolio to optimize the allocation of management resources across the group

Asset Turnover (Efficiency)



- Optimize investment scale
- Optimize assets owned (aircraft, engines, parts, etc.)
- Reduce cross-shareholdings

Financial Leverage (Debt)



- Maintain a certain level of liquidity on hand and shareholders' equity against risk events
- Maintain liquidity on hand at ¥500 billion
- Maintain shareholders' equity ratio at 45%

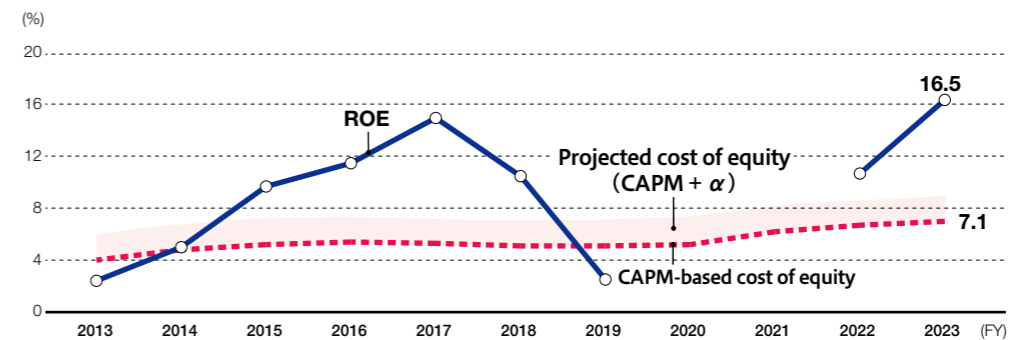
Note: Fiscal 2020 and fiscal 2021 omitted due to net losses.

Q What is your perspective on cost of equity?

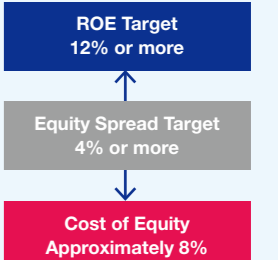
While we believe that ongoing communications with investors is the most important way to determine the appropriate cost of equity, we also monitor the cost of equity as calculated by the capital asset pricing model (CAPM) and earnings yield. ROE for fiscal 2023 was 16.5%, compared to our recognized 7.1% cost of equity based on CAPM. We believe this is a sufficient equity spread. Note that the CAPM-based cost of equity was in the 5% range prior to the pandemic. The cost of equity has been on an upward trend since the end of the pandemic, partly due

to changes in leveraged beta. Given the most recent views from the capital market, we believe we must maintain a cost of equity at around 8%. We intend to maintain an equity spread of at least 4%, looking to possibly raise our current medium-term ROE target of 12%. We will continue to engage in constructive dialogue with a wide range of investors, striving to understand the expectations of the capital markets.

ROE and Cost of Equity



Future Guidelines



Q What steps are you taking to reduce the cost of equity to ensure a stable equity spread?

We are implementing three broad categories of initiatives to reduce the cost of equity. The first is to control interest-bearing debt in light of an optimal capital structure. Our analysis of the changes in levered and unlevered betas indicates that the cost of capital has increased with higher financial risk due to the increase in interest-bearing debt since the COVID-19 pandemic. We will improve our financial security by repaying interest-bearing debt consistently. The second is to control performance volatility. Struggling performance during the COVID-19 pandemic was inevitable. Learning from this

experience, we know the importance of building a strong business structure and implementing a portfolio strategy capable of withstanding risk events. The third relates to our ESG initiatives. We must remove uncertainties to future growth from a medium- to long-term perspective, focusing on measures to reduce CO₂ emissions, an important issue for an airline group. We will reduce the cost of capital through progress in these three initiatives as we communicate closely with the capital markets.

1. Control interest-bearing debt	<ul style="list-style-type: none"> • Repay interest-bearing debt consistently (¥500 billion-¥600 billion: forecast total for 2023-2025) • Early repayments of subordinated loans (FY2025 and FY2027)
2. Control performance volatility	<ul style="list-style-type: none"> • Secure aircraft and human capital to expand profits in the Air Transportation Business • Control fixed costs via cost management • Expand Non-Air Business profit segments
3. Implement ESG initiatives	<ul style="list-style-type: none"> • Ensure the stable procurement of SAF (strengthen outreach and coordination with relevant parties) • Refine estimates of costs for medium- to long-term environmental response (e.g., costs related to CORSIA* compliance) • Strengthen governance (risk management and compliance enhancement initiatives)

* CORSIA: Carbon Offsetting and Reduction Scheme for International Aviation

Step Up IR Activities Present timely and full information disclosures to the capital market and pursue dialogues with investors

Message from the CFO

Toward Improving Return on Capital and Share Price Further

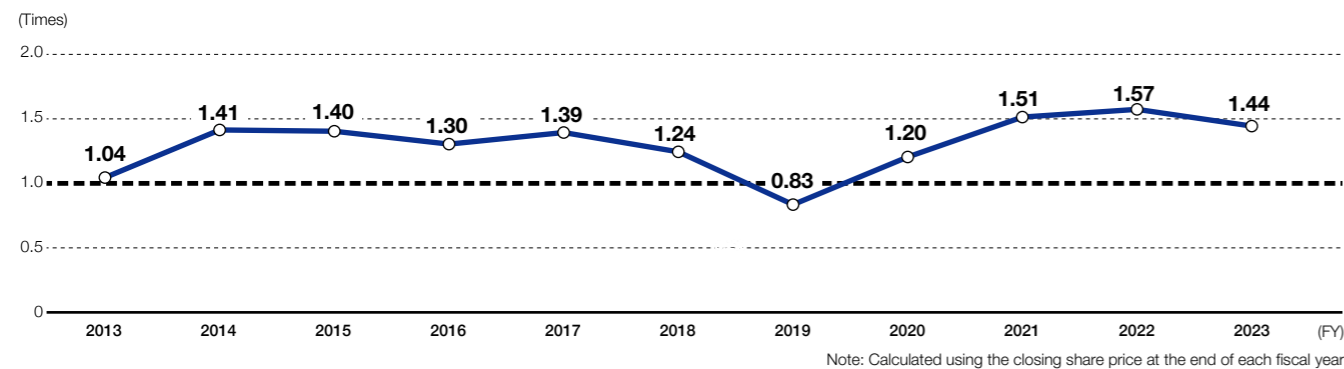
4 Share Price

Q What is your view of the current share price and share price indicators?

Looking back at past PBR performance, we have been well above 1 times in almost every period, except those impacted by COVID-19. In the past 10 years, however, we have never achieved a PBR of 2 times, remaining in the range of 1 times. The highest share price (closing price) during the same period was ¥4,753 on January 9, 2018. While we posted record profits and profit margins in fiscal 2023, our current share price hovers around ¥3,000. The struggling share price can be attributed to a number of factors, including our public offering in the wake of the COVID-19 pandemic, the increase in outstanding shares (dilutive shares) issued with the issuance of convertible bonds, and the fact that investors may consider shareholder returns

insufficient based on our focus on restoring our financial base. However, we believe the most important factor in improving our share price is to communicate the story of medium- to long-term corporate value enhancement to investors. While the forecast for the current fiscal year assumes a decline in profit, management is engaged in deep discussions regarding how we will demonstrate the likelihood of achieving our fiscal 2025 operating income target of ¥200 billion and show a concrete path to the next stage of growth. We aim to achieve a PBR on the order of 2 times and maintain a stable equity spread by raising ROE to our medium-term target of 12% as quickly as possible.

PBR

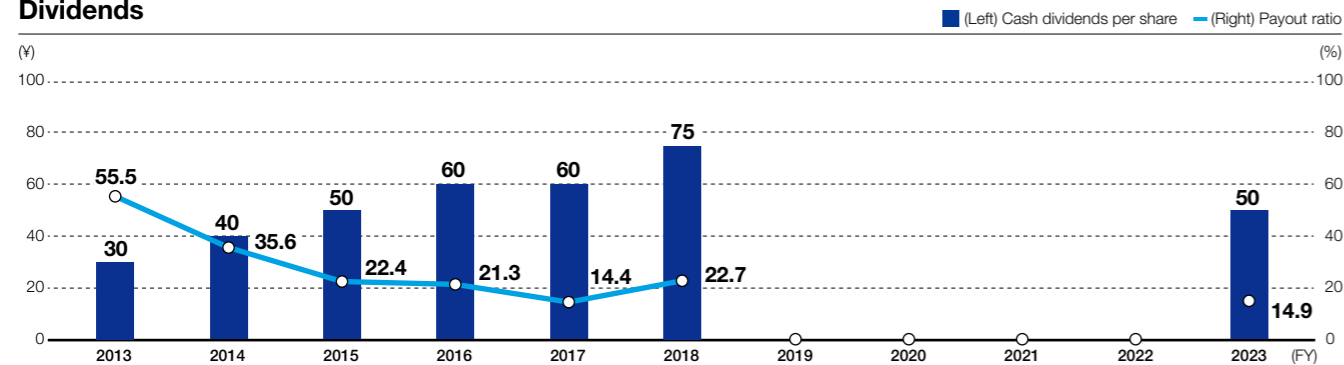


Q What are your thoughts on the policy for shareholder returns?

In fiscal 2023, we published a release at the end of October announcing the resumption of dividend payments (¥30 per share) for the first time in five years, ultimately paying a dividend of ¥50 per share. Dividends per share and the dividend payout ratio remain lower than pre-COVID-19 levels. However, we intend to increase shareholder returns beginning in fiscal 2026, taking into account the restoration of our financial base and the balance between our profit outlook and investments in

growth. In addition to dividends, we intend to meet the expectations of shareholders by increasing net income per share (EPS) and by increasing our share price. As mentioned above, the number of outstanding shares (dilutive shares) is increasing, which is a factor restraining the growth of EPS. Therefore, the Company will consider the option of share buybacks, assuming we can maintain financial health, which is a medium-term goal.

Dividends



5 A Remuneration System that Contributes to Enhanced Corporate Value

Q Does your officer remuneration system incorporate incentives to increase corporate value over the medium to long term?

Our officer remuneration system is performance-linked, combining multiple indicators. We designed the system to improve corporate value over the medium to long term, reflect common interests with our shareholders, and encourage sustainable

growth. In fiscal 2023, we added new indicators related to the Non-Airline Business/ANA Economic Zone. These new indicators encourage management to focus on medium- to long-term growth by addressing materiality.

Fixed (ratio 1.0)	Performance-linked (ratio 0.00 to 0.92)	
	Payment according to title, etc.	Various measures to evaluate single-year results
Net income Safety Customer satisfaction Employee satisfaction		ROE Non-Airline Business/ ANA Economic Zone indicators ESG indicator Productivity indicator

Q What employee incentive program do you have in place?

We adopted a plan to grant shares not only to directors but to employees as well. This plan raises employee awareness of our

business and encourages employees to play an active role in ANA Group sustainable corporate value enhancement.

Incentive	Year Implemented	Eligibility	No. of Shares	Restriction	Purpose
Special incentive	FY2022	Employee stock ownership association members	70	—	Increase work ethic
Restricted stock incentive (RS)	FY2023	Employee stock ownership association members	100	3 years	Step up incentives for achieving the ANA Group Corporate Strategy

ANA Group Management Strategy

ANA Group Management Cycle

The ANA Group Management Strategy focuses on two time frames: the short term and the medium to long term. We strive to respond flexibly to short-term changes in the business environment while taking into account megatrends and environmental and social issues in demographics, technology, and the environment over the medium to long term. We hold dialogues with various stakeholders, sharing any suggestions and insights obtained through such discussions throughout the Company. We then reflect these suggestions in our business and ESG strategies, disclose any appropriate information on the effort processes and progress, and expand dialogues further. In this way, the ANA Group works to enhance strategy effectiveness.

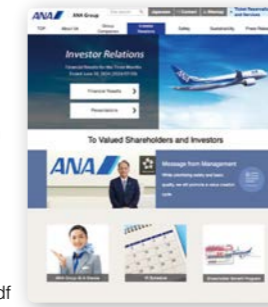
Our approach to ESG management P.76

Information Disclosures Inside and Outside the Company

The ANA Group is committed to enriching and improving our information disclosures on strategic initiatives formulated through dialogues, aiming to share our progress and results with stakeholders in an easier-to-understand manner.

Major Disclosures

- FY2023-25 ANA Group Corporate Strategy (February 2023)
- Annual Report (end of August each year)
- Monthly Traffic Results (around the 15th of each month)
- Human Rights Report (April 2024)
- ANA Group Health and Wellness Report (February 2024)
- ESG Context Index
<https://www.ana.co.jp/group/en/csr/data/pdf/esg.pdf>



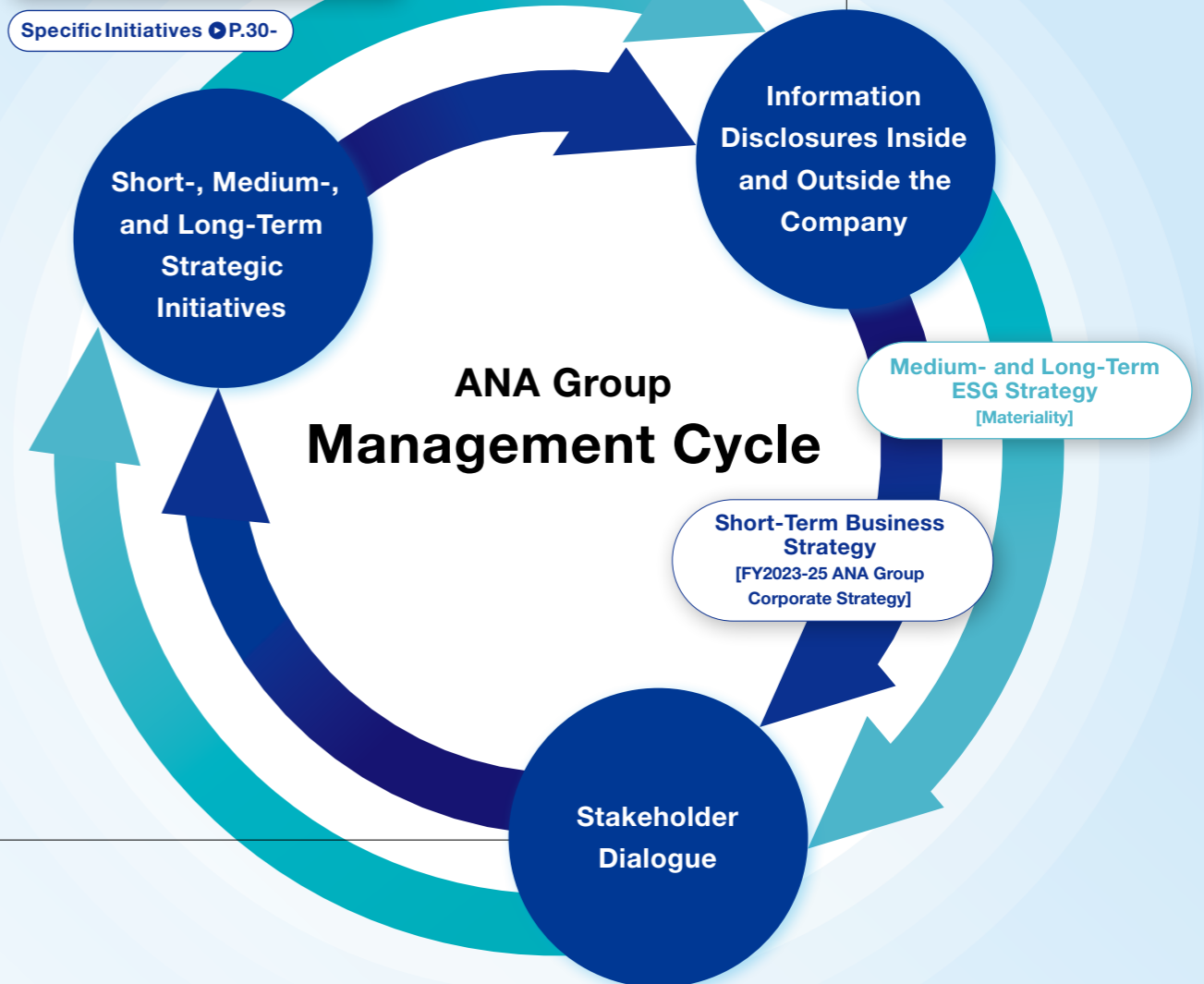
Recent Improvements

- ✓ **Redefined route distance**
Changed unit revenue and yield for domestic flights from the designated distance* to the great-circle distance to be comparable by the same standards as other companies
- ✓ **Changed method of disclosing information on market conditions in our financial results presentation materials**
Changed sensitivities to fuel, exchange rates, and market conditions to show hedged-in sensitivities
- ✓ **Enhanced disclosure information in line with the TCFD recommendations**
Disclosed financial impact (medium term and long term) and related calculation metrics to indicate the scale of impact on our business in more detail

* Designated distance by the Ministry of Land, Infrastructure, Transport & Tourism (based on actual flying routes)



Specific Initiatives P.30-



Responsible Dialogue with Stakeholders

The ANA Group Management Strategy cycle begins with dialogue with internal and external stakeholders. Our strategies incorporate the latest information and insights gained through dialogues to ensure we understand the impact that changes in social conditions have on our business. We then engage in efforts based on our understanding of societal demands and expectations.

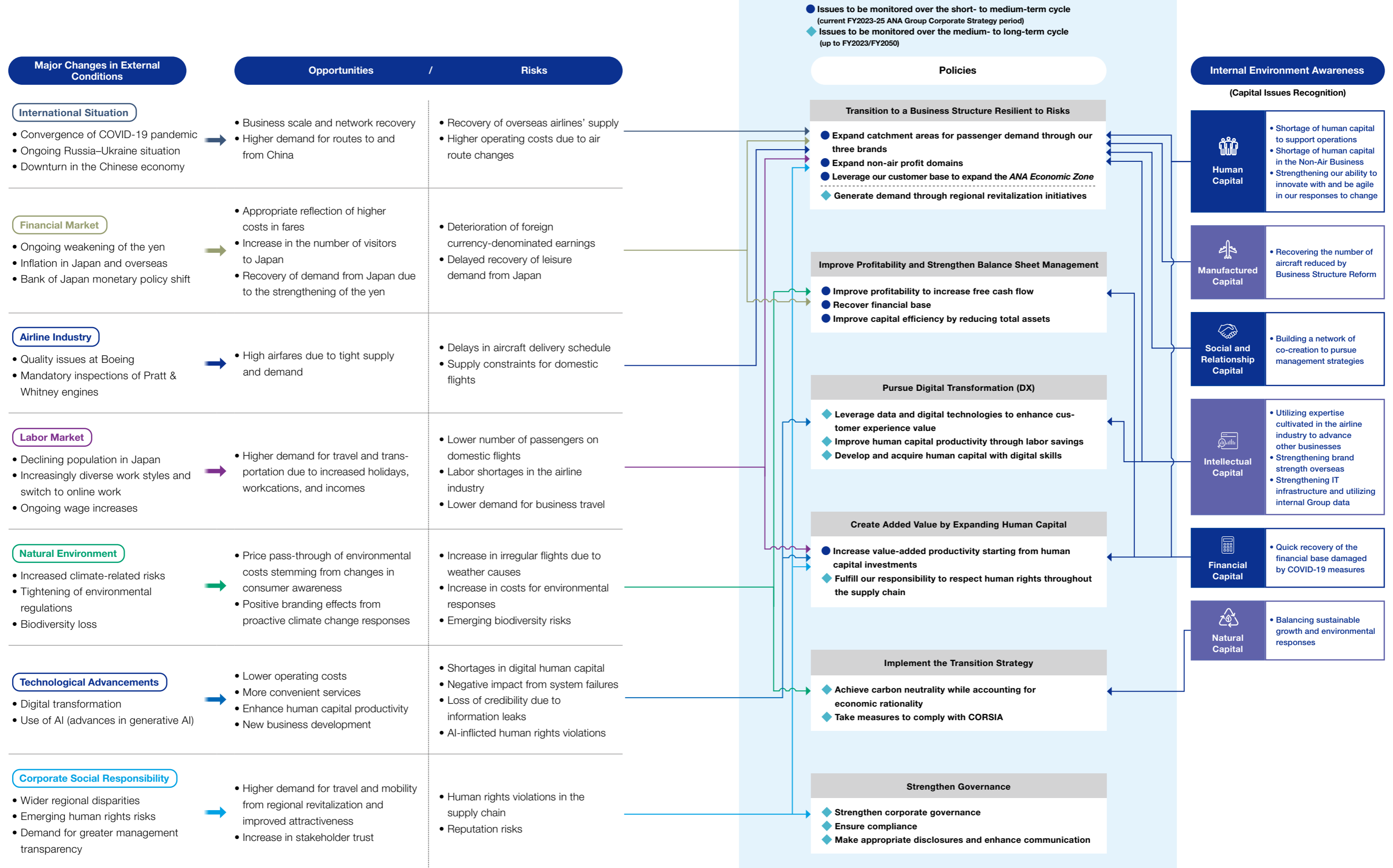


The Group also holds dialogues with internal and external stakeholders through information disclosures to ensure these efforts are appropriate. This two-way communication holds us accountable and ensures we maintain management transparency.

Responsible Dialogue with Stakeholders during FY2023 P.110

Major Dialogues on ESG Management in FY2023 P.106

Economic Condition Analysis



Major Target KPIs in Response Measures

Strategic Management Issues	Major Initiatives	References	Major KPIs		
Transition to a Business Structure Resilient to Risks	<ul style="list-style-type: none"> Expand catchment areas for passenger demand through our three brands Expand non-air profit domains Leverage our customer base to expand the ANA Economic Zone 	<p>Business Strategy ▶ P.30</p>	<p>Profitability</p> <p>FY2025</p> <p>Operating revenues ¥2,320 billion</p> <p>Operating income over ¥200 billion</p> <p>Operating income margin over 8.6%</p>	<p>Safety</p> <p>Credit rating Maintain A rating</p> <p>FY2025</p> <p>Shareholders' equity ratio approx. 37%</p>	<p>Efficiency</p> <p>FY2025</p> <p>ROA 6-7%</p> <p>ROE 11-12%</p>
	<ul style="list-style-type: none"> Generate demand through regional revitalization initiatives 				
Improve Profitability and Strengthen Balance Sheet Management	<ul style="list-style-type: none"> Improve profitability to increase free cash flow Recover financial base Improve capital efficiency by reducing total assets 	<p>Message from the CFO ▶ P.18</p> <p>Financial Strategy ▶ P.40</p>			
Pursue Digital Transformation (DX)	<ul style="list-style-type: none"> Leverage data and digital technologies to enhance customer experience value Improve human capital productivity through labor savings Develop and acquire human capital with digital skills 	<ul style="list-style-type: none"> Upgrade app functions Engage in labor savings in airport operations Develop new businesses using avatars, the metaverse, drones, etc. Strengthen training programs for digital transformation human capital 	<p>DX Strategy ▶ P.42</p>	<p>FY2025</p> <p>FY2023-2025 IT investment amount Digital human capital Amount of data utilized</p>	<p>1.5x (vs. FY2020-2022)</p> <p>1.6x (vs. FY2022)</p> <p>4x (vs. FY2022)</p>
Create Added Value by Expanding Human Capital	<ul style="list-style-type: none"> Increase value-added productivity starting from human capital investments Fulfill our responsibility to respect human rights throughout the supply chain 	<ul style="list-style-type: none"> Strengthen team spirit Enhance employee resourcefulness with professional skills Foster an organizational culture that encourages change Create comfortable workplaces for employees Build transparent supply chains 	<p>Materiality People ▶ P.46</p> <p>Human Capital Strategy ▶ P.48</p> <p>DEI ▶ P.56 Human Rights ▶ P.58</p>	<p>FY2025</p> <p>Value-added productivity index ANA's Way Survey average score Number of dialogues held by management Number of public applications within the group Number of Change Makers (Leaders of change trained) Turnover rate</p>	<p>+15% (vs. FY2018)</p> <p>4.03/5</p> <p>1,200</p> <p>1,200</p> <p>300 (cumulative)</p> <p>-0.5 pt (vs. FY2020)</p>
Implement the Transition Strategy	<ul style="list-style-type: none"> Achieve carbon neutrality while accounting for economic rationality Take measures to comply with CORSIA 	<ul style="list-style-type: none"> Improve flight operations and upgrade to more fuel-efficient aircraft Utilize sustainable aviation fuel (SAF) Use emission trading schemes Use negative emissions technologies Disclosures based on TCFD and TNFD recommendations 	<p>Materiality Environment ▶ P.60</p> <p>Transition Strategy ▶ P.62</p>	<p>FY2030</p> <p>Carbon emission from aircraft operations</p> <p>Replace 10% or more of fuel used with SAF Ratio of fuel-efficient aircraft (for jets)</p>	<p>net 10%+ reduction (vs. FY2019)</p> <p>approx. 90%</p>
Strengthen Governance	<ul style="list-style-type: none"> Strengthen corporate governance Ensure compliance Make appropriate disclosures and enhance communication 	<ul style="list-style-type: none"> Improve the effectiveness of the board of directors Increase opportunities for dialogue between management and stakeholders 	<p>Corporate Governance ▶ P.84</p>	<p>As Early as Possible in the 2020s</p> <p>Ratio of female managers</p>	<p>30%</p>

Business Strategy

In the FY2023-25 ANA Group Corporate Strategy, we have three pillars as strategic themes. Through the promotion of each strategy, we aim to build a basis for growth and transition to a full-fledged growth phase by transforming our business model toward the realization of our vision by fiscal 2030.



By FY2030
Achieve Our Management Vision
Uniting the World in Wonder

Transform Business Models

Business Strategy Three Pillars

- 1 **Maximize profit in airline business**
 - 1) Optimize multi-brand
 - 2) Expand the Cargo Business
- 3 **Expand the ANA Economic Zone**
 - 1) Increase the attractiveness of our content
 - 2) Interconnectivity between the everyday and the extraordinary
- 2 **Expand non-airline profit domains**
 - 1) Practice appropriate resource allocation

Financial Strategy

- 1 Restore financial base to pre-COVID-19 levels
- 2 Reduce total assets

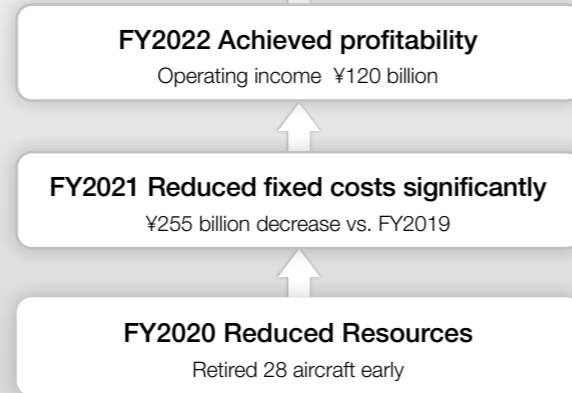
FY2023-FY2025
FY2023-25 ANA Group Corporate Strategy (Announced February 2023)
Build a Basis for Growth

Reduced Business Scale to Get through COVID-19

FY2020 to FY2022

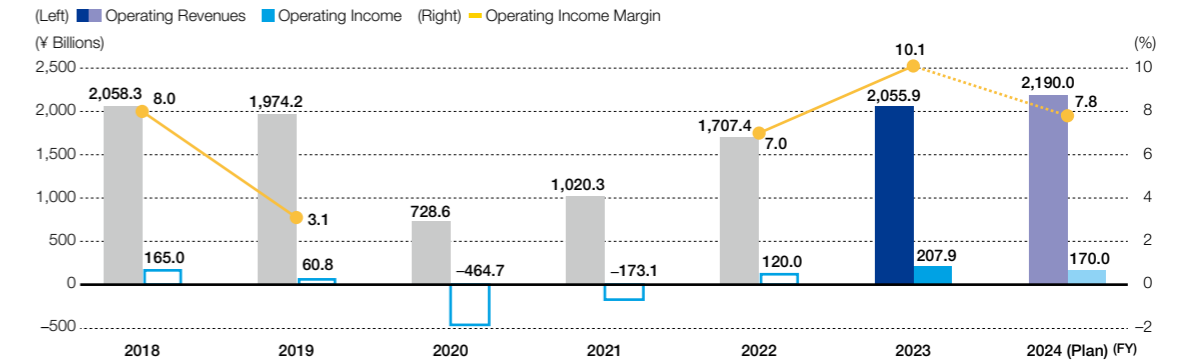
Business Structure Reform (Announced October 2020)

Establish a Resilient Business Structure



Review of FY2023 Results and Plan for FY2024

Consolidated Operating Revenues and Operating Income



FY2023 Results in Review

Having maintained and improved unit prices through yield control and captured recovering passenger demand on both international and domestic routes, we posted operating income of ¥207.9 billion, a new record-high by a wide margin.

Capture demand at high unit prices, particularly in the Passenger Business

Record revenues for the ANA International Passenger Business

Consistent and detailed cost management, even as we increased capacity

Controlled fixed costs to levels below pre-COVID-19 (FY2019)

Record-high operating income

FY2024 Plan Key Points

We anticipate a recovery in demand in the Passenger and Cargo Businesses, planning for record-high operating revenues. At the same time, we expect an increase in costs, which we controlled throughout the COVID-19 pandemic. Our operating income plan calls for ¥170 billion, a year-on-year decrease but higher than before the pandemic.

Demand recovery continues, reaching record levels

- 1 International Passenger Business **+¥25.8 billion**
- 2 Domestic Passenger Business **+¥24.0 billion**
- 3 International Cargo Business **+¥28.4 billion, etc.**

Increase due to a negative rebound, etc., after the COVID-19 pandemic

- 1 Tax reductions, exemptions, subsidies → Reduced or terminated
- 2 Maintenance expenses → Increase in maintenance for various engines
- 3 Investments in human capital → Improved productivity and stronger response to labor shortages

Profit continues at high levels exceeding pre-COVID-19

Changes in the Environment since Publishing the ANA Group Corporate Strategy

The pace of ASK growth in the Passenger Business has been slower than expected due to the prolonged Russia-Ukraine situation and the PW1100G engine inspections.

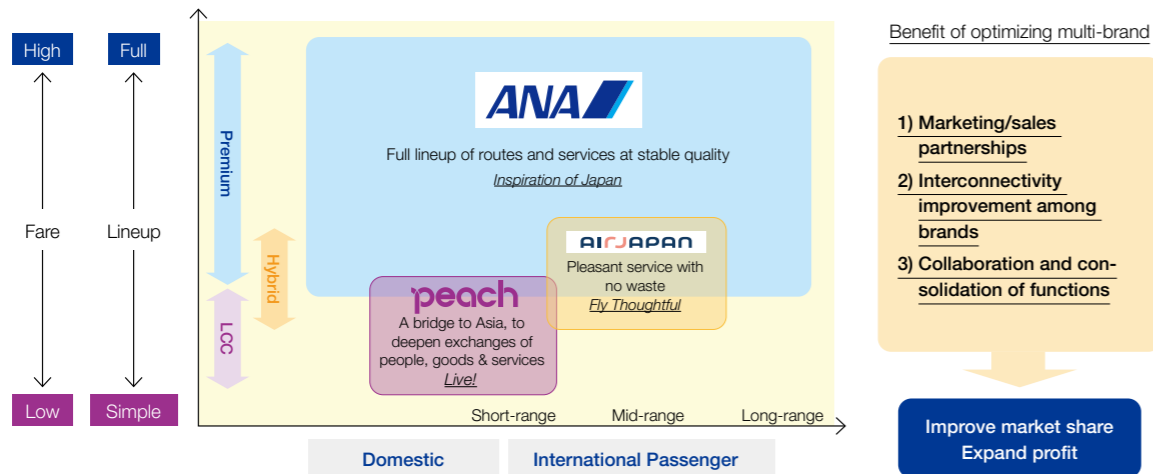
In addition, we must respond properly to new opportunities in the Cargo Business and upward cost pressures.

Environmental Changes	ANA Group Response
Delayed recovery of capacity due to continued detours around Russia	Maintained and improved high unit prices through yield control
Conclusion of the NCA share acquisition agreement	Rapid consolidation and post-merger strategy development (scheduled finalization: March 31, 2025)
Inflation in Japan and overseas, labor shortages	Appropriate fare revisions, investments in human capital

1. Multi-brand Strategy

Inaugural AirJapan Flight Signals the Launch of a Three-brand Strategy. Aiming to Increase Profits through Greater Market Share

Positioning by Brand



In FY2023-25 ANA Group Corporate Strategy, we are aiming to maximize profits in the airline business and advancing a multi brand strategy with ANA, Peach and AirJapan. The new AirJapan brand began operations in February 2024, bringing the Group's total number of brands to three. We intend to win market share and maximize profits through an optimized portfolio, responding 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 target customer. We intend to execute the brand concept of each company in a way that covers demand globally.

The three companies developed a joint air transportation plan in fiscal 2023 to optimize our route network. Other efforts to improve migration among brands through marketing and sales include reservation screen transitions and linking ANA Mileage with Peach Points and AirJapan flight vouchers.

We intend to adjust service routes, schedules, the number of flights, etc., while collaborating in aircraft procurement and maintenance, pursuing greater coordination and functional integration among brands to maximize profitability in our airlines business under the ANA Group Corporate Strategy.

Brand Definitions

	Segment	Major Airports	Brand Concept	Targets	Value Provided
	Full-Service Carrier	Haneda Narita	Top-tier mobility on the strength of a full lineup of routes and services, offered with consistent quality	<ul style="list-style-type: none"> Business/leisure from Japan Wealthy people from abroad, etc. 	<ul style="list-style-type: none"> Premium quality One of the world's largest networks to/from Japan Contribution to the global environment and society
	Low-Cost Carrier (LCC)	Kansai Narita	An airline serving as a bridge across Asia to further the exchange of people, goods, and services, while inspiring human emotion	<ul style="list-style-type: none"> Leisure and VFR* Leisure segment of 20-30 year olds Inbound travel demand from Asia destinations 	<ul style="list-style-type: none"> Reasonable and acceptable prices Simple and easy-to-use systems Easy travel, unique programs
	Hybrid Airline	Narita	A new kind of air travel based on Japanese concepts and quality	<ul style="list-style-type: none"> Leisure and VFR Inbound travel demand from Southeast Asia and other countries 	<ul style="list-style-type: none"> Fare levels competitive with LCCs Service levels to suit all preferences New levels of comfort Japan quality

* VFR: Visiting Friends and Relatives

ANA Message from the President



Fiscal 2023 was favorable for both international and domestic passenger operations. Strong inbound travel demand to Japan and domestic leisure demand reflected the reclassification of COVID-19 to a Category 5 infectious disease. We are truly delighted to welcome back so many customers, and I want to express my deepest gratitude for everyone's tremendous support.

Fiscal 2024 will mark a turnaround point in the FY2023-25 ANA Group Corporate Strategy, which we designed to put the company on a firm footing toward a return to a growth trajectory. We are committed safety as a social responsibility. At the same time, we will accelerate our transformation to increase earnings and enhance corporate value, leading to a leap forward in fiscal 2026 and beyond.

We believe there is room to expand our customer base from overseas in the Passenger Business by increasing the ANA brand recognition internationally. With the opening of the Haneda-Milan, Haneda-Stockholm, and Haneda-Istanbul routes scheduled before the COVID-19 pandemic, we expect to grow our route network for the ANA brand. Our three airlines—ANA, Peach, and AirJapan—will examine the best way to optimize the group network over the medium to long term.

In the Cargo Business, we will leverage our strength as a combination carrier that owns both passenger and freighter aircraft, and we will continue to focus on capturing demand

related to automobiles and semiconductors—our main major commodities—as well as demand for special cargo and other high-priced commodities generally considered difficult to transport. We plan to construct Cargo Building No. 8, our largest cargo facility, in the cargo building area at Narita Airport in October 2024. We will consolidate the cargo terminals currently dispersed across six locations to create a highly efficient and competitive system with state-of-the-art equipment and improved productivity.

The ANA brand stands for high quality, as evidenced by our highest rating of 5-Star from SKYTRAX for 11 consecutive years. As we maintain this quality, we will look toward automation and self-service to meet needs and maximize customer experience value through digital technology, in addition to adding value of the type only possible through human services. We also aim to improve productivity and creativity by investing even more in our people, the source of value-added creation, and improving employee engagement.

Having overcome the COVID-19 pandemic, we are confident that our efforts were not in error. Momentum is building throughout the Company for a further leap ahead. We will continue to work for rapid change through the spirit of venture that has guided us since our founding, acting with speed and using the new value we gained from the pandemic for *Uniting the World in Wonder*.

1. Multi-brand Strategy

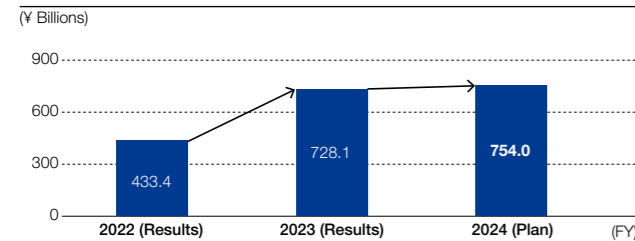


ANA Brand (International Passenger)

Fiscal 2024 Strategy Key Points

- 1) Maintain high yields by optimizing passenger mix (focus more on demand to/from Japan than connection)
- 2) Increase capacity on European routes by 30% year on year and expand route network Routes to Munich and Paris (daily), route to Vienna (resume), routes to Milan, Stockholm, and Istanbul (new)

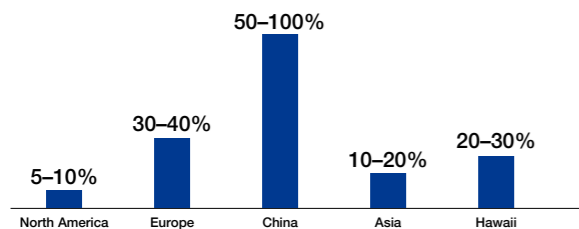
Operating Revenues



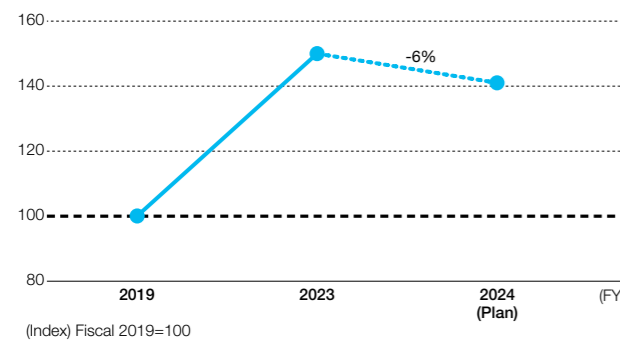
Market Outlook

Supply-Demand Balance Beginning to Ease

Seat supply for routes to/from Japan in Fiscal 2024 (YoY growth; ANA forecast)



Yield Performance



Yield remained higher than planned in fiscal 2023 with strong passenger demand, resulting in a significant increase in operating revenues year on year.

The fiscal 2024 market outlook calls for an increase in the supply of seats on routes to and from Japan across all routes, while supply-demand balance is expected to ease.

The ANA policy calls for increasing the composition ratio of passengers to and from Japan, where the unit cost is relatively high, optimizing passenger mix and maintaining yield.

We also plan to expand our route network by increasing capacity on European routes by approximately 30% compared with fiscal 2023. These routes have been slow to recover due to the situation in Ukraine and Russia. Specifically, we will convert the existing Munich and Paris routes to a daily service and resume the Vienna route, which had been suspended due to COVID-19. We will also open three new destinations in Milan, Stockholm, and Istanbul, beginning with the winter schedule in fiscal 2024. Our aim here is to increase revenue by expanding our network for European routes.

We are in the process of applying for antitrust immunity (ATI) approval for a joint venture with Singapore Airlines. This joint venture would strengthen our network in Asia, where airline demand should grow in the medium to long term. Through efficient route planning in Asia and Oceania (including Singapore, India, and Australia), improved connections at transit points, and a standard fare structure, we aim to increase revenues while improving customer convenience.

ATI Approval for a Joint Venture with Singapore Airlines

We received conditional ATI approval from the Ministry of Land, Infrastructure, Transport and Tourism in April 2024 for joint ventures between Japan and Singapore and between Japan and other eligible countries*. We also filed an application for ATI approval with the Singaporean authorities, and our application is currently under review.

We plan to apply for ATI approval in other countries in due course.

* Other eligible countries: Australia, India, Indonesia and Malaysia

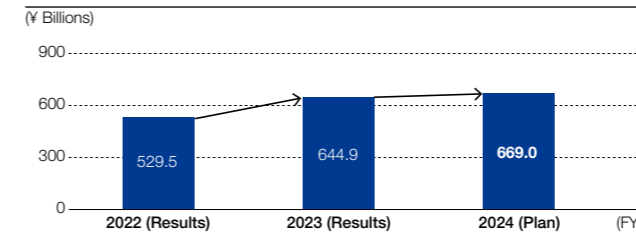


ANA Brand (Domestic Passenger)

Fiscal 2024 Strategy Key Points

- 1) Strengthen capture of passenger numbers, focusing on strong leisure demand
- 2) Implement fare increases, planning for unit price to increase +5% compared to pre-COVID-19

Operating Revenues



Fiscal 2023 revenues increased year on year, mainly due to strong leisure demand.

We expect fiscal 2024 revenues to exceed fiscal 2023 as we continue to capture leisure demand and maintain unit prices above pre-COVID-19 levels.

We expect business demand to remain at approximately 70% of the pre-COVID-19 levels, while leisure demand should continue to exceed pre-COVID-19. ANA will coordinate with Peach to build an optimal route network for capturing strong demand.

In addition, certain fares were already raised at the end of March 2024. Our plan calls for an increase in revenue of approximately ¥9.0 billion, including an approximately 5% hike in FLEX and other high-priced fares. By seeking appropriate fares based on demand for each route and flight, we will achieve a unit price level approximately 5% higher than pre-COVID-19.

Point 1

(Plan Assumptions)

Leisure demand expected to remain strong

Business Demand vs. pre-COVID-19 Approximately 70%

Leisure Demand vs. pre-COVID-19 100%-plus

Point 2

(Plan Assumptions)

Fare Revisions

Increased select fares** by approximately 5%** beginning March 31

Revenue Increase ¥9.0 billion

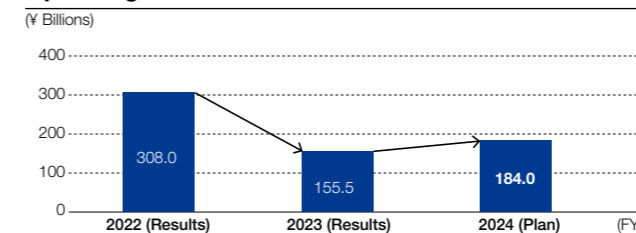
*1 Premium fares, FLEX fares, shareholder benefits, business tickets, etc.
*2 Reduced on certain fares and routes

International Cargo Business

Fiscal 2024 Strategy Key Points

- 1) Capture recovering demand of major commodities by passenger flights (belly) and freighters
- 2) Reform Cargo Business strategy after finalizing NCA share exchange

Operating Revenues



Fiscal 2023 revenues were lower year on year as the supply-demand balance normalized with the continued decline in demand for major commodities.

Performance should recover gradually in fiscal 2024 with a recovery in demand for major commodities, particularly automobile- and semiconductor-related. Leveraging the strength of a combination carrier with both cargo and passenger flights, we plan to optimize our route network and space for freighter and passenger aircraft to best capture recovering demand. We expect to maintain unit price at a higher level year on year by capturing special cargo using wide-body freighters and by capturing high unit price merchandise through the highest levels of transportation quality.

We expect the effective date of the acquisition of shares of Nippon Cargo Airlines to be March 31, 2025, once the examination of the business combination by the relevant authorities has been completed. We continue making arrangements to finalize the transaction as quickly as possible.

Point 1

(Plan Assumptions)

Increased demand for major commodities

Automotive-related Restored production lines

Semiconductor-related Gradual recovery from 2H

Point 2

Continue to maintain high unit price

More than twice pre-COVID-19 (2019)

vs. FY2023 Approximately +10%

1. Multi-brand Strategy

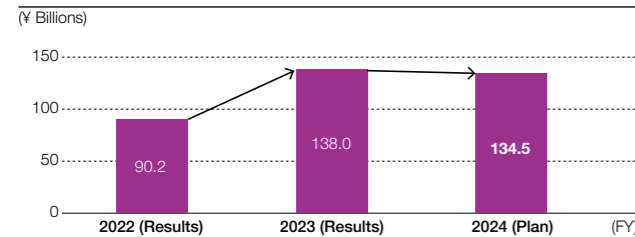


Fiscal 2024 Strategy Key Points

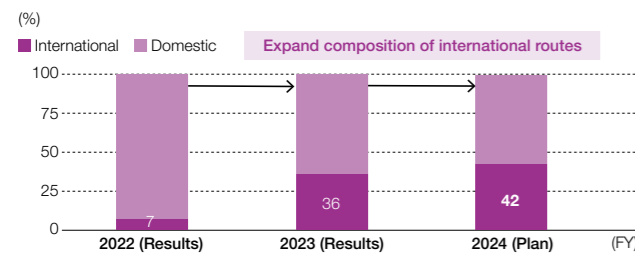
- 1) Contribute to group profits by expanding the composition of international routes, particularly in East Asia
- 2) Improve operations and service quality (e.g., on-time departures)

Revenue Plan

Operating Revenues



Assumptions: ASK Composition



By capturing strong inbound travel demand and domestic leisure demand in fiscal 2023, we posted revenues significantly higher year on year. We also posted a full-year operating income for the first time in five fiscal years.

We plan to expand the composition of international routes in fiscal 2024, particularly to East Asia. With the prospect of increased market competition, including additional capacity, we plan to lower unit prices year on year. However, we aim to maximize revenue by capturing the strong demand for inbound travel to Japan through improved operations and service quality, as well as measures to stimulate demand.



peach Message from the President



In fiscal 2023, we recovered from the COVID-19 pandemic, supported by the most robust market conditions and demand experienced since our founding. We endeavored to maximize revenues on domestic routes by stimulating demand, particularly leisure and VFR demand. On international routes, we resumed the Haneda-Shanghai and Kansai-Shanghai routes in May 2023, increased flights on the Narita-Taipei route in June, and resumed flights on the Kansai-Kaohsiung route in August. By expanding routes, adding flights, and increasing the allocation of resources to international routes, we captured the strong inbound travel demand to Japan.

Peach celebrated our 12th anniversary in March 2024. We created a new vision based on our past accomplishments, proclaiming a flight full of respect for everyone as a new step forward. Our goal is to make air travel easy and comfortable for all, helping make that journey part of a cherished memory for our customers, not just a way to travel from point A to point B. That is our desire.

We take on the challenge to create new customer value through unique initiatives only available to and possible by Peach. To continue to evolve and grow, we will strive to satisfy more customers through new Peach value, expanding our Asian destinations further as a bridge between Asia and Japan as stated in our corporate philosophy.

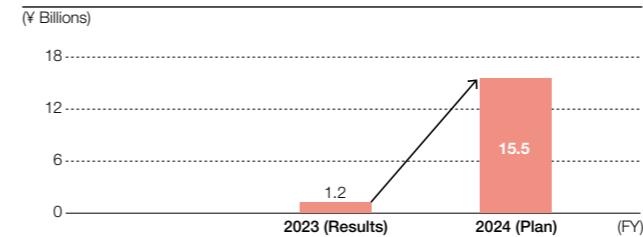


Fiscal 2024 Strategy Key Points

- 1) Increase flight frequencies to major inbound markets in South Asia and elsewhere
- 2) Strengthen competitive advantage by leveraging superior products and services while stabilizing operations quality

Revenue Plan

Operating Revenues



Point

Open new routes and add more flights to existing routes

- 1) Narita-Singapore route (launched April 26; five flights per week)
- 2) Narita-Seoul route changed to daily service (April 29)
- 3) Narita-Bangkok route changed to daily service (April 30)

AirJapan began operations in February 2024 as a new brand of the ANA Group. We plan for approximately ¥15.5 billion in AirJapan operating revenues in fiscal 2024.

As a hybrid airline, we aim to optimize the group's overall portfolio by differentiating from the ANA and Peach brands, basing our strengths in comfort and affordable fares that surpass those of our competitors.

In fiscal 2024, AirJapan will operate three routes with a two-plane fleet, focusing on attracting strong demand from passengers visiting Japan.



AIRJAPAN Message from the President



On February 9, 2024, AirJapan began operations as a new brand utilizing mid-body Boeing 787 aircraft to serve the future growth markets of Southeast Asia. We created highly competitive service, including Japanese-style boarding music, in-flight meals highlighting the appeal of food from various regions of Japan, and seats that emphasize comfort. And while we obsess with cabin space to the most minute detail, we offer three types of reasonable fares to meet passenger travel styles.

Our first route was Narita-Bangkok. Subsequently, we added Narita-Incheon and Narita-Singapore. Overseas customers account for approximately 80% of the Bangkok route and 70% of the

Singapore route, and we have captured new demand for the ANA Group. The AirJapan brand will continue to capture strong inbound travel demand, and over the medium term, we will expand routes gradually in pace with fleet growth.

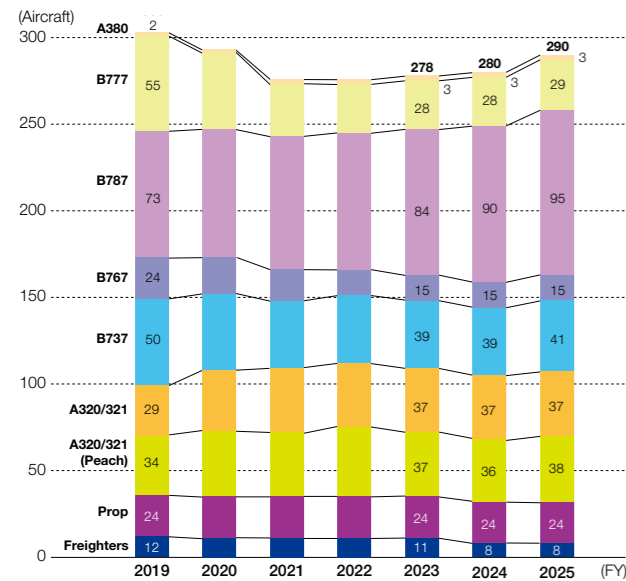
We have encountered certain operational issues since we began service. However, our employees have pulled together to improve ground handling and systems to stabilize operations quality. We will continue to prove our value as the airline of choice by offering experiences, products, and services of the type which AirJapan can be proud.

In addition to the AirJapan brand, we are responsible for certain ANA brand international routes. We endeavor to create an organizational culture in which every employee aspires to take on new challenges, and I tell our employees that we must master playing on both sides of the ball. Many of our employees come from diverse backgrounds, and in fiscal 2023 we hired our first mid-career employees. AirJapan will continue to hire flight crew, flight attendants, and mid-career employees in fiscal 2024, all of whom we expect to contribute to maximizing ANA Group earnings by exercising their talents.

1. Multi-brand Strategy

Fleet Strategy

Number of Aircraft by Model

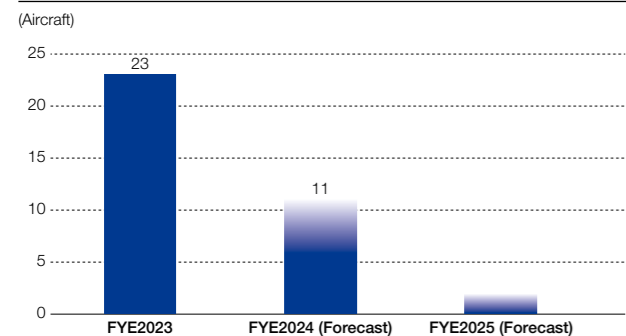


We reduced our fleet through Business Structure Reform during the COVID-19 pandemic, mainly in terms of wide-body aircraft and curbing fixed costs. However, between fiscal 2023 and fiscal 2025 we plan to add mid- and wide-body aircraft, consisting of 15 aircraft including Boeing 787-10 (for domestic and international routes) and Boeing 787-9 (for international flights). In fiscal 2025, we plan to add a Boeing 777-9, the flagship of our international fleet, and a Boeing 737-8 (MAX), a smaller aircraft.

We continue to reduce our environmental footprint by adopting fuel-efficient aircraft.

In other matters, the discontinuation of SpaceJet development delayed the upgrade of next-generation regional jets (under 100 seats). We will consider the direction and timing of the next available narrow-body aircraft/regional jet from the perspective of a changing environment and the profitability of the Domestic Passenger business.

Number of Grounded A320/321neo Aircraft



Our Airbus A320/321neo aircraft were idled due to Pratt & Whitney PW1100G engine inspections. To deal with this situation, we intend to take measures that include deploying mid- and wide-body aircraft on certain routes operated using the A320/321neo. This approach means we will not be able to optimize aircraft allocation to meet demand for the foreseeable future. We are resolving the number of idle aircraft over time, and we continue discussions with the engine manufacturer to resolve the issue as soon as possible.

Introducing the Boeing 787-10, Next-Generation Flagship for Domestic Routes

In March 2024, the ANA Group became the first Japanese airline to operate Boeing 787-10 aircraft with specifications for domestic routes in Japan. With the longest fuselage (68.3 m) in the 787 series, this latest model aircraft boasts a total of 429 seats (28 premium class and 401 economy class seats), combining low fuel consumption and excellent transport capacity. The Boeing 787-10 offers environmental performance and comfort, offering passengers comfortable and confident air travel.



2. Life Value Business / 3. Expansion of the ANA Economic Zone




Initiatives to Expand the Life Value Business

	Profit Growth in Core Businesses	New Business Development
Travel Services	<ul style="list-style-type: none"> ① Build a Travel as a Service (TaaS) platform ② Shift from packaged sales to seamless single-product sales ③ Leverage alliance strategy to expand service lineup (lodging, secondary transportation, experiences, etc.) ④ Improve UI/UX and upgrade recommendation functions 	<ul style="list-style-type: none"> ① Completed ¥7.7 billion in funding from nine companies by July 2024 ② Develop the AI <i>Omotenashi</i> avatar for customer service operations ③ Accelerate proof-of-concept tests with strategic partners (ANA, Yamada HD, LIXIL, etc.) ④ General sales are planned to begin in 2026; IPO planned for fiscal 2027
Trade and Retail	<ul style="list-style-type: none"> ① Strengthen retail business profitability (retail stores and duty-free stores) through DX ② Grow the scale of the electronics business to capture the expansion phase in the semiconductor market ③ Enter the space-related business by leveraging Airline Group expertise ④ Create new businesses through business and capital alliances 	<ul style="list-style-type: none"> ① Prepare for operations during the EXPO 2025 OSAKA, KANSAI, JAPAN ② Coordinate with related parties to begin commercial operations during fiscal 2026 ③ Established a structure in Japan to commercialize with Joby Aviation of the U.S. ④ Partner with real estate operators and large retailers to develop facilities at origin and destination sites

ANA Future Frontier Fund, ANA Group's First Corporate Venture Capital (CVC) Fund!

In April 2024, we and Global Brain established a corporate venture capital (CVC) fund, "ANA Future Frontier Fund L.P." We will accelerate open innovation transcending national and corporate boundaries by investing in promising startups from around the world. Areas of investment represent a wide range of specialties: (1) next-generation mobility (air mobility, drones, MaaS, space, etc.); (2) customer base utilization businesses (fintech, NFT, data analytics, etc.); (3) carbon neutrality (SAF, DAC, carbon offset, etc.); and (4) aviation service and operations (AI, robotics, etc.). By enlisting the help of startups, we aim to create new businesses, strengthen existing businesses, and improve the efficiency of airline services and operations. We must improve in areas where we cannot necessarily improve with our own resources and assets alone if we are to capture new revenue opportunities.

Mechanisms to Encourage Customer Migration and Expand the ANA Economic Zone

	Progress to Date	Future Actions
Gate App	<ul style="list-style-type: none"> ① Relaunched the ANA Mileage Club App as the ANA Economic Zone Gate App ② Includes mini apps that seamlessly connect ANA Group services* * ANA, ANA Pocket, ANA's Hometown Tax, Travel CUBE, ANA Mall, etc. 	<ul style="list-style-type: none"> ① Add/upgrade original, attractive mini apps ② Expand cross-selling between air/non-air businesses ③ Generate advertising revenues with registered user growth
New EC Mall	 <ul style="list-style-type: none"> ① Launch a mall offering everyday items beyond travel-related products ② Pursue an attractive product lineup through the best mix of direct management and partnerships ③ Expanded from 23 stores (at time of launch) to 111 stores as of June 30, 2024 	<ul style="list-style-type: none"> ① Expand the number of stores and attract large stores ② Improve UI/UX to focus on purchase flow ③ Optimize data-driven recommendations
New Payment Function	<ul style="list-style-type: none"> ① Significantly expanded payment functions as a wallet in the ANA Economic Zone ② Payment equates 1 mile to 1 yen, helping create a world in which people live in a mileage-based ecosystem * Charge: Credit card, bank account, ATM, miles; Payment: iD, Visa touch, online 	<ul style="list-style-type: none"> ① Diversify recharging and payment methods ② Accumulate and use purchasing data to encourage migration ③ Minimize customer churn rate by reducing lost mileage
Examples of Migration within the Group	 <ul style="list-style-type: none"> • Began directing users to the overseas travel insurance sales site from the completion screen of the international flight reservation function on ANA Sky Web • Sell small, short-term insurance products within ANA Pay/Pocket 	 <ul style="list-style-type: none"> • Add mini app within the ANA app for Hometown Tax donations • Redesign ANA Aozora Ichiba (website selling local products) and open as the MeGourmet store in the ANA Mall

Message from the Executive Officer



TSUDA Yoshiaki

ANA HOLDINGS INC.
Executive Vice President
Director of Future Creation,
ANA Economic Sphere

We formulated a new ANA Group Corporate Strategy for the first time in five years since our return to a growth trajectory in the wake of the COVID-19 pandemic. The three pillars of this strategy are (1) Maximize profit in airline business; (2) Expand non-airline profit domains, and (3) Expand the ANA Economic Zone for sustainable growth. The Future Creation Department, responsible for accelerating progress in non-air profit domains, will lead the ANA Group through enthusiastic team management toward achieving our management vision, *Uniting the World in Wonder*. Beyond building momentum, we will develop new businesses rapidly with a future orientation unbound by past experience or standards. To ensure the achievement of this vision, we will provide comprehensive support in the idea creation, proof-of-concept testing, market feasibility study, launch, and revenue stabilization phases.

The other pillars of our strategy are to expand the ANA Economic Zone as quickly as possible and create a world in which people live in a mileage-based ecosystem. To this end, we began preparations during the COVID-19 pandemic with ANA X to expand functions and encourage the use of the Gate App, ANA Mall, and ANA Pay functions. For ANA Group companies to maximize the use of this ANA Economic Zone platform, we must develop a business environment while seeking bold solutions to issues having high management impact. Such issues include capital investment, systems development, securing human capital, and operational structures.

Embracing the venture mindset passed down in the ANA Group since our founding in 1952 with two helicopters, we will pursue open innovation with startups and other business partners, doing our utmost to create new value. I urge you to look forward to how the ANA Group's business portfolio will change in the future.

Financial Strategy

Recover Financial Base

		FY2023-25 ANA Group Corporate Strategy Build basis for growth		FY2026 and beyond Full-scale growth
		FY2023 Results	FY2025 Forecast	Medium-Term Direction
Recover financial base	Liquidity on hand	¥1,257.8 billion	¥800.0 – ¥900.0 billion	¥500.0 billion
	Interest-bearing debt	¥1,482.0 billion	¥1,050.0 billion	Control in light of an optimal capital structure
Reduce total assets	Shareholders' equity ratio	29.3%	Approximately 37%	Shareholders' equity ratio to 45%
	Credit rating (R&I)	Recover A rating (A-)	Maintain A rating	Acquire A flat

While we are making steady progress in recovering our financial base, we have not made any major changes to our previously announced financial strategy. Our approach to the allocation of management resources in the FY2023-2025 ANA Group Corporate Strategy will continue to emphasize financial discipline, while steadily generating free cash flow as we invest conscientiously and maintain stable dividends to shareholders. Shareholders' equity will increase through profit accumulation as we repay interest-bearing debt using free cash flow and cash on hand, creating strong financial resilience.

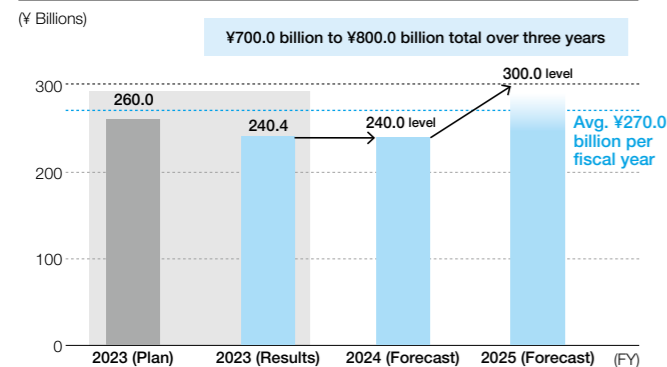
International Business expansion in the post-COVID-19 growth phase will be indispensable. In the same vein, we must

assume a reasonable risk of performance fluctuations based on the characteristics and scale of the business. In addition to the working capital required for normal operations and funds to repay debt and make investments, contingency reserves should include funds for advanced ticket sales and funds to cover fixed cost expenditures until other funds are procured. Based on these considerations, we estimate that the appropriate level of liquidity on hand over the medium term is ¥500 billion.

Some investors have said that current liquidity on hand may be excessive. We will lower this balance gradually to the ¥500 billion level through the repayment of subordinated loans, scheduled for fiscal 2025 and later.

Capital Expenditure Plan

Capital Expenditures



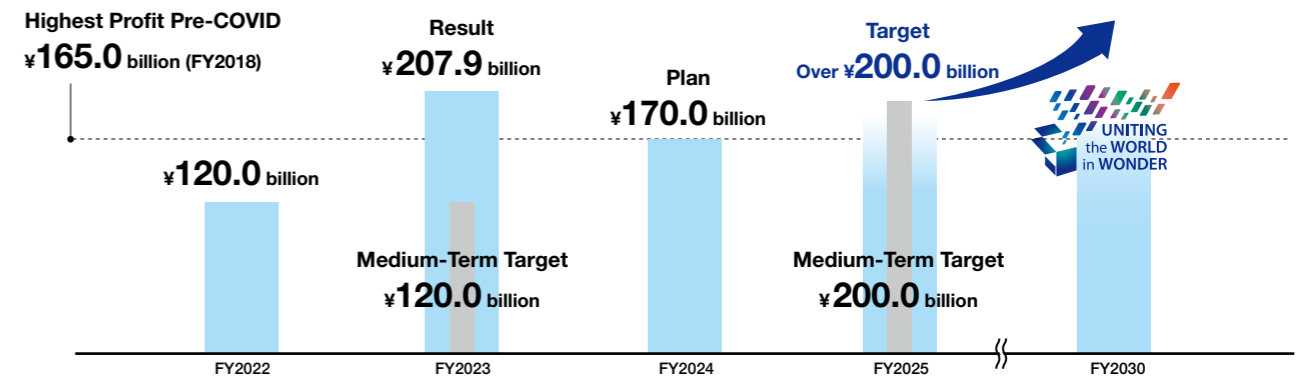
The timing of certain investments planned for fiscal 2023 will be postponed to fiscal 2024 or later due to the delay in the receipt of some aircraft. We expect the total over the three years from fiscal 2023 to fiscal 2025 to be around ¥700 billion to ¥800 billion, well within the range of the original plan.

Value Creation Goals

Future Profitability Goals

		FY2023 Results	FY2024 Plan	Medium-Term Direction
Profitability	Operating Revenues	¥2,055.9 billion	¥2,190.0 billion	Global Top-Tier Profitability
	Operating Income	¥207.9 billion	¥170.0 billion	
	Net Income	¥157.0 billion	¥110.0 billion	
	Operating Income Margin	10.1%	7.8%	Over 10%
	EBITDA	¥350.2 billion	¥319.0 billion	Above Pre-COVID-19 Level
	EPS	¥335.1	¥234	
Capital Efficiency	ROA	6.1%		Over 8%
	ROE	16.5%		Over 12%

Consolidated Operating Revenues



Last, let's look at our value creation goals.

We aim to achieve record-high consolidated operating income of ¥200 billion in fiscal 2025 by recovering capacity to roughly pre-COVID-19 levels.

We will continue to maintain a high level of profit as we strengthen our non-financial approach to medium- and long-

term growth, including human capital and the environment.

Fiscal 2030 is the target year for achieving our new management vision. The ANA Group will work as one to return to a growth stage, supporting our aim to be a global top-tier airline in terms of profitability and financial strength.

DX Strategy



Achieving Our DX Vision

In this age of volatility, uncertainty, complexity, and ambiguity, companies must think about conducting business with a constant awareness of the use and transformation of digital technologies. Companies cannot afford to be bound by the status quo or perceived reality, but should instead work with an eye toward the kind of world we want to create or change.

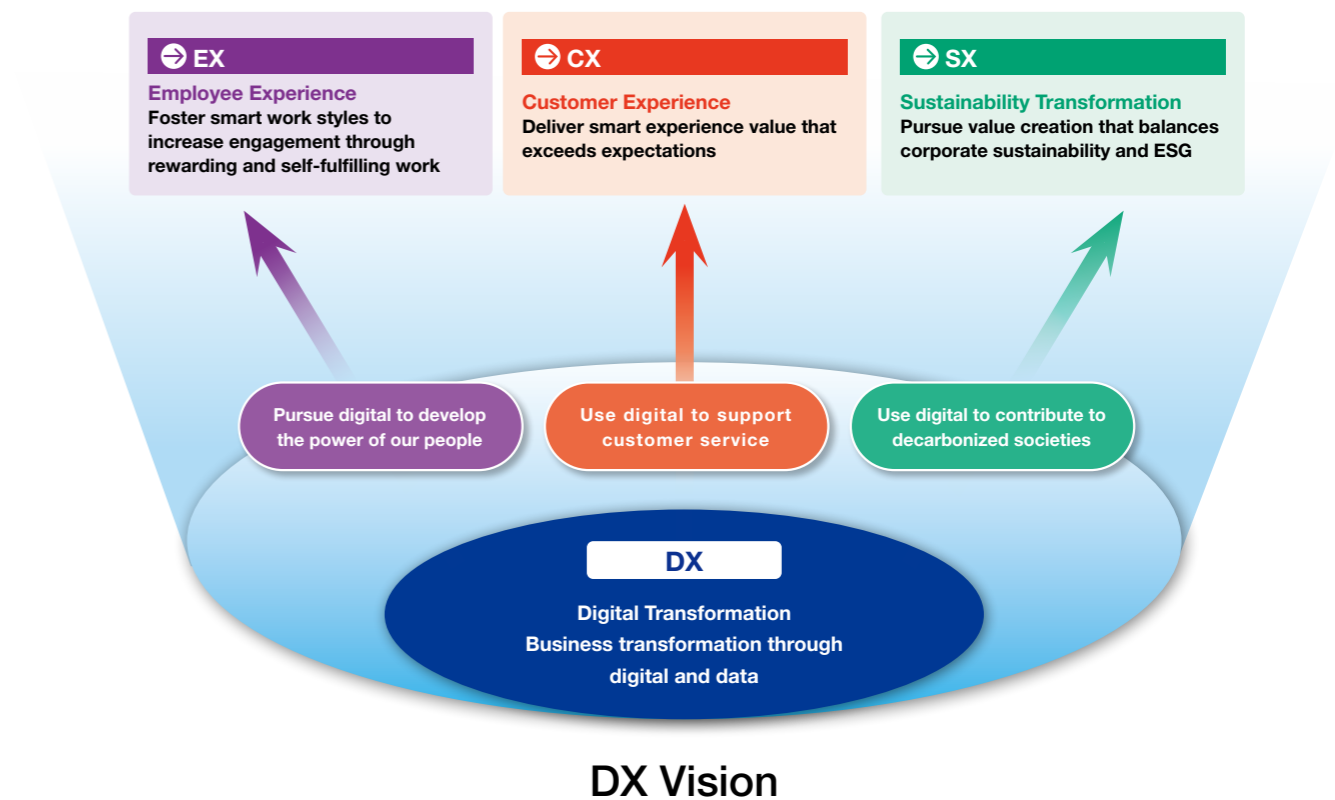
The ANA Group formulated the DX Vision to define our ideal future in relation to digital transformation (DX). We seek business transformation that creates a sense of wonder not only through reformed internal business processes but also through digital technologies and data. In this way, we aim to improve employee experience (EX) through smarter work styles, customer experience (CX) by exceeding expectations, and sustainability transformation (SX) by balancing corporate sustainability and ESG compliance.

The current ANA Group Corporate Strategy covers fiscal 2023 through fiscal 2025. This strategy emphasizes strengthening our capacity to transform, including groupwide data management and the recruitment and developmental support of technology-literate human capital ("digital talent"). These two elements are critical for the group to achieve new value in the real-world transportation of people and goods and expanding our virtual and digital businesses by adapting to changes in society. The use of data is of particular importance in this context. We plan to integrate data collected from the

management, marketing, and operations areas of our business, utilizing the data across the group, instead of hoarding data in vertical silos. This shift to data-driven business models will help us acquire new customers and expand the *ANA Economic Zone*.

In the past, we stated that DX is one important element in our management foundation. To respond properly to the various environmental changes surrounding the airline industry, we must redefine DX as the center of our corporate strategy, moving boldly forward to transform our businesses. We must engage in the following three specific measures to ensure the competitiveness of the ANA Group: (1) Smart travel (maximize customer experience value by leveraging customer data and enhancing human services based on scene characteristics); (2) Operational sophistication (achieve business process reforms through the fusion of real and virtual); and (3) Concrete digital strategy that multiplies the power of people (improve productivity and enhance competitiveness by using digital technology and focusing on tasks that only people can perform).

While we continue to strengthen our DX infrastructure, we are accelerating the transformation in our operations and businesses as we seek to achieve our DX Vision and the goal beyond: *Uniting the World in Wonder*.



DX Infrastructure

The aim of the FY2023-25 ANA Group Corporate Strategy is to enhance our DX infrastructure through three initiatives: recruiting and developing digital talent, data usage, and IT investment.

In pursuing DX, we must not only secure specialized human resources but also develop human resources capable of using digital technology effectively in every department. We must improve the digital literacy of all employees and create new value by combining these business and digital skills. In fiscal 2022, the ANA Group established an education system for digital skills, called ANA Digital Resonance, to **recruit and develop digital talent** within the group.

The program is designed in particular to develop Digital Leads, who will lead business transformation in every operating department through digital and data. In addition to basic knowledge, the program offers two courses for problem-solving using digital data in specific business scenarios. Instructors from the ANA Digital Transformation Office guide participants through approximately three months of training, after which participants are ready to solve problems independently and create new value in their respective departments. As of the end of fiscal 2023, approximately 70 individuals have graduated, including representatives from group companies. We aim to expand the scope of DX in our businesses through continuing efforts.

We also improve digital literacy targeting various levels of employees, holding discussions on the use of AI among management and sharing examples of DX initiatives with all group employees.

In addition to hiring new graduates and specialized mid-career professionals, we secure digital talent by actively identifying and training people with digital backgrounds already within the group. These plans and measures are progressing in line with plans.

In terms of **data usage**, we are looking to use BlueLake, adopted in 2022, at an even more advanced level. As the ANA Group data usage platform, BlueLake provides dashboard



Digital Lead training

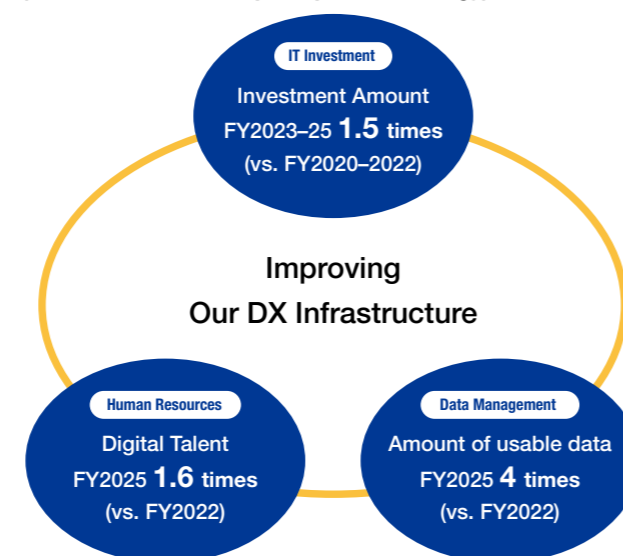
functions, advanced analysis tools, data extraction, and other functions. A team of young employees led development, which they completed in about four months. We established an agile team of in-house data engineers and scientists to expand the data that currently works to connect various systems and support their use based on the needs of each department.

As a result of these efforts, we increased the amount of data available for use across the group as of the end of fiscal 2023 by 2.5 times compared with fiscal 2022. And we are making steady progress toward creating a data-driven decision-making cycle.

One example of how data visualization using BlueLake speeds up the decision-making cycle is our ability to visualize the number of customer reservations and confirm the gap between expected demand and sales via the BlueLake dashboard. We are conducting truly data-driven decision-making, with members of the same department making decisions based on data and a shared understanding. We will continue to expand data available to pursue business transformation at a more sophisticated level based on multi-faceted analysis and data use.

We increased **IT investment** by 1.3 times compared with fiscal 2020 through fiscal 2022. These investments include an enterprise system upgrade project to integrate our international and domestic passenger services systems and make systematic improvements to customer experience value, productivity, and other initiatives. As we continue to improve our DX infrastructure, we will create value through group synergies resulting from digital and data, evolving ANA Group data-driven management.

Major Initiatives to Improve Our DX Infrastructure (FY2023-25 ANA Group Corporate Strategy)



Major Initiatives

→ ANA App Redesign

We redesigned the ANA app in November 2023. The My Booking screen redesign provides smoother access to all information related to boarding. The app improved three function buttons (“Seat,” “Check-In,” and “Mobile Boarding Pass”) to display more quickly depending on status of the customer. In addition, the app offers personalized recommendations based on customer interests and concerns.

The ANA Digital Hangar (ADH) team drove this major upgrade through agile development. The team focused on rapid function development, moving from hypothesis to implementation while focusing on customer experience value.

We will continue to evolve ANA Smart Travel to maximize customer experience value and provide smooth and stress-free travel for all.



→ Ground Handling Operations Automation and Mechanization

The ANA Group is building a mechanism to support airport operations to secure human resources necessary for airport work. These mechanisms aim to improve the attractiveness of work and encourage innovation, leading to smaller, more resilient operational structure.

As part of this effort, we have conducted demonstration tests for the practical use of uncrewed transport. The tests involve using a self-driving towing tractor (truck used to move cargo onboard aircraft) at Haneda Airport, where the cargo shed and terminal are separated by a long distance and cargo transportation requires significant labor. Current testing focuses on autonomous driving Level 4*. We aim for practical implementation at Haneda Airport by the end of 2025, once we verify economic feasibility and other matters.

We will continue to reevaluate the roles of people and technology from top to bottom, making the most of automation and mechanization in airport ground handling operations to raise productivity. At the same time, we will dig deeper to improve work of the type only people can do, maximizing customer value while raising the sense of reward and job satisfaction among employees. Ultimately, we expect these efforts to increase the attractiveness of the airline industry even further.



* Autonomous driving level 4: All driving operations are automated across a limited area that meets specific driving environment conditions.

→ Using AI to Optimize In-Flight Meal Loading

Reducing food waste and improving customer satisfaction are important topics related to in-flight meal loading.

The ANA Group adopted a system to collect data from various systems related to in-flight meals, using AI to predict the optimal number of meals to be loaded. This program helps us minimize waste related to in-flight meals, while ensuring flexibility to meet diverse passenger needs and sudden schedule changes. The approach has been particularly effective for ANA domestic premium class, where the number of passengers often fluctuates until the last minute. Using AI also aids the efficiency of information gathering and forecasting. We expect to improve forecasting accuracy further as we accumulate more data.

We continue to pursue value creation that balances corporate sustainability and ESG, utilizing ANA Group digital data across a broad range of settings.



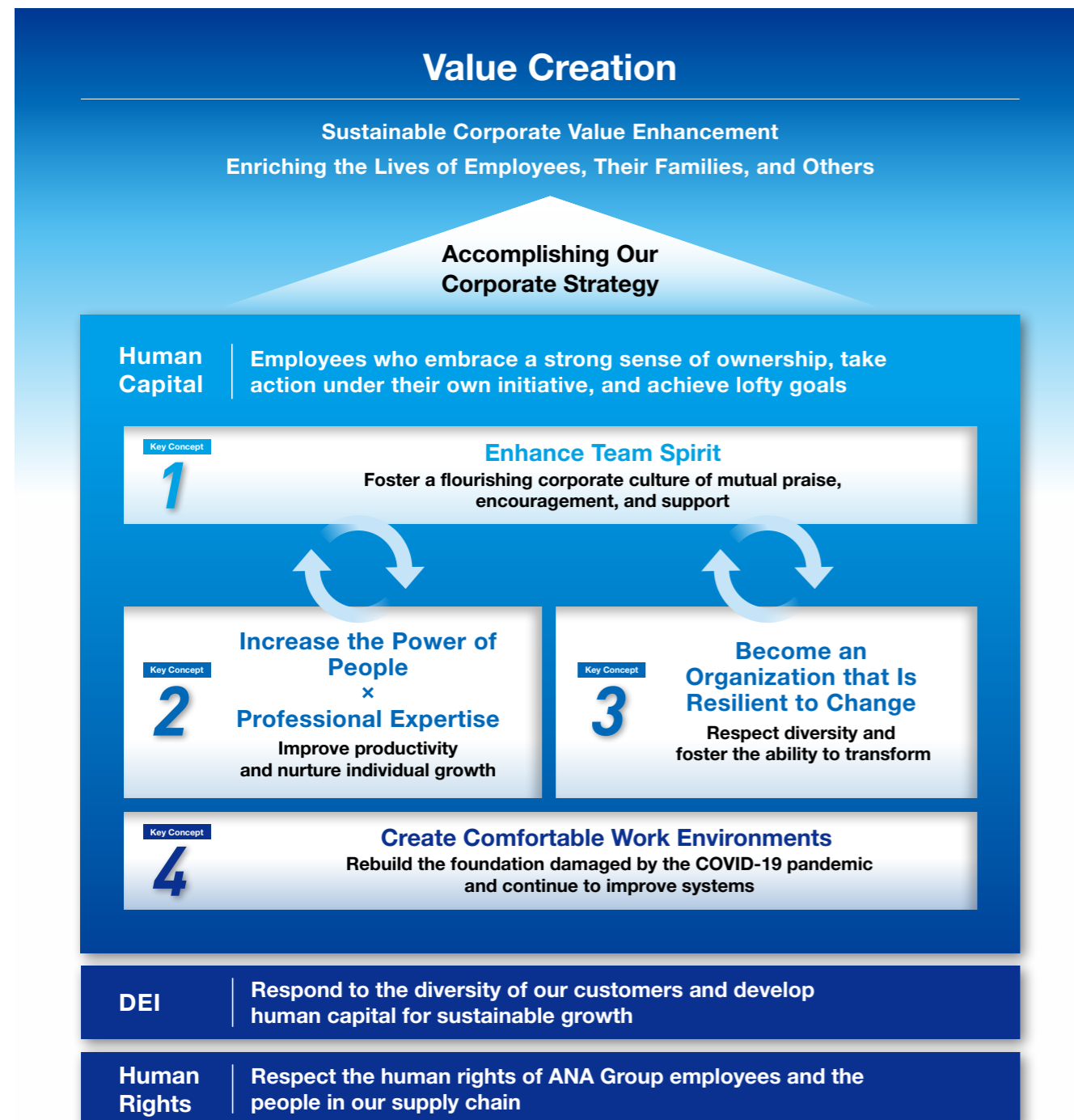
Basic Approach

We define people as a materiality at the ANA Group (human capital, DEI, and human rights).

Our aim is to create a virtuous cycle of value-added creation through investments in human capital to maximize the power of our people and teamwork, the true sources of value creation. In this way, we will seek sustainable corporate value enhancement.

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

Meanwhile, ANA Group business operations have the potential to 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.



Message from the CHO

We create a strong ANA Group by enhancing the individual sense of ownership and motivation to achieve.

NAOKI Yoshiharu

Executive Vice President, Representative Director
Group Chief Human Resource Officer (CHO)

In addition to being an ANA HOLDINGS director, I began serving as head of Group Corporate Strategy and Group CHO in fiscal 2023. Having a single director in charge of corporate strategy and human capital strategy is an effective way to link both strategies, and we have already embarked on activities to strengthen this link.

At the beginning of the fiscal year, the Human Resources Department and Corporate Planning Department collaborated in further discussions on issues related to people and organizations for accomplishing our corporate strategy. We received advice from investors and experts, revisiting the linkage with our human capital strategy. Based on these discussions, we implemented an action plan to strengthen our human capital, the source of the ANA Group value. This plan reflects management-level discussions on what makes human capital management at the ANA Group unique and what measures we should take.

The strengths of our group are the power of our people—the high level of expertise and skills in aviation and our desire and attitude to bring smiles and joy to customers—and the power of our organization—teamwork that transcends job descriptions and other organizational barriers to produce results through collaboration. To accelerate our management approach that leverages these strengths, Group Representative Director, President and CEO Shibata communicates the cycle of added value creation beginning with investments in human capital to employees to raise awareness.

First, we invest in human capital to improve employee engagement, enhance the individual sense of ownership, and raise the motivation to achieve. The consistent pursuit of basic quality and improved productivity by all ANA Group employees working toward the same goal results in customer satisfaction and stakeholder trust, leading ultimately to increased social and economic value. In the process of these activities, we must amplify the mindset of taking the next action, helping every employee experience the joy, confidence, and conviction of his or her own growth and contribution. In this way, employee success results in a sustainable value creation cycle.

One way we put this cycle in motion is through higher wages, which had been controlled during the COVID-19 pandemic. We raised bonuses and increased base wages for a second consecutive year. We also invest in a wide range of human capital initiatives, including improved benefits and training programs. While costs will increase in the short term, we told our employees that we cannot survive or raise wages sustainably without increasing profits. Productivity improvements and value-added creation are how we will ensure profit growth over the medium term.

To this end, our management team listens to employees and ensures meaningful dialogue to gain a firm grasp of information from the front lines, reporting back to the front lines the results of employee input. We will create a resilient ANA Group by fostering environments in which employees embrace a strong sense of ownership and contribute through their talents.

Human Capital Strategy

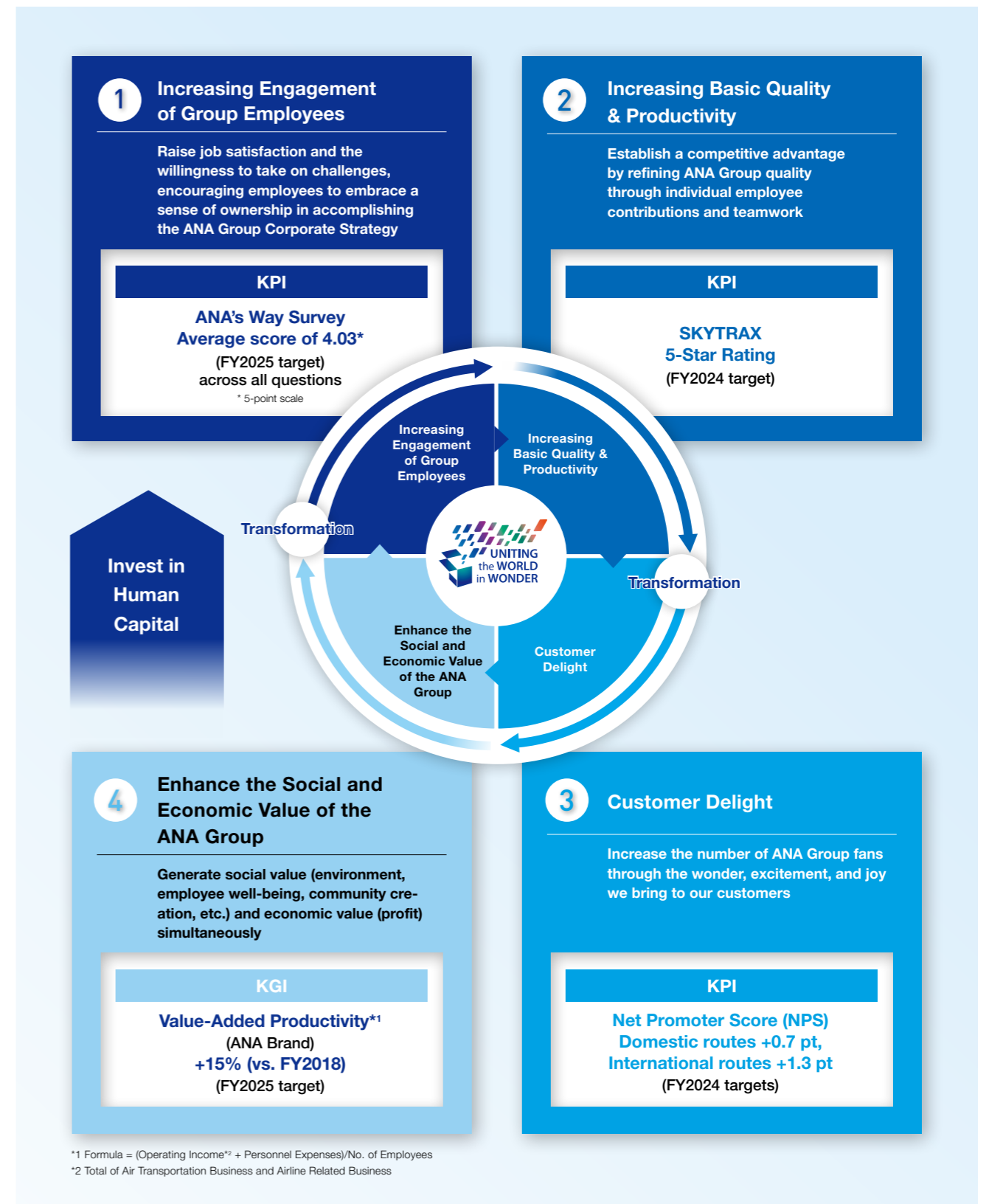
Human capital is the greatest asset of the ANA Group. We intend to improve productivity and enhance engagement, beginning with investments in human capital. The goal of these measures is to maximize the value of every employee, increasing corporate value (social and economic value) over the medium to long term. To this end, we will step up human capital strategy initiatives and ensure the reliable advancement of the value creation cycle.

The ultimate goal of our human capital strategy is to achieve the sustainable enhancement of corporate value (social value and economic value), as well as to enrich the lives of our employees, their families, and all others involved with the ANA Group. Every employee will embrace a strong sense of ownership, take action under their own initiative, and achieve lofty goals.



The Cycle of Value Creation Begins with Investments in Human Capital

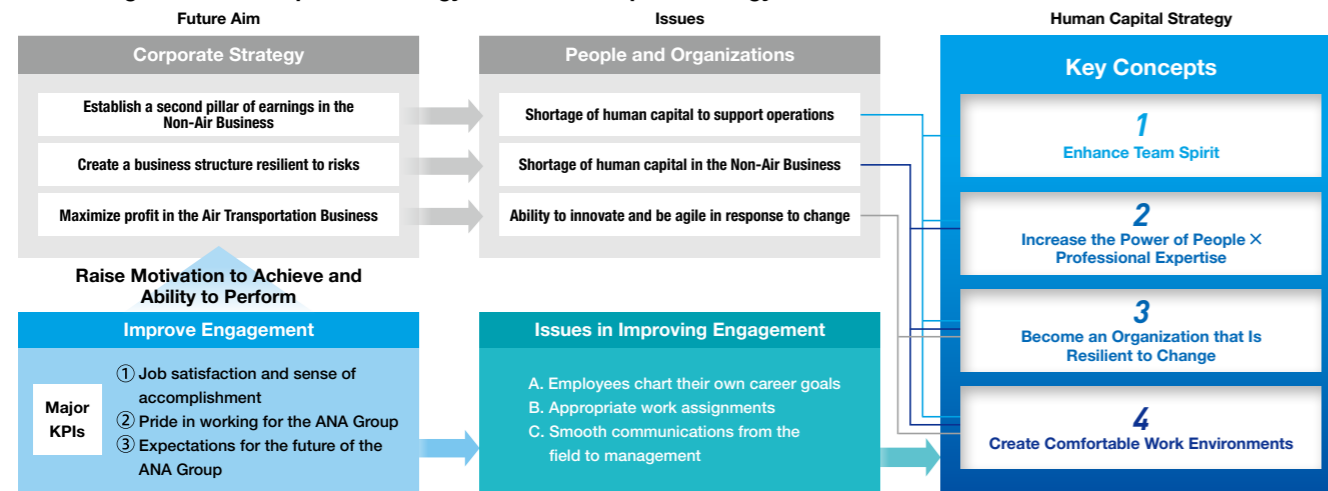
Through investments in human capital, we encourage every ANA Group employee to embrace transformation and contribute to a virtuous value creation cycle unique to the ANA Group.



Identify Issues Related to People and Organizations, and Define Human Capital Strategy Keys

We identified issues related to human capital and strategy execution to increase the practicability of our corporate strategy. We also identified issues related to increasing engagement based on an analysis of employee awareness surveys. Through these activities, we defined priority issues to address through our human capital strategy.

The Linkage between Corporate Strategy and Human Capital Strategy



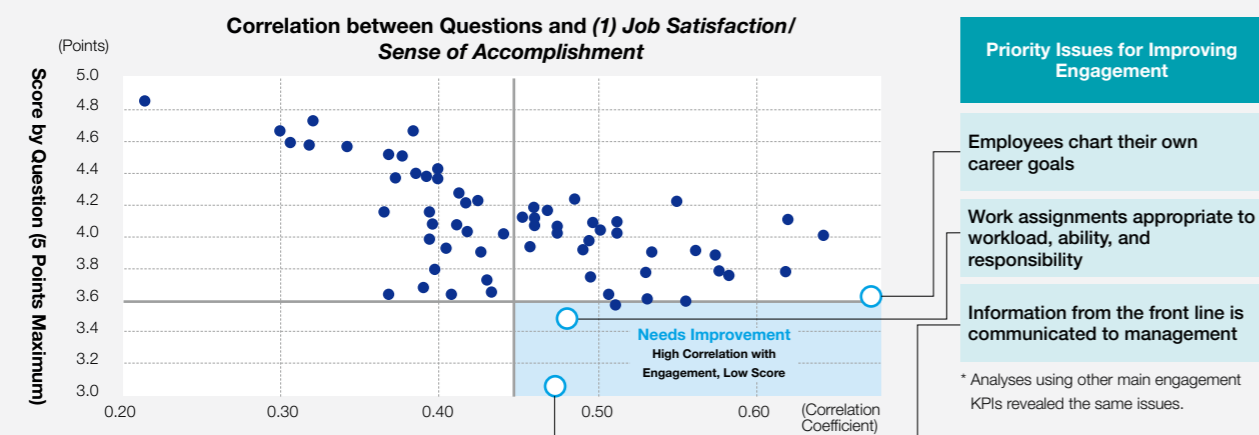
FY2023 ANA's Way Survey (ANA Group Employee Engagement Survey)

- [Survey Overview] Total of 46 ANA Group companies, 35,280 respondents (95.9% response), and 68 questions
- [Survey Results]
- We expect the overall score to remain high, although this year's results were slightly lower than fiscal 2022.
 - Our major KPI scores related to engagement are also trending high.

	2019	2020	2021	2022	2023	
Average Score, All Questions	3.80	3.90	3.97	3.96	3.95	
Major Engagement KPIs*	(1) Sense of job satisfaction and accomplishment in current work	3.74	3.75	3.68	3.75	3.80
	(2) Pride in working for the ANA Group	4.09	3.84	3.99	4.05	4.05
	(3) Positive expectations for the future of the ANA Group	-	-	3.61	3.82	3.87

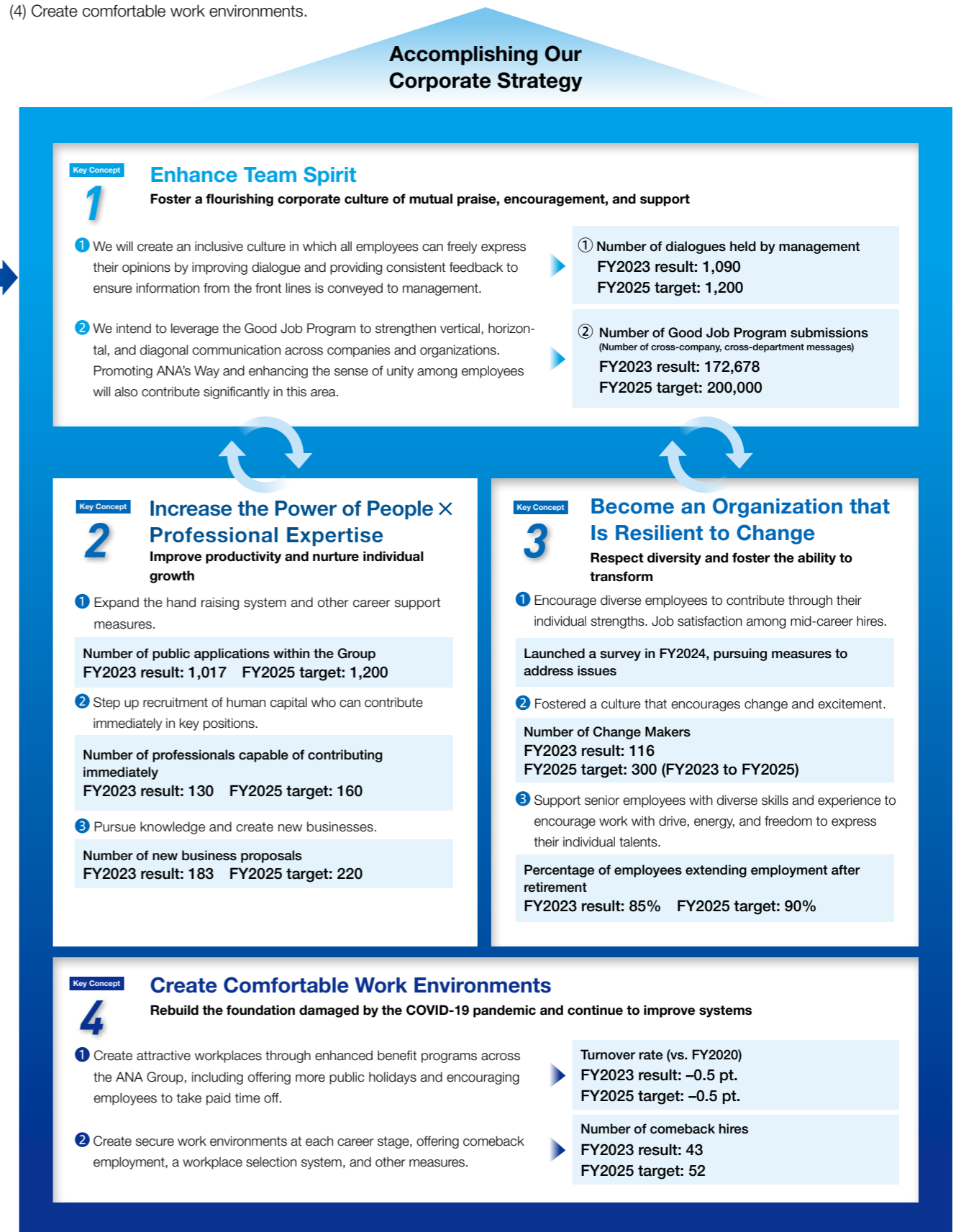
* An analysis based on the results of past employee engagement surveys confirms the high correlation between job satisfaction and sense of accomplishment and pride in working for the ANA Group with revenue and profit per employee.

Correlation between Main Engagement KPIs and Questions in the ANA's Way Survey



Human Capital Strategy Priority Measures and Main KPIs

To accomplish our corporate strategy, we engage in four measures that leverage the ANA Group's greatest strengths: (1) Enhance team spirit, (2) Increase the power of people x professional expertise, (3) Become an organization that is resilient to change, and (4) Create comfortable work environments.



Accomplishing Our Corporate Strategy

Key Concept 1 Enhance Team Spirit

Foster a flourishing corporate culture of mutual praise, encouragement, and support

- We will create an inclusive culture in which all employees can freely express their opinions by improving dialogue and providing consistent feedback to ensure information from the front lines is conveyed to management.
- We intend to leverage the Good Job Program to strengthen vertical, horizontal, and diagonal communication across companies and organizations. Promoting ANA's Way and enhancing the sense of unity among employees will also contribute significantly in this area.

① Number of dialogues held by management
FY2023 result: 1,090
FY2025 target: 1,200

② Number of Good Job Program submissions
(Number of cross-company, cross-department messages)
FY2023 result: 172,678
FY2025 target: 200,000

Key Concept 2 Increase the Power of People x Professional Expertise

Improve productivity and nurture individual growth

- Expand the hand raising system and other career support measures.

Number of public applications within the Group
FY2023 result: 1,017 FY2025 target: 1,200

- Step up recruitment of human capital who can contribute immediately in key positions.

Number of professionals capable of contributing immediately
FY2023 result: 130 FY2025 target: 160

- Pursue knowledge and create new businesses.

Number of new business proposals
FY2023 result: 183 FY2025 target: 220

Key Concept 3 Become an Organization that is Resilient to Change

Respect diversity and foster the ability to transform

- Encourage diverse employees to contribute through their individual strengths. Job satisfaction among mid-career hires.

Launched a survey in FY2024, pursuing measures to address issues

- Fostered a culture that encourages change and excitement.

Number of Change Makers
FY2023 result: 116
FY2025 target: 300 (FY2023 to FY2025)

- Support senior employees with diverse skills and experience to encourage work with drive, energy, and freedom to express their individual talents.

Percentage of employees extending employment after retirement
FY2023 result: 85% FY2025 target: 90%

Key Concept 4 Create Comfortable Work Environments

Rebuild the foundation damaged by the COVID-19 pandemic and continue to improve systems

- Create attractive workplaces through enhanced benefit programs across the ANA Group, including offering more public holidays and encouraging employees to take paid time off.

Turnover rate (vs. FY2020)
FY2023 result: -0.5 pt.
FY2025 target: -0.5 pt.

- Create secure work environments at each career stage, offering comeback employment, a workplace selection system, and other measures.

Number of comeback hires
FY2023 result: 43
FY2025 target: 52

Examples of Initiatives Supporting Priority Measures

Key Concept 1 Enhance Team Spirit

Dialogue between the Field and Management

The ANA Group places great importance on providing more opportunities for dialogue between management and employees around the world. Every year, Group companies and divisions hold dialogues based on a selected topic.

In fiscal 2023, we fostered deeper dialogue on topics selected by management, as well as topics related to employee job satisfaction and actions to achieve our new management vision.

In fiscal 2024, we will pursue dialogue on the topic of

maximizing the power of ANA Group people and organizations, strengthening initiatives related to the power of our people and teamwork—the sources of value creation—toward achieving sustainable corporate value enhancement. We encourage an inclusive culture in which all employees express their opinions freely. We accomplish this culture by strengthening dialogue and providing consistent feedback to ensure information from the front lines is communicated to management.



Key Concept 1 Enhance Team Spirit

Good Job Program

We launched the Good Job Program in 2001 as a tool to foster a culture of mutual appreciation and respect. Through this program, colleagues send messages to each other related to efforts in day-to-day operations.

In fiscal 2023, the ANA Group as a whole sent 870,000 messages through this program.

We emphasize the number of cross-company, cross-department messages as a KPI indicating enhanced team spirit. In fiscal 2023, the number of such messages was 172,678.

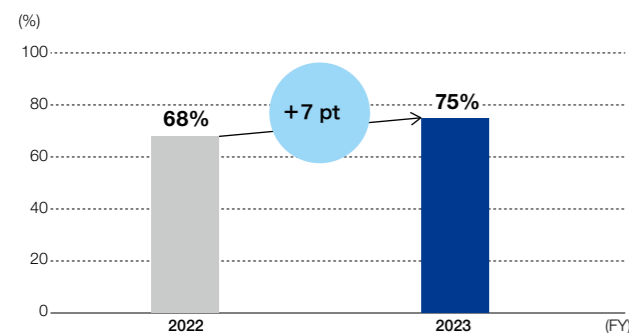
The Good Job Program includes a mechanism for expressing appreciation and well wishes to those whose affiliation or name is unknown. We counted 3,617 such messages in fiscal 2023.

We use these experiences as content for internal newsletters and videos.

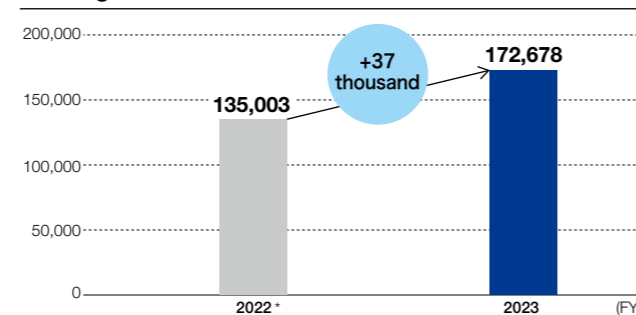
We will continue a broad range of initiatives to foster teamwork, which we consider an ANA Group strength.



Good Job Program Utilization Rate



Number of Cross-Company, Cross-Department Messages



* Fiscal 2022 results since July, when we began tracking results.

Key Concept 2 Increase the Power of People × Professional Expertise

Open Recruitment within the Group

We are adding more transfer opportunities through open recruitment within the group as a means to help ANA Group employees plan and accomplish their career goals.

Through open recruitment and other opportunities to experience a transfer, employees gain a variety of experience and a deeper understanding of other businesses. These transfers foster stronger inter-company cooperation and the development of human capital across the group.

In addition, ANA offers more transfers through open recruitment for employees to take on challenges in new business areas and deepen their expertise. Last fiscal year, we added

open recruitment for manager and section manager level positions to encourage career development at middle management positions and higher.

As part of the ANA Group Management Vision, *Uniting the World in Wonder*, we offer *Wonder x Concurrent In-House Internships** to support growth and relearning through diverse work experiences.

* An open recruitment for human capital allowing employees to work concurrently in another department for up to four days per month (period varies by department; maximum six months as a general rule)

Examples of Wonder x Concurrent In-House Internships

Head office/ center staff work experience	Participants learn planning and coordination skills, build personal networks, and develop a vision for their future careers.
Project work experience	Participation in relatively short-term projects, taking on the challenge to produce clear outputs and grow professionally.
Skills acquisition	Acquire skills and knowledge that will lead to self-directed career development and expertise.

Key Concept 4 Create Comfortable Work Environments

Health Management

In February 2024, the ANA Group became the first Japanese airline to publish a health white paper, the ANA Group Health White Paper. This white paper serves as a medium to consolidate and disseminate information on health management.

We disclose and communicate progress in each policy and initiative under the ANA Group FY2023–29 Medium-Term Health Management Plan. In this way, we pursue health management in the group and draw nearer to achieving our 2030 vision of embodying *Anshin, Attaka, Akaruku-genki!* (Trustworthy, Heartwarming, Energetic!) and becoming the No. 1 company in Japan that values employee health.



▶ ANA Group Health White Paper 2023 (in Japanese only) https://www.ana.co.jp/group/csr/human_resources/health_care/pdf/ana_report.pdf

Initiatives to Enhance the Power of People and Teamwork

ANA's Way Awards

What Are the ANA's Way Awards?

We increase engagement by awarding initiatives that act in accordance with the ANA Group action guidelines, ANA's Way, and that contribute to value creation and brand strength based on selection criteria.

We present awards to cases of new value creation through the power of our people and teamwork, which are strengths of the ANA Group. Publicizing the awards widely across the Company encourages others to take action toward achieving our management vision.

We received 393 applications from Japan and 99 from overseas in fiscal 2023. A total of 15 initiatives won awards across each of the five categories* under ANA's Way.

* Safety, Customer Orientation, Social Responsibility, Team Spirit, and Endeavor.



Fiscal 2023 Awards

Customer Orientation Award

Model reproduction of an airplane idea drawn by an elementary school student!

An Unforgettable Summer Memory: ANA Magic through Inter-Division Collaboration, Attracting a Following

A public relations department staff member posted an airplane design (creatively original aircraft livery and in-flight service idea) received from an elementary school student on the Company's internal social media. The post attracted many likes and comments from employees.

Moved by the efforts, aircraft mechanics proposed to invite the child to an ANA Blue Hangar Tour, which quickly gained support from several other departments.

After the tour, the child received a model plane based on his drawing as a surprise souvenir gift. ANA received a thank-you email from the child, who said he now loves ANA even more and hopes to work as a mechanic or in other airplane support duties in the future.



Fiscal 2023 Awards

ANA's Way Spirit Award (Team Spirit/Endeavor)

Monetizing ANA Knowledge

Development and Sales of an Aviation Maintenance Tool

This initiative was an example of value creation based in the high ANA maintenance quality, borne of unrelenting efforts and aspirations. As the airline with the largest number of Boeing 787 aircraft orders, the ANA Group has developed strengths in maintenance of these aircraft. This initiative was responsible for leveraging our experience to have a maintenance tool we developed included in the Boeing maintenance manual as a standard tool, contributing to improved safety and quality for the airline industry as a whole.

Securing the exclusive rights to manufacture and sell this mandatory tool, ANA Group affiliate FARWEST protected the design of the tool and monetized the tool for sale to other companies. This initiative overcame a number of obstacles through cross-organizational collaboration beyond the borders of the ANA Group organization.



Future Creation Project

Toward Achieving Our Management Vision

The ANA Group strives to create a corporate culture that seeks change as we pursue our Group Management Vision—*Uniting the World in Wonder*—and grow powerfully in this new era. The Future Creation Project serves as the core of these activities to create a future of excitement. Under this project, Change Makers selected from each group company and workplace coordinate with ANA's Way Ambassadors to solve workplace issues and take on new challenges.

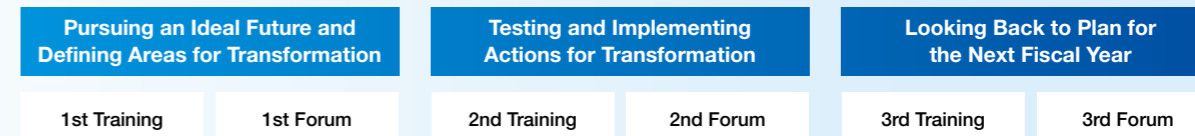
Change Makers Drive Transformation

We selected 116 Change Makers from group companies in fiscal 2023.

After a year of training and participation in forums, these Change Makers envision an ideal future based on discussions within their respective organizations, identifying issues and implementing workplace actions to achieve these ideals.

We drove a push for action through leadership skills and mindset training from outside instructors, the sharing of activities and mutual concerns, mutual support to solve issues, and more.

Change Makers Training Program



Improve the execution of transformation activities through a cycle of mindset and knowledge acquisition, practice, and refinement

Change Makers share a recognition of issues in each workplace and exchange opinions actively to create relationships that transcend organizational boundaries and drive a movement for transformation throughout the ANA Group. Fiscal 2024 Change Makers have begun activities, and the movement of transformation continues to face organizational challenges,

handed down from generation to generation.

The ANA Group works toward an exciting future for employees, customers, and society through a corporate culture in which every employee creates value through change and action.

Taking Responsibility for the Future of the ANA Group by Creating Attractive Airports



TAJINAKA Eri
ANA Operations Support Center Administration & Development

TANAKA Takuya
ANA Fukuoka Airport Co., Ltd. General Administration Department

IKAWA Takumi
ANA Chubu Airport Co., Ltd. Corporate Planning Department

A total of 20 Change Makers from 11 ANA Group airport operating companies and the ANA Operation Support Center came together as *Airport Team ANA* to have honest discussions, share airport-related issues, and discuss how to make ANA a company encouraging long-term employment.

Through a year of activities, members came to understand the indispensable nature of human relationships for solving issues and improving engagement. One outcome of these activities was the Attractive Airport Development Project, launched in fiscal 2024 with the support of our entire organization.

We will continue to work with our colleagues to heighten the attractiveness of work at airports, creating environments in which every one of our more than 10,000 Airport Team members works with drive and energy.

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 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.



	Ratio of Female Executives	Ratio of Female Managers
ANA Group*1	11.8% (+1.4%)	20.3% (+1.0%)
ANA	23.4% (+7.1%)	20.2% (+0.9%)

As of June 2024 (year-on-year change)

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.

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. Our three-day paid childcare leave was previously available only at certain companies. By offering this leave to the entire group and encouraging male employees to participate in childcare, we work to support the lives and fulfillment of employees and their families.



Fiscal 2023
Percentage of Employees Taking Childcare Leave
69.8%*1 (FY2022: 57.3%)

Fiscal 2023
Percentage of employees taking either or both childcare leave or the three-day parental leave
95.9%*1 (FY2022: 90.7%)

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. We also launched Ally*2 activities in fiscal 2023, with approximately 380 employees involved in awareness-building activities as Ally members.



Participating in Tokyo Rainbow Pride 2024 as an ally activity

In addition, 37 group companies were awarded a rating of Gold in PRIDE Index 2023*3, an evaluation index for corporate actions related to LGBTQ+. ANA has received this award for eight consecutive years.

Employment of People with Disabilities

ANA Group Disability Development takes the lead in the ANA Group in empowering employees with disabilities. The department promotes the employment of such individuals throughout the group, cooperating daily with staff members from each group company who are also working to promote the employment of persons with disabilities.

Efforts of the department are based on the ANA Group 36K-Employee Kickoff code of conduct for the employment of people with disabilities, established in 2015. Such efforts include improving the hardware and software of working environments for such individuals while raising awareness through various learning materials and awareness seminars. The ANA Group employs over 900 employees with disabilities as of June 1, 2024, with each group company dedicated to achieving the legally mandated number of employees. We are committed to improving workplaces by creating environments that encourage each person to demonstrate their strengths and play active roles.

Employment rate of people with disabilities as of June 1, 2024*4
2.67%

All 38 group companies achieved the legally mandated number of employees with disabilities

*1 Total of 38 companies: ANA HOLDINGS INC. and 37 companies subject to our management rules
*2 Ally: Those concerned for the environment of sexual minorities and offer support by deepening their own understanding
*3 Organized by work with Pride
*4 Total of ANA HOLDINGS INC., ANA, and qualified ANA Group companies

2 Universal Services

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.

Creating a Comfortable Environment for All (Tangible Initiatives)



Web Accessibility

We implement measures to comply with WCAG 2.1, a global standard of the W3C, and Level AA of JIS X 8341-3:2016, a Japanese Industrial Standard, to ensure everyone has comfortable access to our website.



Check-in Counters

Room-type low counters at five major domestic airports including Tokyo (Haneda) and Osaka (Itami)

* Installation of low counters at the check-in counter of other airports



Telecommunication Relay Service (Provided at the Check-in Counter)

We introduced Telecommunication Relay Services* at counters for customers with hearing impairments (located at major domestic airports).

* Operators provide simultaneous sign language and voice interpretation for customer interactions with airport staff.



Self-Driving Electric Wheelchairs

We introduced PiiMo self-driving electric wheelchairs at Narita Airport to enhance the convenience of wheelchair users at the airport.

Developing Human Resources to Respect Customers Diversity (Intangible Initiatives)



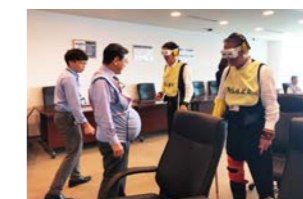
ANA Sorapass Class

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



Barrier-Free Hearts Seminars

We conduct seminars that invite speakers with disabilities and experts in the field to facilitate participants' understanding of disabilities and help establish an inclusive society.



Elderly and Pregnant Simulations (for Directors and Employees)

ANA strives to improve our universal services by implementing hands-on experiences to encourage our directors and employees to make active efforts to deepen their personal understanding of people who need special assistance.



Employee Education

We provide training for all ANA Group employees in line with the April 2024 Revision of the Act for Eliminating Discrimination against Persons with Disabilities.

Human Rights

Basic Approach

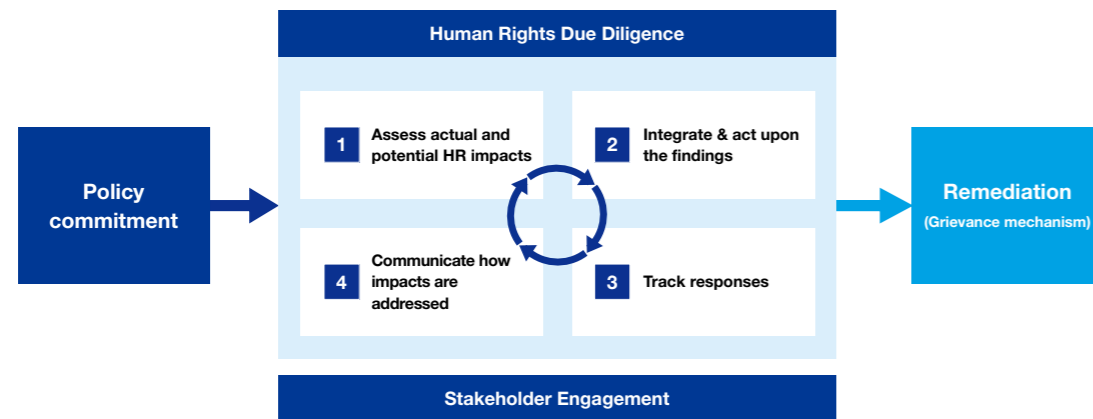
The ANA Group has a wide range of business operations which have the potential to impact the human rights of our stakeholders. The ANA Group established a management system (cycle) for human rights in accordance with the global standards provided in the United Nations Guiding Principles on Business and Human Rights.

The FY2023-25 ANA Group Corporate Strategy also includes a commitment to respecting human rights in the supply chain.

We believe it is important to listen to the voices of rights-holders* through the human rights due diligence process and the grievance mechanism and take appropriate response measures. We are committed to furthering our efforts to respect human rights based on engagement with rights holders.

* Rights-holders are individuals or social groups that have particular entitlements in relation to duty-bearers (state or non-state including enterprises), and they may be affected by enterprises' activities (e.g., employees, business partners, customers, and communities).

▶ Visit the following website for information on all our initiatives: **Human Rights Report 2023** https://www.ana.co.jp/group/en/csr/effort/pdf/Human_Rights_Report_2023_e.pdf



Commitment and Raising Awareness through Policies

We established the ANA Group Human Rights Policy in April 2016 and revised the policy in July 2023.

▶ **ANA Group Policy on Human Rights** https://www.ana.co.jp/group/en/csr/effort/pdf/humanrights_e.pdf

1 Assess Actual and Potential HR Impacts

In 2016, the ANA Group conducted a human rights impact assessment of the potential human rights risks posed by the ANA Group's business activities in all its business areas and countries where it flies.

In light of changes in the international environment surrounding business and human rights as well as changes in the ANA Group's business environment and business portfolio, we believed it was necessary to reconsider our priority human rights themes and conducted a human rights impact assessment in 2022.

Our efforts included holding the Human Rights and Environmental Due Diligence Workshop to discuss and confirm themes throughout the Company. We took into account new human rights risks and established five new human rights topics based on the potential issues identified in the workshop.

Priority Human Rights Themes

- Theme 1: Respect the Human Rights of Migrant Workers Working at Contractors and Vendors in Japan and Overseas
- Theme 2: Identify Human Rights Issues and Environmental Burdens in the Supply Chain
- Theme 3: Prevent the Use of Airplanes in Human Trafficking
- Theme 4: Protect Customer Information and Give Consideration to Privacy
- Theme 5: Respect Human Rights When Providing AI, Metaverse and Other Services



Human rights impact assessment discussion conducted in 2022

2 Integrate & Act upon the Findings | 3 Track Responses

Case Study on Priority Human Rights Theme 1: Respect the Human Rights of Migrant Workers Working at Contractors and Vendors in Japan and Overseas

The ANA Group works to prevent risks related to the major human rights themes we identified. We work with CRT Japan, a third-party organization, on Theme 1 through the following cycle. We also hold dialogues with sending organizations to establish safe and secure employment channels.

1 Survey on the employment status of foreign workers working at group companies and partner companies to which we outsource work

We leverage the system to confirm the employment status of foreign workers (e.g., number of persons, nationality, and status of residence).

2 Conduct direct questionnaire surveys of foreign workers

Based on the results of the employment status survey, we gather vocal feedback through questionnaires targeting specified skilled and technical intern trainees, who face a generally higher latent risk among foreign workers. Surveys are conducted online based on the Dhaka Principles for Migration with Dignity (Dhaka Principles), which are international norms for protecting the human rights of foreign workers.

3 Face-to-face interviews of foreign workers

Should survey results raise any concerns, we speak with company managers and hold face-to-face interviews with workers to confirm the situation. We then work with contractors to improve issues identified during the process and conduct follow-up evaluations.

4 Disclose Information to External Parties

• ANA published the Human Rights Report in fiscal 2023 detailing our efforts to date.

▶ **Human Rights Report 2023** https://www.ana.co.jp/group/en/csr/effort/pdf/Human_Rights_Report_2023_e.pdf

• Our statement is based on the UK Modern Slavery Act 2015 and the Australia Modern Slavery Act 2018.

• Our CSO participated in a session of the 12th United Nations Forum on Business and Human Rights held in November 2023 and introduced the initiatives of the ANA Group.

• Our active engagement with rights-holders was highlighted as a good practical example of company efforts on the UN Global Compact Business & Human Rights Navigator (a website that showcases efforts by companies around the world to better understand and address the human rights impacts of their operations and supply chains).

▶ **UN Global Compact Business & Human Rights Navigator** <https://bhr-navigator.unglobalcompact.org/>



Human Rights Report 2023 cover

Remediation (Access to Remedy)

Ninja, a grievance mechanism that commenced operation in November 2020, is a contact point for receiving complaints. Ninja receives a wide range of reports from workers regarding not only violations of human rights but also various complaints and concerns. To date, we have received 18 complaints, and responded to each within two weeks. In our response, we stated whether there was an existing policy concerning the matter and who the person in charge was, and we took necessary actions for each case.

Responsible Procurement Activities

ANA established the ANA Group Procurement Policy in 2020 to promote more sustainable procurement activities throughout the supply chain. We request extensive and specific detailed information from suppliers in accordance with the Supplier Code of Conduct, especially in terms of human rights and the environment.

In 2024, we introduced polo shirts as the uniform for ground handling staff at 11 airports in Japan. This was the first time in 20 years that the Company introduced new uniform items. The decision to introduce polo shirts was based on a vote of 1,500 employees after conducting interviews with actual working staff regarding their desired functions and designs.

These shirts are made using recycled polyester with the raw material derived 100% from fibers of used uniforms and clothing. ANA is committed to responsible procurement activities that consider the environment and human rights. We reflect the ANA Group Procurement Policy in our contracts with suppliers. We also conduct pre-production audits, focusing on not only quality but also labor standards, health and safety, and other aspects.



Operations at an audit of a local sewing factory



Basic Approach

The ANA Group contributes to the creation of prosperous and sustainable societies while sharing our concern for the Earth with people around the world. Ensuring the sustainability of the Earth is essential to the security of humankind. Natural capital is said to be the root of this security. Today, this natural capital is threatened by two major crises: climate change and the loss of biodiversity. We who live on Earth must ensure the sustainability of the planet.

In the fight against climate change, we recognize that reducing greenhouse gas emissions is an urgent and important issue for sustainable business growth and social contribution. Equally important are the efforts to protect the global environment, including biodiversity conservation and the effective use of resources. With this understanding, the ANA Group formulated the ANA Group Environmental Policies, the ANA Group Biodiversity Policy, and the 2050 Environmental Goals. As we balance medium- to long-term corporate aspirations with short-term business growth, we work strategically to achieve environmental goals under these policies, aiming for sustainable corporate value enhancement.

To ensure the enjoyment of air travel for future generations, the ANA Group will evolve into an entity that helps preserve the global environment. We continue to face environmental challenges and engage in transparent information disclosure regarding the environmental impact of our operations and the progress of our efforts to preserve natural capital. And we will continue to deliver a world of wonder in air travel by creating prosperous, sustainable societies, providing value that exceeds customer expectations.

ANA Group Environmental Policies

The ANA Group believes that sustainable business stands on a healthy global environment. We recognize that responding to climate change, the effective use of limited resources, biodiversity conservation, and other efforts to preserve the global environment are serious management concerns. Accordingly, we aim to be the environmental leading airline group, serving as an example through all ANA Group business activities.

▶ **ANA Group Environmental Policies** <https://www.ana.co.jp/group/en/csr/environment/policy/>

ANA Group Biodiversity Policy

As we state in our Environmental Policies, the ANA Group considers the achievement of environmental goals to resolve environmental issues and biodiversity conservation to be serious management concerns. We are committed to avoiding or minimizing negative impacts of our business activities on the natural environment and human rights, endeavoring to conserve and restore the natural environment (nature positive).

▶ **ANA Group Biodiversity Policy** https://www.ana.co.jp/group/en/csr/regional_creation/biodiversity/

Progress in Medium- and Long-Term Environmental Targets and Fiscal 2023 Results

The ANA Group strives to reduce the environmental impact of our operations by setting the ANA Group 2050 Environmental Goals (including net zero CO₂ emissions) and 2030 Environmental Targets, which serve as milestones toward fiscal 2050. We manage progress in comparison with fiscal 2019 results to achieve these medium- and long-term environmental targets.

	Initiatives	Targets		FY2023 Results	
		FY2030	FY2050		
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 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	15.1% reduction*3 (Emissions: 10.47 million tons) Less than 0.1%
	External Environment Necessary for Achieving Goals	<ul style="list-style-type: none"> Stable supply of SAF (volume and price) Adopt new aircraft technologies (development of electric and hydrogen airplanes, etc.) Establish an environment for the emissions trading market 			
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	21.4% reduction	
	External Environment Necessary for Achieving Goals	<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	49.0% 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)	4.3%	
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. 				

▶ **For more details about medium- and long-term environmental targets, please visit:** <https://www.ana.co.jp/group/en/csr/environment/goal/>

*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

Non-Financial Information Disclosure

CDP

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

In 2023, ANA HOLDINGS was the only airline group to be selected as a CDP Climate Change A List Company for two consecutive years.



Science Based Targets Initiative (SBTi)

Science based targets 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 SBTi certification for our greenhouse gas emission reduction targets.



Disclosures Based on TCFD and TNFD Recommendations

We analyze risks and opportunities that climate change poses to the ANA Group businesses. Based on these analyses, we identify the nature-related impacts, dependencies, risks, and opportunities in connection with ANA Group businesses, disclosing this information in line with the TCFD and TNFD frameworks. (See P.70 for more details)

Transition Strategy



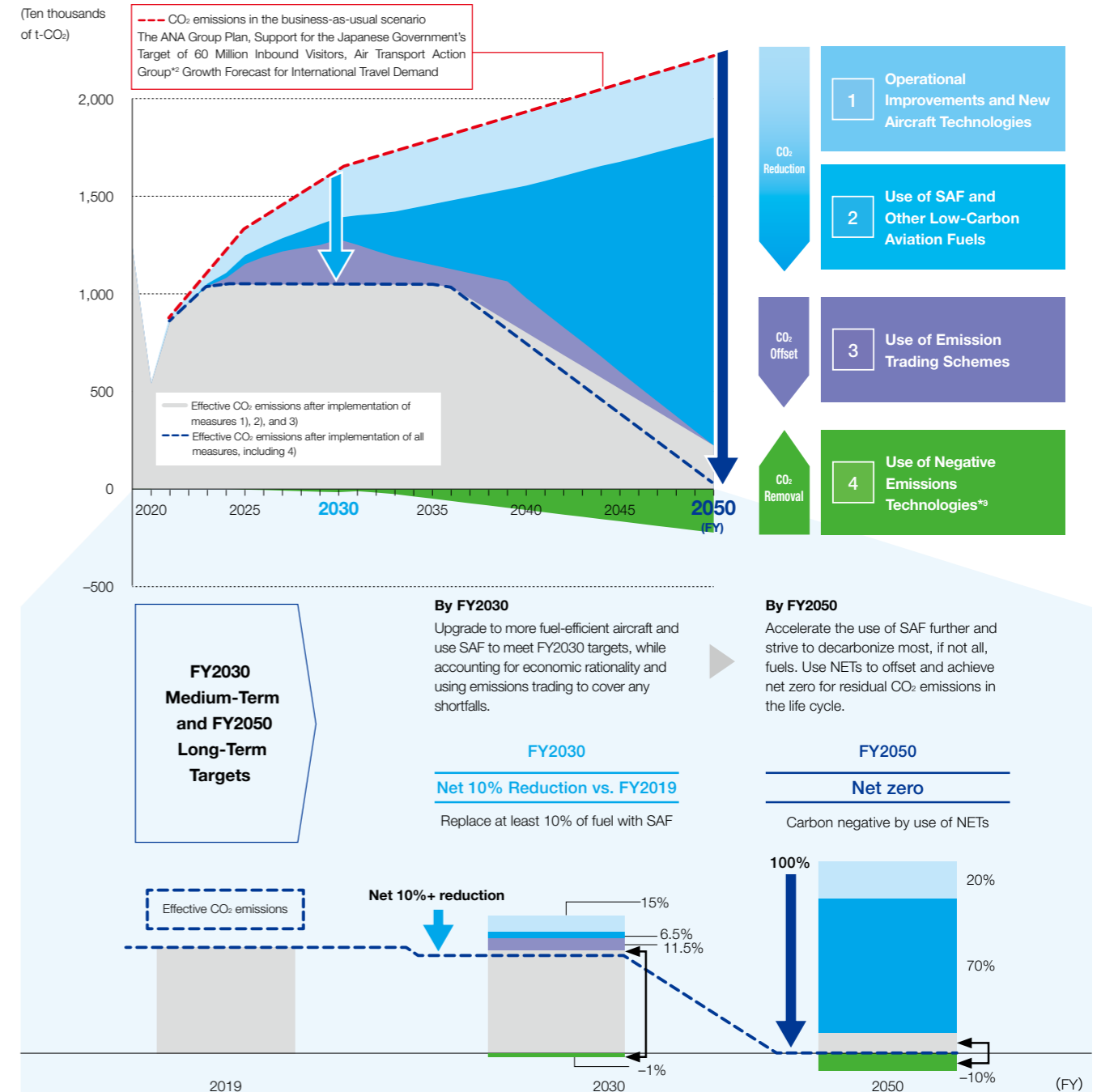
1 Reduce CO₂ Emissions

Reduce CO₂ Emissions from Aircraft Operations

We have developed transition scenarios to achieve ANA Group environmental targets for fiscal 2050. To achieve our medium- to long-term environmental targets for 2030 and 2050, we crafted a strategy involving exploring new technologies and balancing economic rationalities. The first phase of ICAO's CORSIA (voluntary participation) began in January 2024, and we are working diligently to comply with regulations on the international aviation sector. In the domestic airlines market, ANA HOLDINGS began participating in the GX League in fiscal 2024. Not only are we taking on the challenge of reducing our own emissions but we are also creating value in the broader market by contributing to supply chain-wide initiatives.

*1 GX League: A gathering of companies, working together with government and academic institutions, aiming to achieve sustainable growth in the present and future by taking on the challenge of green transformation (GX) through joint initiatives. The goal of the GX League is to achieve carbon neutrality and social change by 2050.

Transition Strategies to Achieve Long-Term Environmental Goals for FY2050



**2 Air Transport Action Group: A research group on sustainability in the airline industry, with involvement from the International Air Transport Association (IATA), aircraft manufacturers, and others
**3 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 progress in decarbonization and fuel efficiency improvements, upgrading to more fuel-efficient aircraft as part of the ANA Group Corporate Strategy.

Improving Flight Operations

Based on our transition strategy, we defined set fuel savings through improved flight operations as a management objective. In fiscal 2023, we built a new system and mechanisms to encourage fuel optimization, mainly in flight operations and flight crew divisions. We identified climbing with early acceleration and flap retraction during takeoff, reducing thrust reverser usage after landing, and single-engine taxiing-in as particularly effective efforts among flight operation measures. Engine washing, reducing total aircraft weight, and prioritizing fuel-efficient aircraft are also priorities among the more than 10 daily efforts we implement. We manage, analyze, and verify the results of each initiative to visualize our CO₂ emission reductions. Following the PDCA cycle allows us to reduce CO₂ emissions further through information sharing with on-site departments (flight operation and flight crew divisions), in reports at officer meetings, via promotion projects, and through other organizational activities. Every initiative reflects the accumulation of our efforts to reduce environmental impact while adhering to on-time performance and safety. In fiscal 2023, we reduced our environmental impact by an equivalent of 30 round-the-world flights (21,912 t-CO₂, assuming a Boeing 787-9). This new systematic collaboration among group employees plays an important role in our transition strategy.



Natural Phenomena and Airlines

For airlines, countermeasures against natural phenomena are inseparable from safe aircraft operations. For example, accurately forecasting the impact of typhoons on operations at each airport prior to making decisions on operational policies is a challenge. Calculations depend on the skills (tacit knowledge and experience) of the individual and the topographical characteristics of the area in question, and such analyses take time. In response to these challenges, the operation department compiled and analyzed past weather analysis data, quantifying tacit knowledge into formal organizational knowledge. By incorporating these figures into our flight operation system and improving the accuracy of our forecasts, we reduced the number of flight cancellations caused by typhoons in fiscal 2023 when compared to the conventional process. Operating necessary flights safely during available time slots, we minimized irregular operations (diversions or returning to the airport of departure due to bad weather). Our efforts not only reduced the burden on customers but also reduced fuel consumption (estimated 9.2 tons versus fiscal 2019) and CO₂ emissions (estimated 28 t-CO₂).

This series of initiatives was recognized with the Group CEO Award in the ANA's Way AWARDS held by the ANA Group. We will continue with measures to deal with natural phenomena in our pursuit of even safer operations and answers to environmental issues.

Adopting New Aircraft Technologies

In the midst of recovery and expansion, we are upgrading our fleet to more fuel-efficient aircraft. By fiscal 2030, we will have more than 100 Boeing 787 series aircraft in operation, representing more than 35% of our fleet. We plan to raise this ratio of fuel-efficient aircraft as early as possible.

In addition, we participate in a Public-Private Committee on New Technologies toward Decarbonization of Aircraft, sponsored by the Ministry of Economy, Trade and Industry. Through participation in the Aircraft Industry Subcommittee, we work to grow Japan's aircraft industry and reduce the industry's environmental impact. 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 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 Use of SAF and Other Low-Carbon Aviation Fuels

The core of the ANA Group strategy to achieve decarbonization is the use of low-carbonization aviation fuels, including SAF.

As we must accelerate efforts through public-private partnerships and throughout our entire supply chain, we work with stakeholders even more closely to establish a supply chain and ensure a stable supply of SAF.

Ensuring a Stable Supply of SAF and Promoting Wider Adoption

Public-Private Councils for the Promotion of SAF Deployment

The ANA Group 2030 Medium-Term Environmental Targets include reducing CO₂ emissions by 10% compared to fiscal 2019. To achieve this goal, we must create a business environment for SAF refueling in Japan. Through public-private consultations, including relevant ministries and agencies and supply-side entities (e.g., oil wholesalers), the decision was made for supply-side entities to ensure sufficient SAF production capacity and a supply chain for raw materials. Budgetary measures were passed to provide investment support for SAF production facilities by the government and tax credits based on production volume. The legal system design is under study toward establishing a system for the stable supply of SAF at internationally competitive prices.

Tokyo Metropolitan Government Support Project for Commercialization of Biofuel Utilization Project to Reduce CO₂ Emissions on the Haneda-Hachijojima Route through the Use of SAF

The ANA Project to Reduce CO₂ emissions on the Haneda-Hachijojima Route through the use of SAF was selected by the Tokyo Metropolitan Government as an official project to Promote Business Development through the Use of Biofuels. We began using SAF on the route in December 2023. By reducing CO₂ emissions on routes traveling through the Tokyo metropolitan area (Haneda-Hachijojima route) through the use of SAF, we promote SAF usage and contribute to decarbonization in connection with the Tokyo metropolitan government's goal to halve carbon emissions by fiscal 2030.



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

ACT FOR SKY aims to create an industry-academia-government movement of collaboration and action, transcending industry boundaries to commercialize, promote, and expand domestically produced SAF. Since its launch on March 2, 2022, the initiative has expanded to include not only companies building the domestic SAF supply chain but also government agencies and academic institutions. As of July 2024, the total number of participants has grown to 44 organizations.

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

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 SAF supply, purchasing, and importing 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.
- In January 2023, the ANA Group signed an MOU with Raven SR of the United States 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 should be possible in the future.
- During fiscal 2024 and beyond, ANA will consider procuring ethanol-based SAF produced by LanzaJet in the U.S. for use on flights departing from the U.S.

Efforts to Form a Market Promoting the Use of SAF

SAF Utilization Visualization Guideline Summary

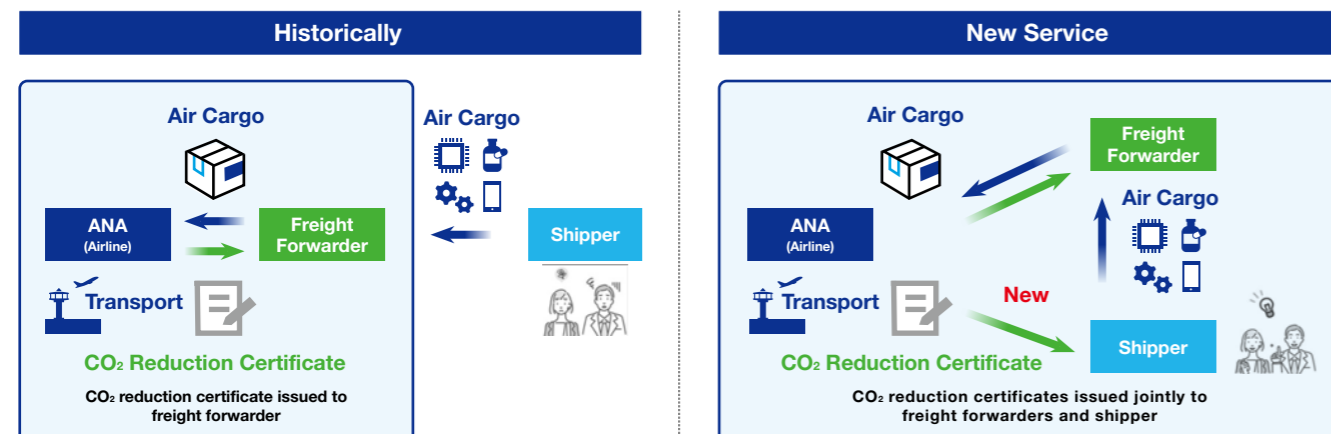
The air transportation industry had no accepted method for assessing Scope 3 emissions. Parties have been calling for unified guidelines, since the air transportation and SAF supply chain is unique in its involvement of numerous companies across industries. ANA participates in the new SAF Usage Assessment Task Group established by the SAF Logistics Working Group overseen by the Ministry of Land, Infrastructure, Transport and Tourism. Through discussions with related industries, the SAF Usage Visualization Guideline Framework was established in March 2024 to summarize the principles (scope, applicable conditions, etc.), calculation methods, certifications, and other basic matters related to Scope 3 assessment in air transportation.

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. ANA issues certificates to companies that participate in this program, certifying CO₂ reductions achieved on ANA-operated flights. As of March 2024, 20 companies have participated in the program, and we continue to invite new companies to join.



In September 2023, the Cargo Program for cargo transport was expanded to shippers, facilitating the allocation of Scope 3 emissions reductions to shippers based on actual transportation results (weight, distance, etc.) from freight forwarders to shippers. With the growing social momentum to reduce Scope 3 emissions, we began issuing CO₂ reduction certificates in response to requests from shippers who use air cargo.



Historically, CO₂ reduction certificates have been issued to freight forwarders who deal directly with airlines. With the growing social momentum to reduce Scope 3, we have been receiving requests for CO₂ reduction certificates from the cargo owners who entrust their air cargo to freight forwarders.

In response to requests, we will also issue new CO₂ reduction certificates to shippers based on transportation records from freight agents to shippers. Our efforts help shippers reduce their Scope 3 emissions, achieve their environmental goals, and enhance their corporate value by boosting their products' value.

3 Use of Emission Trading Schemes

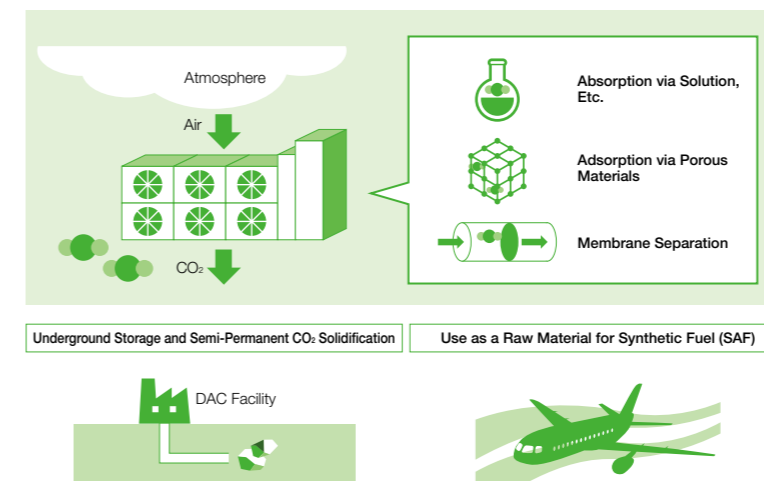
We intend to reduce CO₂ emissions from flight operations through operational improvements, technological aircraft innovations, and low-carbon aviation fuels such as SAF. In the short to medium term, we are looking into the use of CO₂ emissions trading schemes in consideration of business continuity. We plan to use high-quality carbon credits that not only address climate change but also mitigate negative impacts on biodiversity and human rights, while also offering benefits such as economic contributions to local communities. During the first phase of CORSIA, which began in January 2024, we plan to purchase emissions credits that meet ICAO standards to fulfill our obligation to offset CO₂ emissions from international flights.

4 Use 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 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 United States. 1PointFive is building a DAC plant in Texas, U.S.A., which is expected to begin commercial operations 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 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)

Presenting at U.S.–Japan Civil Aviation Symposium 2023



MATSUSHITA Tadashi addressed U.S.–Japan Civil Aviation Symposium 2023, sponsored by the Japan Transport and Tourism Research Institute in Washington, D.C. Mr. Matsushita, executive vice president (Industrial & Government Relations,

GX), highlighted the ANA Group's proactive approach to aviation decarbonization in the U.S.

In his presentation, Mr. Matsushita emphasized that achieving sustainability in the airline industry requires all stakeholders—including airlines, fuel suppliers, airports, governments, and customers—recognize and address sustainability issues. He also indicated that ANA looks forward to government cooperation on aviation decarbonization to ensure a level playing field for all airlines.

For more details about U.S.–Japan Civil Aviation Symposium 2023, please visit: <https://www.jttri.or.jp/english/events/2023/symposium231005.html>

GOBLEU Project: ANA and JAXA Collaborate to Expand Greenhouse Gas Observations

Since 2009, the Japan Aerospace Exploration Agency (JAXA) has recorded global greenhouse gas increases using the greenhouse gases observing satellite (GOSAT), dubbed *IBUKI*. On the other hand, aircraft flying at lower altitude than satellites can obtain more detailed data than satellites. In 2020, ANA and JAXA began collaborating on the *GOBLEU Project* to use aircraft for remote observations on the distribution of atmospheric components on the Earth's surface, expanding the scope of greenhouse gas observations. In addition to measuring greenhouse gas emissions, observations also measure photosynthesis, or the

absorption of CO₂ by plants. The new observation method developed for this purpose was reported at the Global Stocktake at COP28, and is expected to contribute to outcomes under the Paris Agreement. The ANA Group will continue to cooperate in this initiative, believing that understanding greenhouse gases will play a major role in protecting the future of the Earth.



▶ For more details about the **GOBLEU Project**, please visit: <https://en.ana-spaceproject.com/>

▶ 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.

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



Reduce Non-Aircraft CO₂ Emissions

The ANA Group implements appropriate energy management using our energy management system, ANA Eims, based on our own Energy Management Standard. ANA and ANA Foods (specified business operators under the Act on the Rational Use of Energy) received the Excellence in Energy Efficiency Award (S Class) certification under the Act on the Rational Use of Energy from the Ministry of Trade, Economy and Industry. ANA has received S Class certification for nine 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 fiscal 2030 energy consumption from main sources by 33% compared with fiscal 2019, focusing on the use of electricity and vehicle fuel (gasoline and diesel fuel), which accounts for the majority of our total emissions.

Major Initiatives

Low-Carbon Airport Vehicles

In addition to replacing airport vehicles with electric (EV), fuel cell (FCV), and hybrid (HV) vehicles, we pursue low-carbon initiatives, including vehicle fuel conversion to biodiesel fuel. In fiscal 2019, the ANA Group introduced Japan's first remote-controlled EVs (manufactured by Mototok of Germany) for towing passenger aircraft. The vehicles were first put in use at Saga Airport and several other airports, including Osaka International Airport and Central Japan International Airport. In fiscal 2023, the ANA Group installed the group's first rapid charger at Haneda Airport in the restricted zone of the domestic service area. We began proof-of-concept tests to identify operational issues in the conversion of aircraft ground support equipment (GSE) vehicles to EVs. Our tests focus on towbarless tow tractors and EV towing tractors (luggage and cargo container transportation), which we adopted in fiscal 2023. In the future, we plan to introduce EVs for belt loaders (loading luggage into cargo holds) and high-lift loaders (loading and unloading containers). We also began proof-of-concept tests at Haneda Airport for renewable diesel fuel in fiscal 2024. We expect biodiesel to be an alternative fuel for renewable diesel vehicles. The ANA Group will accelerate efforts through these tests to decarbonize airports, aiming for the best mix of EVs and biofuel use in the low-carbonization of our fleet.



Proof-of-concept EV towing tractor test

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.

Reduce the Use of Plastics

We continue to replace plastic products used in airport lounges and on flights with renewable materials. ANA changed the containers for entrees on international flights to plant-derived materials, and now uses paper straws, wooden cutlery, and wooden stir sticks, reducing the amount of disposable plastic used on board by about 40%, or about 475 tons (fiscal 2023).

Reduce Paper Resources

In May 2023, we began renovations of security checkpoints and boarding gate turnstiles for domestic flights to phase out paper-based security certificates, boarding information.

We are also reducing the use of paper resources through digital publishing and other services for passengers to view magazines and newspapers on their own mobile devices.

- ▶ For more about **paper resource reduction at airports, security checkpoints, and boarding gates**, please visit: https://www.ana.co.jp/en/jp/guide/boarding-procedures/checkin/domestic/boarding_2023/?tabitem=asw-tab__item-box-2
- ▶ For more about the **TSUBASA -GLOBAL WINGS in-flight magazine**, please visit: <https://tsubasa.ana.co.jp/>

Major Initiatives

Environmentally Friendly Amenity Kits

In January 2024, we began offering amenity pouches in collaboration with ETTINGER, a British royal warrant. We eliminated the plastic package used in packaging amenity kits in favor of paper strips made of FSC-certified paper.

This move reduced single-use plastics by approximately 1.7 tons per year (compared to fiscal 2019). In addition, the plastic cover used to package cosmetics inside the pouch contains biomass materials.

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



3 Reduce Food Waste Ratios (In-Flight, Airport Lounge Meals, etc.)

We reduce food waste ratios in in-flight meals and other channels.

Major Initiatives

Pre-Order Meal Service

ANA offers a service to passengers on international flights to pre-order preferred menu options, a lighter meal service, or no meal service for more freedom and comfort in-flight. In March 2024, we redesigned our menu under the supervision of the chef of THE CONNOISSEURS. This new menu is included in the pre-order menu in business class on some Southeast Asian routes departing from Japan.

We will continue to offer options to meet customer needs and reduce food waste ratios.

- ▶ For more about the **first class meal pre-order service**, please visit: https://www.ana.co.jp/en/jp/guide/flight_service_info/int-service/f/meal-pre-order/
- ▶ For more about the **business class in-flight meal pre-order service**, please visit: https://www.ana.co.jp/en/jp/guide/flight_service_info/int-service/c/meal-pre-order/

▶ ANA Future Promise

The ANA Group's ANA Future Promise is a movement toward continued corporate growth to contribute 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. In addition to the ANA Future Promise Jet (special livery), we introduced the ANA Future Promise Prop (DHC-8-400) in October 2023, which also features the ANA Future Promise special livery. We pursue ESG management under the ANA Group Corporate Strategy, supporting regional revitalization, using renewable in-flight service items, improving flight operations, and engaging in other measures.



ANA Future Promise Jet & Prop

Disclosures Based on TCFD and TNFD 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).

In December 2023, the ANA Group endorsed the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), registering as an early adopter.

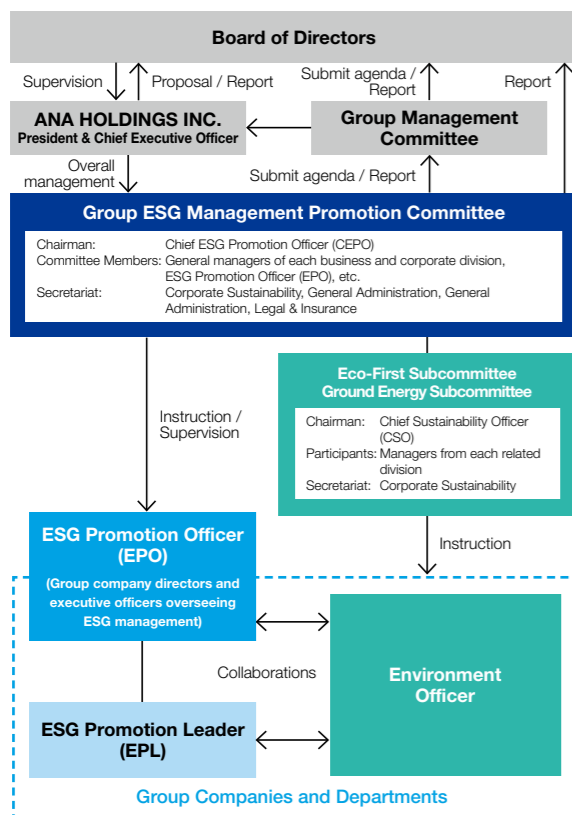
We disclose information on the risks and opportunities that climate change poses to group business, as well as nature-related impacts, dependencies, risks, and opportunities related to group businesses. Our disclosures conform with the four categories recommended by the TCFD/TNFD recommendations: governance, strategy, risk management*, and metrics and targets. Moving forward, we will strive to enhance disclosures, aiming to integrate climate-related and nature-related information while referencing international sustainability disclosure standards.

* Since the TNFD also emphasizes nature-related impacts, the recommended disclosure is "risk and impact management."

Governance

The Group ESG Management Promotion Committee convenes four times a year to discuss important policies and measures related to environmental issues such as climate change and biodiversity. The Committee is overseen by the President & Chief Executive Officer and chaired by the Chief ESG Promotion Officer, the director in charge of group ESG management. Important matters 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, including those related to environmental issues, while supervising the management and business execution of each group company.

The ANA Group Procurement Policy includes our



response to climate change and biodiversity.

The ANA Group Procurement Policy consists of the Basic Procurement Policy and the Supplier Code of Conduct, and refers to the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights (Universal Declaration of Human Rights), and other international norms related to human rights and labor. We actively encourage the understanding and cooperation of all related companies by emphasizing these policies in decisions to hire and monitor suppliers subsequent to engagement.

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 and Biodiversity 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 based on TCFD and TNFD 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

The ANA Group Total Risk Management Regulations provide the basic terms of the group's risk management system in line with the basic policies determined by the Board of Directors. Under these regulations, the Group ESG Management Promotion Committee develops, implements, and monitors the progress of basic policies. Risks related to environmental issues, including climate change and biodiversity, are also handled as key issues within the overall risk management framework.

Refer to P.102 for more on the risk management structure.

Strategy (TCFD)



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 responses.

In fiscal 2023, we calculated the single-year financial impact for the medium term (fiscal 2030) and long term (fiscal 2050) related to the risks and opportunities identified as having a large financial impact. The calculation method is disclosed on our corporate website.

4°C Scenario:

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

1.5°C Scenario:

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

Refer to P.63 for more details on transition strategy.

	Description of Opportunities / Risks	Financial Impact**		Action Plans
		Medium Term	Long Term	
Physical	Risks Increasing Severity and Frequency of Extreme Weather	Large	Large	<ul style="list-style-type: none"> • Establishing a more advanced BCP • Upgrading to disaster-resistant facilities, equipment, etc.
	Changes in Rainfall and Weather Patterns	Medium		<ul style="list-style-type: none"> • Collaborating in research with JAXA • Determining destinations, number of flights, etc., and appropriate reflection in business plans
Transition	Actions to Reduce CO₂ Emissions (Aircraft)			
	-SAF	Large	Small to Large	<ul style="list-style-type: none"> • Making strategic purchase agreements • Strategically 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 chain • Partially compensating for SAF purchase costs through development of schemes such as the SAF Flight Initiative
	-New Technology	Large	Large	<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** CO₂ removal technologies • Engaging with policymakers and other relevant parties to improve airport infrastructure • Participating in joint research projects with aircraft manufacturers to develop aircraft incorporating new technologies • Strategically investing in the introduction of high quality, permanent CO₂ removal technology
	-Credit	Small to Large	Medium to Large	<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) • Procuring CORSIA eligible and high-quality credits • Minimizing cost impact through an optimum combination of SAF and credits
	Actions to Reduce CO₂ Emissions (Non-Aircraft)			
	-Vehicle** Fuel (Diesel oil)	Medium		<ul style="list-style-type: none"> • Increased costs due to replacement with ZEVs** • Reduction in fuel costs and offset costs and labor savings in airport operations due to the development of new technologies such as unmanned autonomous driving • Continuously engaging in and collaborating with policymakers and other relevant business operators to promote the shift to ZEVs and improve airport infrastructure • Procurement and construction of a supply chain for alternative fuels such as next-generation biofuels • Introduction of experimental tests and remote-controlled EVs to switch airport vehicles to EVs
Litigation / Fines / Taxation	Medium		<ul style="list-style-type: none"> • Penalties and fines for failure to comply with laws and regulations in each country • Pressure from stakeholders to delay climate action • Increased costs as a result of higher prices due to the introduction of carbon pricing (carbon taxes, emissions trading) • Appropriately responding to and disclosing information for climate change • Engaging with national governments continuously, in collaboration with industries and other organizations, for relaxation of regulations and tax systems 	
Changes in Consumer Awareness and Preferences	Medium		<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 value • Growing new businesses that do not require physical travel • Increased demand for the reduction of corporate Scope 3 emissions business trips and cargo transportation) • Appropriately responding to and disclosing information for climate change • Identifying needs through ongoing dialogue with society and reflecting these needs in strategies • Developing measures that move forward while acquiring the understanding and cooperation of customers • Diversifying business portfolio • Collaborating with various stakeholders and strategically investing in new business growth (avatars, electric air taxi, drone logistics services) 	
Financing	Medium		<ul style="list-style-type: none"> • Successfully financing through loans and incorporating ESG investment through proactively responding to climate change ahead of the market • Identifying needs through ongoing dialogue with investors and responding appropriately • Information 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)

▶ For more details about disclosures based on TNFD recommendations, please visit:
https://www.ana.co.jp/group/en/csr/regional_creation/biodiversity/

▶ For more details regarding biodiversity conservation, please visit:
https://www.ana.co.jp/group/en/csr/regional_creation/biodiversity/

Strategy (TNFD)



Disclosure Overview and Initiatives

The TNFD recommendations discuss identifying priority locations and analyzing nature-related dependencies and impacts in business operations. With our latest disclosures, we sought to understand the dependencies and impacts of ANA Group operations on nature.

We continue to identify priority locations in line with TNFD recommendations regarding nature-related dependencies, impacts, risks, and opportunities in direct operations and the upstream/downstream value chains of the group's businesses.

Overview of Dependencies and Impacts

We found that ANA Group businesses depend on the gifts of nature (ecosystem services) from a number of different perspectives. For example, stable aircraft operations depend on a stable climate (regulating services), while certain SAF raw materials and food ingredients for in-flight meals benefit directly from the gifts of nature (provisioning services). Certain routes and regional revitalization projects benefit from the rich biodiversity of the area's food, culture, and other tourism resources, as well as recreational functions (cultural services).

We also learned that while the ANA Group's operations are dependent on the gifts of nature, operations may also have an impact on nature. For example, CO₂ emissions from aircraft operations, as well as noise and light emitted from aircraft and airports, impact the surrounding ecosystem. The disposal of food, plastics, and paper, unintentional involvement in illegal wildlife trade conducted via air transportation, and the accidental introduction and spread of invasive alien species have various impacts on ecosystems.

Overview of Risks

Nature-related dependencies and impacts can lead to risks in many aspects related to the continuity of ANA Group businesses. Just a few of these aspects include SAF and carbon credits, increased costs in the event of difficulties in procuring food ingredients for in-flight meals or stricter regulations on contaminants, decreased revenues due to fewer passengers traveling for tourism to rich natural environments (a distant cause of loss of biodiversity), reputation risk due to lack of action on invasive alien species and illegal wildlife trade, and divestment due to inadequate environmental considerations in water use and wastewater discharge.

Overview of Opportunities

We also analyzed nature-related opportunities in ANA Group businesses.

TNFD opportunity categories are split into those related to business performance and those related to sustainability performance. As opportunities to help restore nature, the ANA Group has held seminars on eradicating illegal wildlife trade, conducts activities to control invasive alien species (e.g., bitter vine in Okinawa), holds an activity to plant coral (Team Chura Sango), and undertakes projects to protect the future of mandarin orange orchards in Ehime, among others.

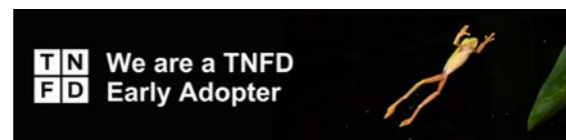
As opportunities in our own business, we continue to expand route revenues by creating demand through sustainable tourism projects. These sustainable tourism projects also have the effect of contributing to local communities.

Action Plans

This disclosure summarizes current efforts related to nature-related dependencies, impacts, risks, and opportunities identified to date.

After assessing the significance of nature-related dependencies, impacts, risks, and opportunities identified in this report, we will consider stepping up response measures for those deemed most important, utilizing the AR3T Framework* and other relevant frameworks.

* A framework for targeted actions as recommended by SBTs for Nature. The framework consists of four steps: (1) Avoid, (2) Reduce, (3) Restore & Regenerate, and (4) Transform.



Metrics and Targets

The ANA Group formulated the Mid-Term Environmental Targets, working to reduce our environmental impact.

We are currently strengthening our efforts to achieve our goal of net zero CO₂ emissions by fiscal 2050. We strive to mitigate our impact on biodiversity through our business activities while conserving biodiversity through business and social contribution activities.

Please refer to P.63 for more on fiscal 2023 results.

4 Conserve Biodiversity

The 23 action targets included in the 2030 global targets of the Kunming-Montreal Global Biodiversity Framework (GBF) include items in particular where the aviation industry can contribute, including preventing illegal wildlife trade, minimizing the impact of climate change on biodiversity, and reducing food waste. The ANA Group will contribute to the conservation of biodiversity by focusing on these items and working to mitigate negative impacts on natural capital through our business activities.

Initiatives through Business Activities



Avoid, Reduce | Preventing Illegal Wildlife Trade

In March 2018, ANA became the first Japanese airline to sign the Buckingham Palace Declaration, which aims to eradicate illegal wildlife trade. Since then, we have conducted annual seminars on border control measures to prevent illegal wildlife trade in collaboration with the international NGO, TRAFFIC*. To date, seminars have been attended by approximately 940 people, including airport officials and ANA Group employees in Japan and overseas.

* 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 ten regions.



Reduce | Food Residue Recycling System

The Narita plant of 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 recycling mechanism using vegetables (soft kale) grown with compost from food residue for in-flight meal ingredients received approval as a recycling business plan under the Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources.

This system, which uses compost derived from food residues to produce safe and secure vegetables, provides vegetables for in-flight meals and contributes to biodiversity conservation through the recycling and reuse of food recycling resources.



Restore & Regenerate | Restoration of Farmland through the Farm Project

The ANA Akindo ANA Farm Project in Ehime Prefecture supports the production, processing, distribution, and sales of mandarin oranges by rehabilitating abandoned mandarin orchards. This project addresses various issues caused by abandoned farmland, including weed growth, pest infestation, and invasion of wild animals, which have a negative impact on surrounding farmland. The project also addresses the issue of potential landslides surrounding farmland.

In cooperation with local authorities and farmers, the project promotes green tourism (travelers stay in rural areas and enjoy nature, culture, and interactions with locals) through the planning and management of monitor tours, workcations, agricultural experiences, etc. In addition, biodiversity conservation efforts to regenerate farmland include the planting of iyokan orange seedlings.



We participate in the TNFD Forum to gain deeper knowledge and enhance disclosures related to the international framework for natural capital-related information disclosure.



We also participate in the Keidanren Initiative for Biodiversity Conservation, and we serve as a standing member company of the Keidanren Nature Conservation Council.



The ANA Group participates in the 30by30 Alliance for Biodiversity, which pursues efforts to achieve the 30by30 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, feeding damage caused by massive outbreaks of crown-of-thorns starfish, and pollution from red clay runoff, 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 2023, 19,439 coral seedlings have been planted thanks to the participation of 4,433 people. In recognition of these activities, Team Chura Sango received the Fisheries Agency Director's Award in the 2023 National Convention for the Development of an Abundantly Productive Sea.



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

Basic Approach

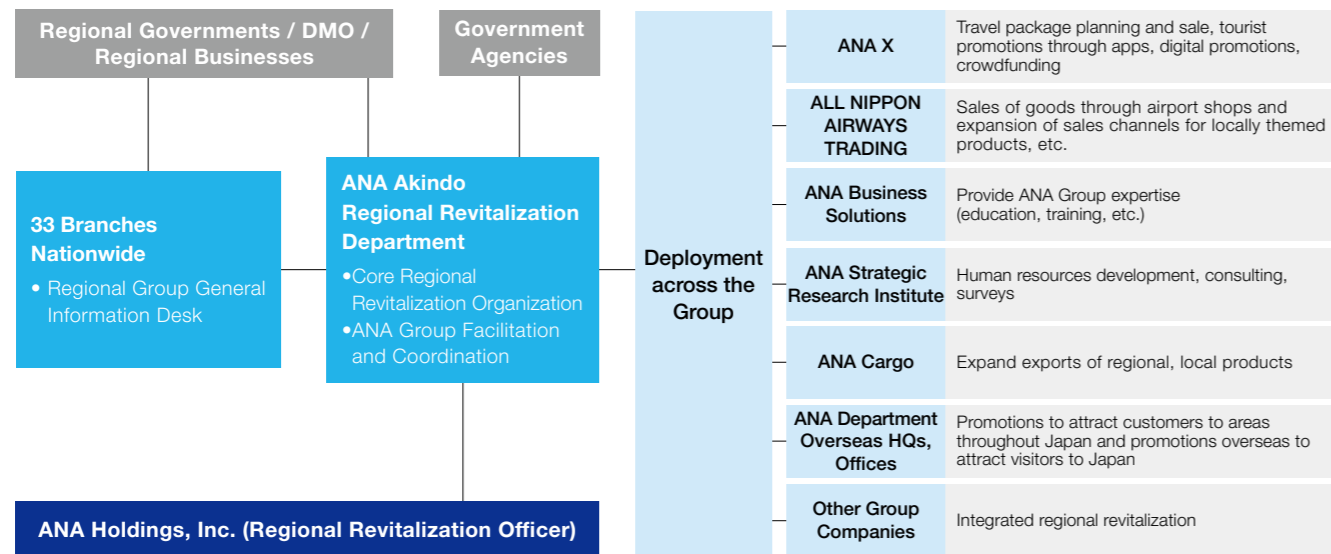
Regional revitalization is an initiative to overcome regional issues such as declining populations, low birthrates, aging demographics, and shrinking economies, as well as to ensure the revitalization of regions going forward.

Beyond air transportation, the ANA Group aims to resolve regional issues while creating new encounters among people, goods, and experiences. We are committed to growing regional fan bases and expanding the number of people with whom we interact and build relationships. Working in unison with local communities is crucial to resolving issues. We create deeper ties with local communities by coordinating with regional representative branches nationwide and building close relationships with local governments and businesses throughout Japan.

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

Implementation Structure

ANA Akindo leads in regional revitalization, collaborating with group companies and working together with local communities to solve regional issues based on its 33 branches nationwide engaged in community-based activities. The company continues to hold the ANA Group Regional Revitalization Meeting with ANA Group companies, aiming to create an organization that encourages new value creation through group company collaboration. To this end, ANA Akindo also established the Group Regional Revitalization Steering Committee, which consists of executives in charge of each group company, in fiscal 2023.



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 economies Create opportunities to communicate the attraction of local products, etc., to outside consumers 	<ul style="list-style-type: none"> Expand the number of people with whom we interact and build relationships
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 website Communicate information and distribute local products, etc., through hometown tax donations Use hometown tax donations to encourage more visitors through fostering interest and the desire to visit 	



CASE 2 Expanding the Number of People Involved in the Community through Workcations

Regional Issues Addressed	<ul style="list-style-type: none"> Declining population Decrease in tourist consumption with fewer tourists 	<ul style="list-style-type: none"> Worker and laborer shortage Decrease in travelers staying overnight
Solution Methods	<ul style="list-style-type: none"> Promote programs to resolve community issues and programs for parents and children Improve reception facilities and environments Make appropriate appeals to urban residents, etc. 	



CASE 3 Leveraging ANA Group Assets to Expand Sales Channels and Increase Product Awareness

Regional Issues Addressed	<ul style="list-style-type: none"> Create opportunities to communicate the attraction of local products, etc., to outside consumers Expand the number of people with whom we interact and build relationships 	<ul style="list-style-type: none"> Establish the brand value of products, developing and raising awareness of this value throughout Japan
Solution Methods	<ul style="list-style-type: none"> Support regional revitalization through the creation of exhibition businesses, storefront businesses, and logistics Collaborate with local businesses in the ANA Specialty Products Development Project to develop new specialty goods Introduce local products at ANA antenna shop Tochi-Dochi Sell local products online through the MeGourmet e-commerce store 	



2 Resolving Regional Issues Through Innovation

ANA pursues regional revitalization through Universal MaaS: Toward the realization of universal and seamless mobility.

This project aims to provide door-to-door transportation, based on the concept of universal design, to create a society in which every person, regardless of disability or age, can move around comfortably. In 2023, the project began implementing full-scale batch support arrangements, as well as universal maps and navigation. These efforts introduce universal services unique to an airline company.



For more information on Universal MaaS, please visit: <https://www.universal-maas.org/en/en>

3 Regional Revitalization through Social Contribution and Resolving Social Issues

CASE 1 ANA Farm Project

Expanding Tangerine Orchards in Ehime Prefecture and New Lemon Orchards in Hiroshima Prefecture

Regional Issues Addressed	<ul style="list-style-type: none"> Growing amount of abandoned land due to the aging of farmers and lack of successors Gaining recognition of and expanding sales channels for products of the prefecture
Solution Methods	<ul style="list-style-type: none"> Work with local farmers, governments, and regional banks, etc., to turn abandoned farmland (abandoned fields and rice paddies) into ANA-operated farms Support the Production → Processing → Distribution → Sales chain Expand sales channels and branding for prefectural products utilizing ANA resources; food processing utilizing the resources and expertise of ANA Catering Service Co., Ltd., 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) Community-Based Initiatives

Regional Issues Addressed	<ul style="list-style-type: none"> Lack of recognition of secondary industries (airline-related industries) in the prefecture Lack 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>* 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>



ANA Group ESG Management

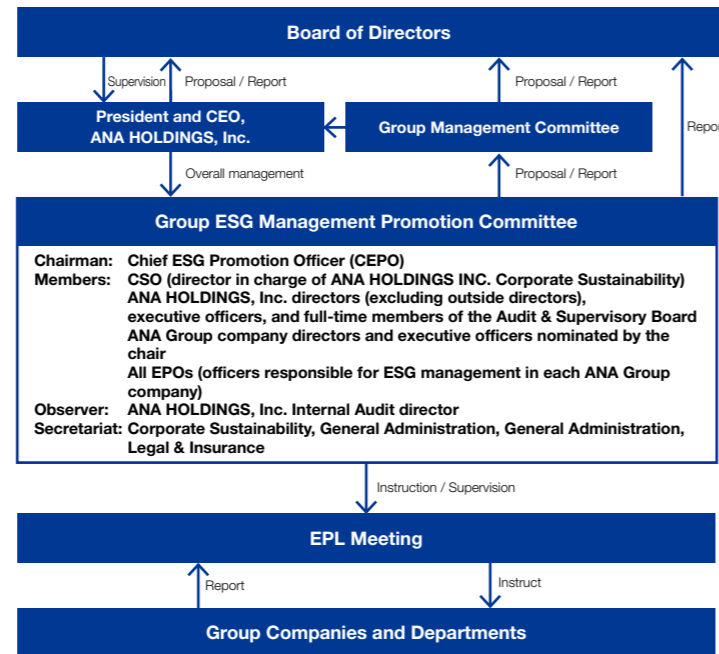
The ANA Group pursues ESG management that considers the environment, society, and governance from a global and long-term perspective transcending the boundaries of the group. In this way, we contribute to resolving environmental and social issues through our businesses and continue to create value that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

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.

See the following for more information on our ESG management promotion system.
https://www.ana.co.jp/group/en/csr/basic_approach/

ESG Management Implementation Structure



Identification of Materiality

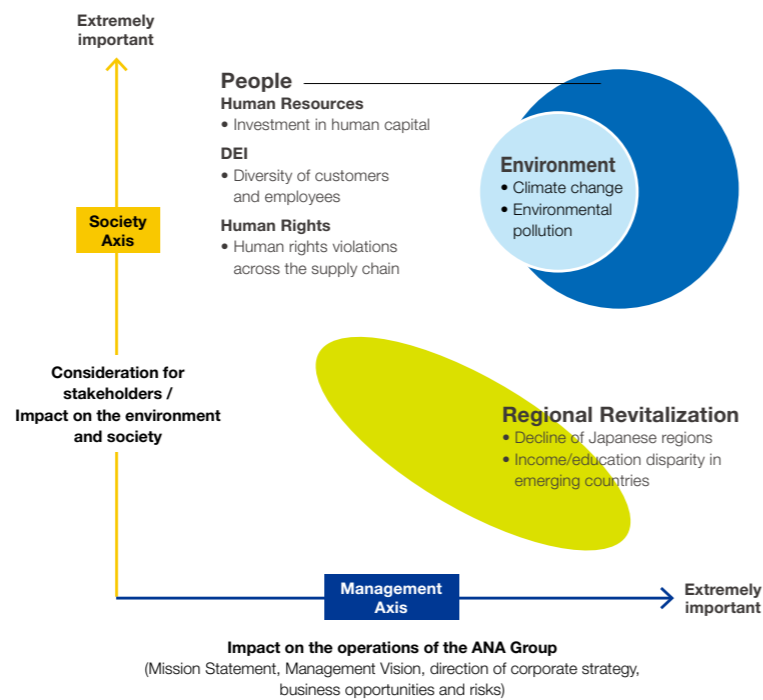
We will aim to resolve group materiality and achieve the simultaneous creation of social and economic value by identifying and incorporating those issues into our business strategies and plans.

We identify materiality through the following process.

- Identify long-term issues facing global society and determine whether these issues are sustainable and consistent with our Mission Statement and corporate strategies
- 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
- Determine degree of importance and identify materiality by 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).

For more information, please visit:
<https://www.ana.co.jp/group/en/csr/materiality/>

Materiality Matrix

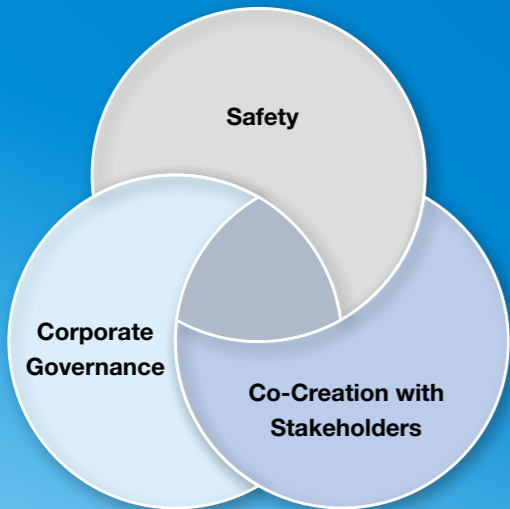


Identified Material Issues and Specific Initiatives

	Materiality	Specific Initiatives	Relevant SDGs
E	Environment <ul style="list-style-type: none"> Reduce CO₂ emissions Reduce resource waste ratio Reduce food waste ratio Conserve biodiversity 	<ul style="list-style-type: none"> Achieve ANA Group 2030 medium-term targets and 2050 long-term environmental goals Disclose information in line with the TCFD recommendations Contribute to biodiversity conservation through initiatives such as those aimed at preventing wildlife trafficking 	2030 2050 7, 8, 9, 12, 13, 14, 15, 17
	People	Human Resources <ul style="list-style-type: none"> Respond to labor shortages Cultivate human resources and organizations to achieve transformation Enhance human capital productivity 	2030 Enhance ease of work Enhance job satisfaction Succeed and evolve corporate culture
	Diversity, Equity, and Inclusion (DEI) <ul style="list-style-type: none"> Develop human resources for sustainable growth Promotion of universal services 	2030 Gender equality, supporting diverse work styles, respecting diversity Respect the diversity of customers by promoting universal services	3, 5, 8, 10
	Human Rights <ul style="list-style-type: none"> Respect human rights Engage in responsible procurement 	2030 Ensure respect for human rights based on the United Nations Guiding Principles on Business and Human Rights Thoroughly implement environment and human rights-conscious procurement and build a transparent supply chain	8, 9, 11, 12
S	Regional Revitalization <ul style="list-style-type: none"> Innovate to resolve social issues Regional revitalization through social contribution and resolving social issues 	2030 New value creation through the use of avatars, drones, MaaS, etc., and cross-industry collaboration Contribute to regional revitalization through social contribution activities and resolving social issues	8, 9, 11, 12
	G	Strengthen Governance Structures <ul style="list-style-type: none"> Disclose commitments of top management Increase diversity in Board membership Ensure appropriate information disclosure and transparency 	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17

Management Foundations

The ANA Group works with all stakeholders to strengthen our foundation, aiming to share a variety of values that lead to *Uniting the World in Wonder*. Safety is not only an absolute value and mission of the ANA Group; it is a major premise in all of our corporate activities. We reflect on dialogues with stakeholders, allocate management resources appropriately, make nimble decisions, and communicate our management directions and results. Linking these efforts to further dialogues, we foster trust in the ANA Group. While our three management foundations work independently, they also intertwine and draw strength from each other.



Safety

Safety is the absolute value underlying every ANA Group corporate activity. We are committed to maintaining safety in both aircraft operations as well as in business as a whole to enhance public trust in our group.

Corporate Governance

The ANA Group aims to practice management that contributes to value creation for our various stakeholders, promote sustainable growth, and enhance corporate value over the long term.

Co-Creation with Stakeholders

We build relationships of trust between the ANA Group and society by incorporating information obtained through dialogues with external and internal stakeholders into our management strategies.



▶ Fostering Integrated Management Systems and Safety, Always Holding Safety as the Foundation of Management 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.

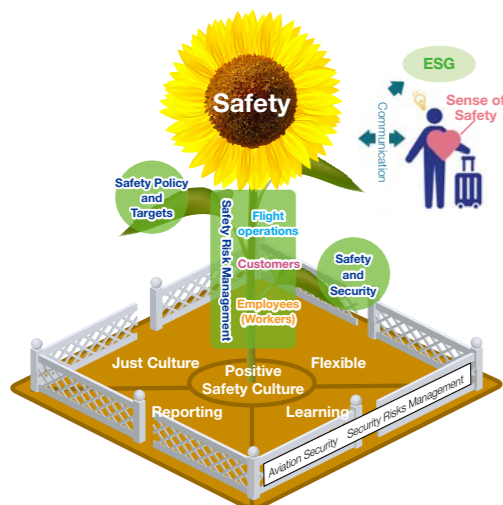
Course of ANA Group Safety Action

- (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 recurrence.
- (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 in advance of 2030, describing five important initiatives to address between fiscal 2023 and fiscal 2025. The purpose of this policy is to maintain basic quality and safety for growth, even during this period of recovering air travel demand and changes in the environment.

In fiscal 2024, we conducted a review of the previous fiscal year's activities and changes in the environment. Based on this review, we are clarifying how to move forward with key concepts and evolve safety risk management. To this end, we have updated our approach and we will strive to achieve our ideal state in the year 2030.



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. Structure our aviation security management system

ANA Group Safety

The picture on the left is an image of the ANA Group Safety. 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
- Flexible Culture

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

Human Resources Development

Revised Safety Education and Enlightenment Activities

The ANA Group provides education and training to raise employee safety awareness and to help employees exercise behavior in line with the Course of ANA Group Safety Action.

In fiscal 2023, we redesigned the entire safety education program to foster a positive safety culture. In fiscal 2024, we began education and training under this new program. This new program fosters safety culture by helping employees understand the concepts behind safety management systems and gain the ability to think and act independently based on discussions designed to imagine daily operations and act in accordance with safety guidelines. We also designed the content of the education and training to differ according to the position of the learner.



Continuing the Culture of Safety

The ANA Group engages in ongoing education and training programs to preserve the memory of past accidents and hijackings in our pursuit of safety. While emphasizing dialogue between top management and employees and communication among employees, we strive to continue a culture of safety at a broader and more profound level, ensuring every member of our organization to think and act regarding safety from a sense of personal responsibility.

Education Initiatives

ANA Group Safety Education Center (ASEC)

ASEC, located in the ANA Blue Base, provides safety education in which participants learn actively. The experience helps participants practice safe behavior learned at ASEC in the workplace specifically.

Number of Participants
65,738 (cumulative, past five years)

Emergency Aircraft Evacuation Training

Number of Participants
30,065 (cumulative, past five years)



This repeated emergency evacuation training is mandatory for all group employees to support cabin attendants in assisting and guiding passengers in the event

of an aircraft emergency.

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

Safety and Security Dialogue between Top Management and Employees

Number of Participants
6,447 (cumulative, past three years)



Lectures by senior management on learning from past accidents and hijacking incidents, as well as direct dialogue with ANA Group employees, provide

opportunities to share thoughts and safety and security, examples of best practices in each division, and expanded initiatives in the workplace.

Initiatives for Aviation Safety and Security Promotion Month

July is Aviation Safety and Security Promotion Month for the ANA Group. We use this month as an opportunity to reconfirm the importance of safety and security by, for example, revisiting past accidents and incidents. We also strive to improve safety and quality throughout the ANA Group through initiatives to foster a culture of safety and security while reinforcing the skills supporting safety and security.

Ensuring Safety in Non-Air Operations

Food Safety

The ANA Group introduced the ANA Catering Quality Program (ACQP), from the three aspects of food safety for hygienic in-flight and ANA Lounge meals, the pursuit of delicious quality, and the safe and correct loading and unloading of goods 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 in regular external hygiene audits from third parties based on international standards. Results are reported to the group to maintain and improve quality. The Board of Directors is regularly informed of on issues related to food safety and measures to address food safety.



In-flight meal production



Hygiene training



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. We designate information to be protected and develop information management rules according to the degree of importance assigned to each type, enhancing safety in the office and other facility environments. System security measures include data encryption, perimeter defense, anti-virus, and endpoint security to achieve defense in depth. We have strengthened countermeasures against phishing, including fake emails pretending to be from ANA domains. Additionally, we have introduced Attack Surface Management (ASM) considering the shift to a cloud environment, and we are monitoring it 24/7. In addition, we created the ANA Group Information Security Management Manual for employees for use across 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. Executive personnel attend Cyber Security Response Training on a regular basis. 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.



Cyber Security Response Training for executive personnel

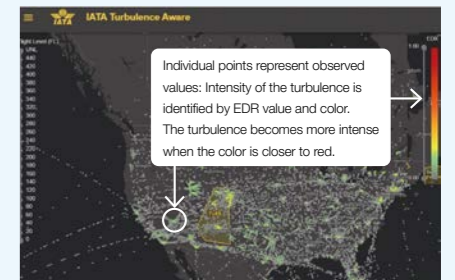
Preventing Injuries Caused by Turbulence

To prevent turbulence from injuring passengers and flight attendants, the ANA Group steps up efforts through a coordinated effort among all parties involved in flight operations. Our efforts focus on three key ideas: avoid turbulence, prepare for turbulence, and avoid injuries.

Flight Path Selection to Avoid Turbulence

We obtain more accurate and detailed turbulence data to help flight crews select appropriate flight paths en route.

In addition to information provided traditionally by flight crews via radio, we use measured turbulence data (EDR: a quantitative indicator of air turbulence) observed by aircraft in flight. In 2023, we were the first Japanese airline to participate in the IATA* Turbulence Aware platform, which shares EDR data. In this way, we share data in real time and access data from participating airlines to ensure safe operations.



EDR data screen
* International Air Transportation Association



Decision-Making and Information Sharing to Prepare for Turbulence

We create environments to prepare for turbulence, with flight crew and flight attendants capable of making decisions that prioritize safety. We also use in-flight announcements to share information with passengers in a timely and accurate manner.

Seatbelt sign on/off	<ul style="list-style-type: none"> We strive to make quick decisions when to turn on or off the seatbelt sign, taking into consideration not only turbulence in the cabin but also experience from the cockpit.
In-cabin safety	<ul style="list-style-type: none"> Even when the seatbelt sign is off, we may employ safety measures (e.g., instructing passengers to wear their seatbelts) if we determine that passengers or cabin crew are in danger due to turbulence. Flight attendants report such situations immediately to the flight crew. When not serving or responding to passengers, flight attendants stays seated on CA seats and wear seatbelts when observing the cabin in case of unanticipated turbulence.
In-flight announcements	<ul style="list-style-type: none"> In-flight announcements provide passengers with an idea of expected turbulence (e.g., timing, duration of turbulence). When the seatbelt sign is on, we inform passengers as quickly as possible to encourage them to pay attention.

Creating Environments to Avoid Injuries

To reinforce safety awareness, we show passengers a safety video in the aircraft to ensure safe behavior when encountering turbulence.

Flight attendants familiarize themselves with the location of handrails, handles, etc., and correct positions for each aircraft type to protect themselves by minimizing the possibility of becoming airborne due to turbulence. In addition, new employee training uses motion mockups (turbulence simulators) to experience the feeling of turbulence and to ensure employees are ready to take immediate action to protect themselves.



In-flight passenger safety video

Take Measures through Continuous Coordination between Departments to Prevent Problems Reactively and Proactively.

The risk of turbulence will only increase in the future with extreme weather and environmental changes. For this reason, the ANA Group considers turbulence countermeasures a priority issue, in safety operations to prevent serious accidents.

The departments that support operations must coordinate efforts, using weather and operational data analysis to pursue even greater reductions in cabin injury risk. In addition, flight crew and cabin crew must work together to ensure the best possible response. Every employee takes independent action appropriate to their position to prevent or eliminate the recurrence of issues in this area.



NAKAMURA Soichi
Corporate Safety,
ALL NIPPON AIRWAYS CO., LTD.

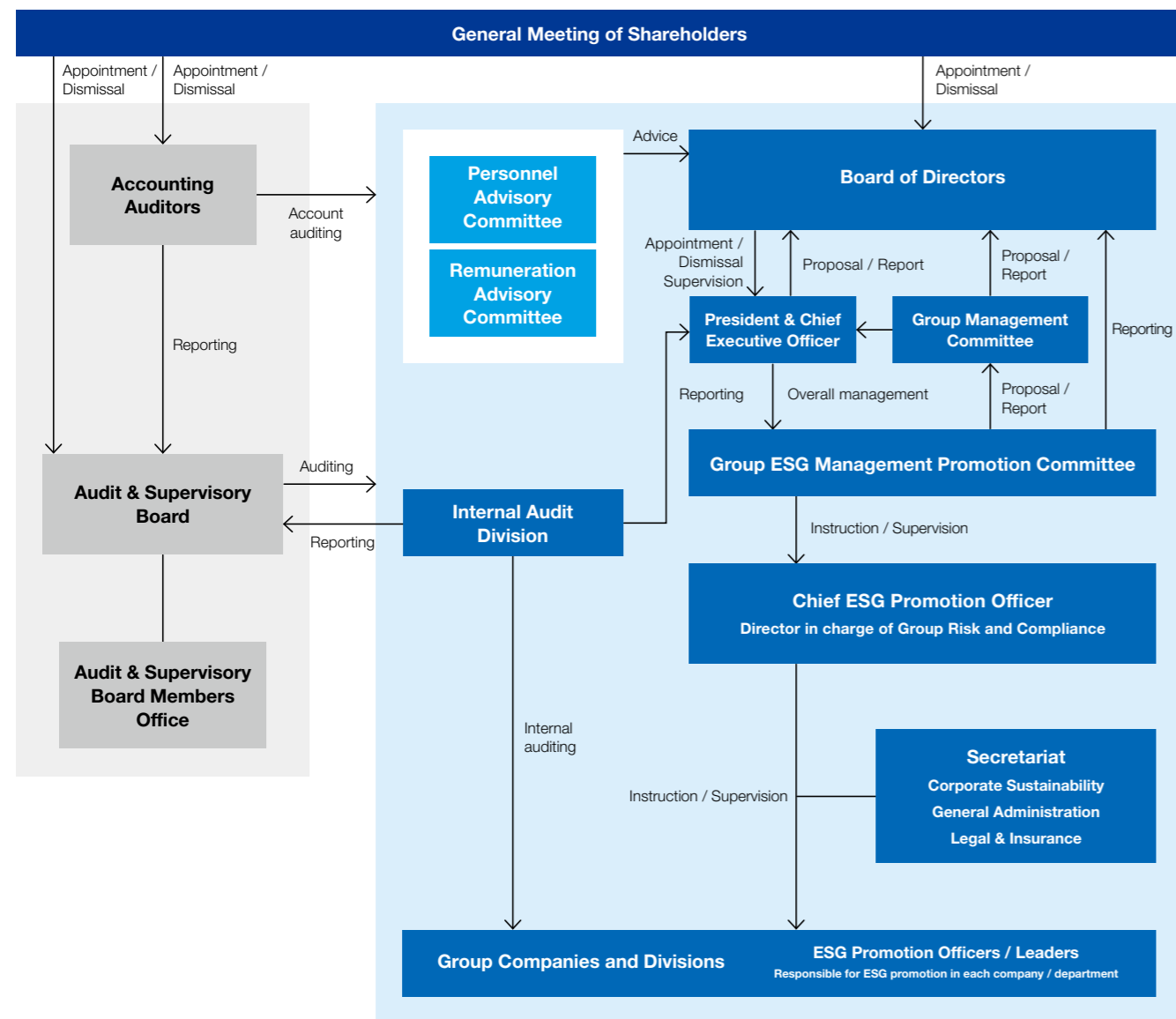
Corporate Governance

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, 2024)

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 2 female directors)</small>	1 year <small>(also applies to outside directors)</small>	13
Audit & Supervisory Board members		5

The Board of Directors of ANA HOLDINGS INC. sets groupwide management policies and goals, makes important decisions for group management, and oversees 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.

Group Management Committee

Number of Meetings*
56

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.

Advisory Committees

Personnel Advisory Committee

Chairman	Number of Members	Number of Meetings*
YAMAMOTO Ado	5	4

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

Remuneration Advisory Committee

Chairman	Number of Members	Number of Meetings*
YAMAMOTO Ado	7	3

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

Audit & Supervisory Board

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

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.

* The number of meetings held in fiscal 2023

Outside Director Roundtable Discussion

Achieving Sustainable Corporate Value Enhancement
while Exercising Stronger Governance



KATSU Eijiro
Independent Outside Director

YAMAMOTO Ado
Independent Outside Director

KATANOZAKA Shinya
Chairman of the Board
Chairman of the Board of Directors

KOBAYASHI Izumi
Independent Outside Director

MINEGISHI Masumi
Independent Outside Director

► **KATANOZAKA:** When I took over as president in 2015, the Tokyo Stock Exchange had just published the Corporate Governance Code. At that time, we formulated a basic policy, and we incorporated that policy in our Corporate Governance Report after internal discussions. Since that time, we have continued to step up governance to ensure sustainable growth and increase corporate value, responding appropriately to the 2018 and 2021 code revisions. In addition, we strive to strengthen the supervisory function of the Board of Directors by evaluating the effectiveness of the Board on an annual basis, identifying and improving issues. We ask our outside directors to cooperate in this evaluation process to further enhance the soundness and transparency of our management, benefiting from objective supervision and advice. In this roundtable discussion, we invite our outside directors to offer their candid opinions regarding our efforts to strengthen corporate governance and future measures to enhance corporate value further.

Improving the Effectiveness of the Board of Directors

► **KATANOZAKA:** The Board of Directors must play an increasingly important role in strengthening governance to support the enhancement of corporate value. In terms of Board effectiveness, what improvements did you see over the last fiscal year?

► **YAMAMOTO:** In the past, preliminary Board meeting materials were sometimes provided only at the last minute. Last year, we saw significant improvements in how the materials are shared, and we now use iPads to receive information in a timely manner. This method provides time for preparation and more meaningful discussions.

I was also impressed by the seriousness with which the chairperson and the executive side took the opinions and requests of the outside directors. Last year, the outside directors offered numerous comments and made requests regarding new businesses, which led to very active discussions at Board meetings. In that context, things improved significantly.

► **KATANOZAKA:** We received a variety of comments regarding new businesses related to the management of operating companies and matters not previously recognized. Through this experience, we reaffirmed the importance of objective viewpoints. I feel the tremendous significance of insights from outside directors on the perspectives of executive officer business decisions.

Efforts to Strengthen Governance

► **KATANOZAKA:** For outside directors to gain a better understanding of the ANA Group, we provide regular opportunities to visit our front lines, including on-site tours and roundtable discussions with employees. Last fiscal year, outside directors visited the cargo area at Narita Airport. What issues did you notice on-site?

► **KOBAYASHI:** First, I wanted to express my gratitude directly to everyone in the cargo business for their hard work during the COVID-19 pandemic, so the visit was a terrific opportunity. We heard firsthand what it was like to overcome the challenges during that time. The experience was very effective in terms of incorporating the feedback and issues in Board meeting discussions.

After observing everyone in their day-to-day work, I felt the Company needed to invest more in improving the working environment. It was also an excellent opportunity to understand the complexity involved in the cargo loading process. I was reminded of the importance of human resources development and improved working environments, balanced by the Company's budget allocation. Being able to offer specific recommendations based on the site visit was very useful.

► **KATANOZAKA:** I am pleased that our outside directors took the opportunity to express their praise and appreciation for the hard

work conducted during the pandemic. Feedback from employees also indicated that they appreciated the willingness of our directors to listen to their concerns.

As pointed out, we reconfirmed issues such as the current state of several old facilities, the need to improve facilities in light of the increasing number of female employees, the slow pace of IT adoption, and the large number of documents. I was reminded of the importance of receiving feedback from the field and making improvements. As for the cargo area at Narita Airport, we plan to open a new cargo warehouse by the end of this fiscal year. And we hope to make further improvements in operational efficiencies and the work environment.

Toward Stronger Governance Functions

► **KATANOZAKA:** Next, I want to discuss issues we must address to strengthen our governance function. What is your opinion on the overall governance of the Company, including management of Board meetings.

► **MINEGISHI:** Board meetings consist of resolutions, reports, and, most importantly, discussions on strategy. I think the time allocation and agenda-setting for strategy discussions have improved greatly over the past two years. To evolve this process further, the Board of Directors and the secretariat of the Group Management Committee must work together closely to ensure executive officers receive and reflect the perspective of the Board in management strategy. After all, execution is what drives business that enhances corporate value directly. This is why it is essential to establish points of discussion from an external perspective—the Board's perspective, in other words—to address in Management Committee meetings to improve the quality of discussions in these meetings. Doing so will expand the vision at lower layers, instilling a management perspective and resulting in strong governance over the Company as a whole. This approach will also strengthen the quality of Board discussions related to strategy. As outside directors, we want to contribute more to this process.



► **KATANOZAKA:** Thank you. Currently, we give feedback from Board meeting discussions for use in the next Management Committee meeting. The members of the Management Committee include directors from ANA, our operating company, who are also candidates for future directors and executive officers of the holding company, so this is a very important learning opportunity for them. We are working to strengthen communications and collaboration between the secretariats of the two groups.

ANA Group Strengths

► **KATANOZAKA:** Each of you have important positions outside the Company. What do you see objectively as the unique strengths of the ANA Group in comparison to other companies?

► **YAMAMOTO:** I think the ANA Group is a very flat organization internally. I once boarded a jumpseat (an auxiliary seat in the cockpit) on a passenger flight, and I got that impression listening to the conversation between the captain and the co-pilot.

Even in back-office departments, for example, co-workers call each other by name, rather than title, in meetings and emails. This type of atmosphere creates a flat corporate culture naturally. We also have mid-career hires working in a diverse range of workplaces. It's also good to see numerous mid-career hires in key positions.

Something else I want to address is the response to the COVID-19 pandemic. Amid what is regarded as a once-in-a-century crisis, the Company secured funds quickly to ensure survival, and then proceeded to cut costs. Many employees responded positively to external secondments to other companies, municipalities, and organizations, which helped particularly with personnel expenses. Our secondment partners were very willing to take on anyone who was an ANA Group employee. This attitude was the result of the ANA Group's day-to-day relationships with local communities.

► **KATANOZAKA:** That the president and chair of ANA Holdings also conducts on-site visits reflects the flat culture within the Company. President Shibata places great importance on the front lines of the Company, even visiting the night shift of the maintenance shop, for example. Many of our employees have responded very positively to requests for external secondments. These secondments have had a very positive effect on the employees, who acquire a variety of work experiences and values outside the Company. When they return, these employees bring and utilize these new skills in our company.

► **KATSU:** The ANA Group is an unusual organization. First, as Mr. Yamamoto mentioned, the Company has a very flat and frank culture. At the same time, all operations on the front lines relate directly to customer safety, in another sense, the culture is very controlled. The hallmark of a well-disciplined company is the presence of many outstanding leaders. The entire company rallied around the strong leadership of top management in dealing with the pandemic, working together to implement an excellent strategy to overcome the challenges. It is rare to find a company that exercises both control and frankness in this way. The ANA Group also combines frank and disciplined safety management. This is one of the ANA Group's greatest strengths.

► **KATANOZAKA:** As an example of safety measures, in particular, we instituted strict measures to address the issue of pilot alcohol use by expanding the scope to include other work sites and administrative departments across the entire company, inviting experts in to lead study sessions and so forth. This campaign to moderate drinking was well received by parties both inside and outside the Company.

Enhancing Corporate Value over the Medium to Long Term

► **KATANOZAKA:** For my last question, what issues should the Board of Directors discuss in the future to respond appropriately to the various changes in the business environment since the pandemic? What must the Board address to help the Company achieve medium- to long-term growth and enhance corporate value?

► **KOBAYASHI:** The airline industry faced a very difficult situation during the COVID-19 pandemic. Over the past year or two, we have



spent considerable time discussing businesses other than the airline business. Since ANA is still an airline group after all, I think the most important issue is how to develop the airline business in the future. It's especially important to clearly stake out the Company's position in Asia and to expand business in that region. The next group corporate strategy should include in-depth discussions and address this issue in detail.

Next, is the Cargo Business. From the perspective of portfolio strategy, it is very important to determine the strategy that will advance the business with an eye to future market needs, including the current acquisition of Nippon Cargo Airlines.

Last, is ESG compliance, including SAF*. We must accelerate discussions on meeting the challenge based on specific milestones. Of course, we must also reference case studies from advanced ESG countries.

* SAF: Sustainable Aviation Fuel

► **KATANOZAKA:** Yes, I understand. We plan to deepen medium- to long-term discussions about our Air Transportation Business from the customer's perspective, including systems modifications based on future global strategies. SAF is also a very important topic. With your knowledge on the subject, I look forward to discussing more about how we can achieve our environmental goals for 2030.

► **KATSU:** The choice of topics covered at Board meetings is important. Since the core of the ANA Group is the airline, we must dig deep into discussions of the Air Transportation Business. We must also pursue deeper discussions on safety, which is an important foundation for aircraft investment and management toward future growth.

► **KATANOZAKA:** I hope to provide timely information and have discussions on safety, including engine issues, with our outside directors. Aircraft investment is a very important decision. I believe we should incorporate the opinions of outside directors after furnishing them with detailed information on safety and technical capabilities.

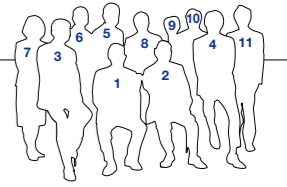
► **MINEGISHI:** A global strategy is imperative for the mainstay Air Transportation Business. The Board should discuss the scale of resources to invest and where to position the business in Japan, in Asia, and worldwide. As a leading airline, ANA must also aim for the world's highest level of productivity. Currently, the airline plans to develop systems for digital transformation, but it is important to ensure that new systems do not cause conflicts with on-site operations. For the Non-Air Business, Board discussions must address strategies to grow around the ANA Economic Zone based on the use of ANA Mileage. Management must decide how to allocate resources to the positioning of each business to optimize the portfolio of the Air Transportation and Non-Air businesses for medium- to long-term growth.

► **KATANOZAKA:** I think the ANA Economic Zone must be defined more clearly in terms of Air Transportation and Non-Air businesses and the migration path to the ANA Economic Zone, including the scale of businesses planned. We should also engage in deeper discussions of potential collaborations with partners to strengthen the base of ANA Mileage Club members, referring to case studies from other companies.

We defined value-added productivity as a new KGI to emphasize value creation throughout the group. I think it is very important for every ANA Group employee to create added value, thereby improving the productivity of the group as a whole. The Board of Directors should review progress in light of these points.

► **KATANOZAKA:** Today, we received specific and valuable opinions about strengthening corporate governance and improving the medium- to long-term value of the ANA Group. We will continue to incorporate the objective opinions and, sometimes, brutally honest perspectives of our outside directors in strategies as we strive for sustainable corporate value enhancement. Thank you for your participation today.





	Name	Position at ANA HOLDINGS	Independent Director	Executive Officer	Assignments	Personnel Advisory Committee	Remuneration Advisory Committee
1	KATANOZAKA Shinya	Representative Director, Chairman			Chairman of the Board of Directors		
2	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.	●	●
3	HIRASAWA Juichi	Representative Director, Executive Vice President		●	In charge of Government & Industrial Affairs, Executive Secretariat, Economic Security, Group Procurement		
4	NAOKI Yoshiharu	Representative Director, Executive Vice President		●	Group CHO (Chief Human Resource Officer, Human Resources, and Employee Relations), and Corporate Strategy		
5	INOUE Shinichi	Member of the Board			President & Chief Executive Officer, ALL NIPPON AIRWAYS CO., LTD.		
6	NAKAHORI Kimihiro	Member of the Board, Executive Vice President		●	Group CFO (Chief Financial Officer, Finance, Accounting, and Investor Relations & Business Management)		
7	TANEIE Jun	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	●			●	●

	Name	Special Knowledge, Experience, and Skills							
		Corporate Management and Long-Term Strategy	Airlines Business and Safety	Human Capital Development and Diversity	Finance and Accounting	Legal and Risk Management	Sustainability	Technology and Innovation	Global Management
1	KATANOZAKA Shinya	●	●	●			●		●
2	SHIBATA Koji	●	●				●	●	●
3	HIRASAWA Juichi	●	●				●	●	
4	NAOKI Yoshiharu	●	●	●					●
5	INOUE Shinichi	●	●	●				●	●
6	NAKAHORI Kimihiro	●	●		●			●	
7	TANEIE Jun	●	●	●		●	●		
8	YAMAMOTO Ado	●	●	●		●			
9	KOBAYASHI Izumi	●		●	●		●		●
10	KATSU Eijiro	●			●	●		●	●
11	MINEGISHI Masumi	●		●			●	●	●

See P.95 for more information on the reasons behind the selection of the skill sets that we expect directors to possess.

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 also made to ensure diversity in terms of gender, nationality, race, ethnicity, age, and other factors within the scope of the Civil Aeronautics Act and other relevant laws.
Outside Directors	In addition, 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 Board Directors

- The following director candidates were selected based on the judgment that their abundant experience, performance, and insight would be crucial to achieving sustainable increases in the group's corporate value.
- These director candidates assumed their positions after being appointed at the 79th Ordinary General Meeting of Shareholders.

	Brief Personal History / Major Concurrent Positions	Reasons for Appointment
Internal Directors	KATANOZAKA Shinya Chairman of the Board 2011: Executive Vice President 2015: President & Chief Executive Officer, Representative Director 2022: Representative Director, Chairman 2024: Chairman of the Board (present) Major Concurrent Positions Outside Director, Tokio Marine Holdings, Inc. Outside Director, Kirin Holdings Company, Limited	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 profit growth for four consecutive years. In addition, he led measures to overcome the business crisis resulting from COVID-19. His efforts include quickly securing liquidity on hand as well as formulating and implementing our Business Structure Reform plan. Mr. Katanozaka served as chairman and chair of the Board of Directors since April 2022, endeavoring to strengthen the functions of the Board by leveraging his extensive experience and achievements over his career. He has continued these efforts as the chair of the Board of Directors since April 2024.
	SHIBATA Koji Representative Director, President & Chief Executive Officer 2020: Member of the Board of Directors 2021: Representative Director 2022: Representative Director, President and CEO (present)	SHIBATA Koji has been involved in sales and international alliances for many years. As a corporate executive officer since June 2020, and as representative director and executive vice president since April 2021, he has been in charge of the planning and execution of the Group Corporate Strategy. As representative director, president & CEO since April 2022, Mr. Shibata has been pursuing group management, always maintaining a global perspective and placing the highest priority on safety. He contributes to strengthening the functions of the Board of Directors by leveraging his extensive experience and achievements over his career.
	HIRASAWA Juichi Representative Director, Executive Vice President 2022: Member of the Board of Directors 2024: Representative Director (present)	HIRASAWA Juichi has been involved with the business planning and planning divisions for many years. From April 2018, he served as an executive officer of ALL NIPPON AIRWAYS CO., LTD., a core subsidiary of the ANA Group, where he was in charge of creating and promoting innovations such as automated airport vehicle operation and MaaS in addition to formulating and implementing the company's Corporate Strategy. Since June 2022, Mr. Hirasawa has served as a senior executive officer at the company, working primarily on industrial policy and other matters. He continues these efforts as the representative director and executive vice president as of April 2024.
	NAOKI Yoshiharu Representative Director, Executive Vice President 2024: Representative Director (present)	NAOKI Yoshiharu has extensive experience in human resources and sales. In April 2019, he was appointed as the executive officer in charge of the human resources division of ALL NIPPON AIRWAYS CO., LTD., a core subsidiary of the ANA Group, where he reviewed the human resources system and worked to develop human capital and improve employee engagement. Mr. Naoki has been in charge of planning and executing the Group Corporate Strategy since April 2024, and has worked in group management as representative director of the Company since June 2024.

	Brief Personal History / Major Concurrent Positions	Reasons for Appointment
Internal Directors	INOUE Shinichi Member of the Board 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.	INOUE Shinichi was involved in the establishment of Peach Aviation Limited, Japan's first low cost carrier (LCC), and as representative director & CEO, he has achieved rapid growth for the company. In addition, since April 2020, he has overseen the sales division as representative director and executive vice president of ALL NIPPON AIRWAYS CO., LTD., a core subsidiary of the ANA Group. As representative director and president & CEO of the company from April 2022, Mr. Inoue has been pursuing the management of that company with safety as the top priority in order to put it back on a growth trajectory that will see it become a leading global airline.
	NAKAHORI Kimihiro Member of the Board, Executive Vice President 2024: Member of the Board of Directors (present)	NAKAHORI Kimihiro has extensive experience in accounting and finance. He has ensured liquidity on hand during the COVID-19 pandemic and has worked to secure a stable financial base as executive officer since April 2020 and as chief financial officer from April 2022.
	TANEIE Jun Member of the Board, Executive Vice President 2024: Member of the Board of Directors (present)	TANEIE Jun has extensive experience in marketing. As an executive officer since April 2021 and as a senior executive officer since April 2023, she has been working to raise awareness and promote DEI in the Group, making active efforts to communicate initiative progress at conferences in Japan and overseas. Ms. Taneie has also been working on ESG and risk management since April 2024.

	Brief Personal History / Major Concurrent Positions	Reasons for Appointment
Outside Directors	YAMAMOTO Ado Independent Outside Director 2013: Member of the Board of Directors (present)	YAMAMOTO Ado has a wealth of experience and wide-ranging expertise in transportation industry management and as a top executive in an economic organization. At meetings of the Board of Directors, he offers opinions and advice on safety and quality in public transportation organizations, organizational management, human capital strategies, and other matters. Mr. Yamamoto was appointed as a member of the Remuneration Advisory Committee and the Personnel Advisory Committee in June 2016. In June 2020, he was appointed chair of the Remuneration Advisory Committee and Personnel Advisory Committee.
	KOBAYASHI Izumi Independent Outside Director 2013: Member of the Board of Directors (present) Major Concurrent Positions Outside Director, Mizuho Financial Group, Inc. Outside Director, OMRON Corporation	KOBAYASHI Izumi has a wealth of experience and expertise as a representative for private financial institutions and international development and finance institutions, as well as an outside director for other operating companies. At meetings of the Board of Directors, she leverages her background to provide opinions and advice on sustainability, corporate governance, risk management, and other matters. Ms. Kobayashi was appointed as a member of the Remuneration Advisory Committee in July 2013 and a member of the Personnel Advisory Committee in June 2016.
	KATSU Eijiro Independent Outside Director 2020: Member of the Board of Directors (present) Major Concurrent Positions President, Representative Director and Executive Officer, Internet Initiative Japan Inc. Outside Director, Nippon Television Holdings, Inc.	KATSU Eijiro has a wealth of experience and expertise as a government official, including his tenure as Vice Minister of Finance and his extensive experience in ICT company management. He leverages this experience to provide opinions and advice on corporate strategies, investment management, and risk management. Mr. Katsu was appointed as a member of the Remuneration Advisory Committee and the Personnel Advisory Committee in June 2020.
	MINEGISHI Masumi Independent Outside Director 2020: Member of the Board of Directors (present) Major Concurrent Positions President, CEO and Representative Director of the Board, Recruit Holdings Co., Ltd. Outside Director, Konica Minolta, Inc.	MINEGISHI Masumi has led numerous new businesses to success at Recruit Co., Ltd. (now Recruit Holdings Co., Ltd.). Since April 2012, he has contributed to a significant increase in the corporate value of the same company as representative director and president & CEO through mergers and acquisitions of overseas companies. He leverages his extensive experience as a company manager in consumer and service industries to provide opinions and advice on business portfolios, new business development, investment management, and other matters. Mr. Minegishi was appointed as a member of the Remuneration Advisory Committee and the Personnel Advisory Committee in June 2022.

Management Members: Audit & Supervisory Board Members As of July 31, 2024

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



FUKUZAWA Ichiro
Audit & Supervisory Board Member



KAJITA Emiko
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

FUKUZAWA Ichiro and KAJITA Emiko were elected at the 79th General Meeting of Shareholders.

		Reasons for Appointment
Audit & Supervisory Board Members	FUKUZAWA Ichiro Audit & Supervisory Board Member	FUKUZAWA Ichiro has extensive experience in accounting, finance, and investor relations. He has served as chief financial officer since April 2017, working to secure a stable financial base for the group and for implementing efficient capital restructuring and other financial strategies. Mr. Fukuzawa also took prompt measures to secure liquidity on hand during the COVID-19 pandemic. Since April 2022, he has served as representative director and senior executive vice president and has been in charge of planning and executing the Group Corporate Strategy and other matters. Mr. Fukuzawa has a wealth of experience and knowledge in finance, accounting, and group management.
	KAJITA Emiko Audit & Supervisory Board Member	KAJITA Emiko has extensive experience in in-flight services and customer departments. Ms. Kajita has extensive knowledge and experience in the Air Transportation Business, safety, operational quality, and services. She has also been involved in ESG management, enhancement of risk management, and other matters as director and executive vice president since June 2023.

Mr. OGAWA Eiji was elected at the 77th General Meeting of Shareholders.

Mr. KANO Nozomu and Ms. MITSUHASHI Yukiko were elected at the 78th 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	●	●		●	●	
FUKUZAWA Ichiro			●	●		
KAJITA Emiko			●		●	●
OGAWA Eiji	●			●	●	
MITSUHASHI Yukiko	●				●	●

Selection and Dismissal of Director and Audit & Supervisory Board Member Candidates

Reasons for Skill Set Selection

The following are the reasons behind the selection of the skill sets that we expect directors and Audit & Supervisory Board members to possess.

Skills	Reasons for Selection
Corporate Management and Long-Term Strategy	In order to enhance corporate value through sustainable growth of the group, members of the Board who have abundant experience and knowledge on corporate management as well as creation and performance of long-term corporate strategies are necessary.
Airlines Business and Safety	In order to enhance corporate value through the growth of the Air Transportation Business, which is the core business of the group, members of the Board who have knowledge and experience in the relevant business and who are equipped with skills and expertise to promote deep understanding in safety, i.e. the core foundation of management, and wide acceptance of safety in corporate culture.
Human Capital Development and Diversity	In order to enhance corporate value through an increase in competitive power of the group, members of the Board who have skills and expertise to maximize individual capacities through training of human capital and to improve the engagement of employees as well as those who are capable of management of various human capital are necessary.
Finance and Accounting	In order to enhance corporate value through efficient fund management of the group, members of the Board who have skills and expertise to achieve accurate financial reports and build-up of strong financial basis and to make well-balanced decisions based on growth investment and shareholder returns are necessary.
Legal and Risk Management	In order to enhance corporate value through stable business operation of the group, members of the Board who have in-depth knowledge of relevant laws and regulations, skills and expertise for proper corporate governance system, and risk management capabilities are necessary.
Sustainability	In order to enhance corporate value by way of attaining sustainable society through the group business, members of the Board who are knowledgeable in environmental issues, human rights issues, and other social issues, and who also have skills and expertise to promote resolution of the same are necessary.
Technology and Innovation	In order to enhance corporate value through technical innovation of the group, members of the Board who are knowledgeable in up-to-date air transportation technology concerning maintenance and flight operations, and those who have skills and expertise to promote efficient business operation using digital technology as well as innovation and new business are necessary.
Global Management	In order to enhance corporate value through global business development of the group, members of the Board who have in-depth understanding in global markets and who have abundant experience and expertise in ways of living, culture and business at overseas are necessary.

Succession Plan

We recognize the importance of succession plans for the president, directors, and other senior management for the survival of the company and the sustainable enhancement of corporate value. We select candidates for senior management and train these employees based on the knowledge, skills, and other areas required for such positions.

We established the Personnel Advisory Committee to guarantee transparency and fairness in the selection of candidates. The committee is chaired by an outside director and consists of four outside directors and one internal director. The committee discusses the succession plan for the president and representative director, the knowledge, skills, experience, and other requirements of senior management, and the appointment and assignment of officers. The committee also reports to the Board of Directors for the board to make final decisions on representative directors. Candidates and succession plans for executive officers and certain department heads are also reported and shared with the Personnel Advisory Committee.

Initiatives to Strengthen Governance Structure

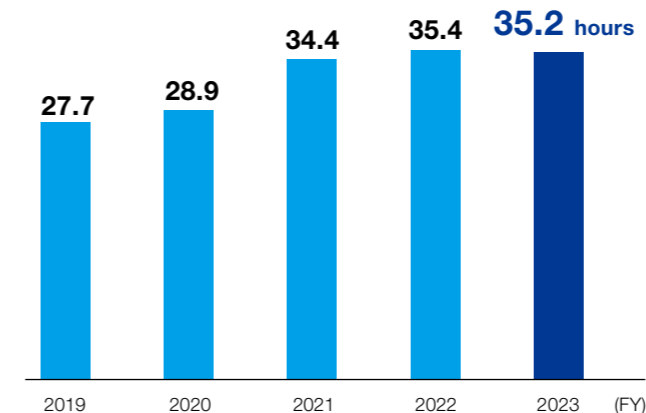
		Before FY2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
		Before transitioning to the holding company structure (~March 2013)	After transitioning to a holding company (April 2013-)												
Corporate Governance Code trends			Corporate Governance Code formulation					Corporate Governance Code revision			Corporate Governance Code revision				
Fundamental Policy on Corporate Governance			Fundamental Policy on Corporate Governance enactment					Fundamental Policy on Corporate Governance revision							Fundamental Policy on Corporate Governance revision
Board of Directors' composition	Directors	2001 Introduced executive officer system 2003 Shortened the term of office of directors (from two years to one year) 2006 Reduced the number of directors in the Articles of Incorporation (from 40 to 20)	10 • 7 internal directors (7 male, 0 female) • 3 outside directors (2 male, 1 female)									11 • 7 internal directors (7 male, 0 female) • 4 outside directors (3 male, 1 female)	11 • 7 internal directors (6 male, 1 female) • 4 outside directors (3 male, 1 female)		
	Audit & Supervisory Board Members		5 • 2 internal members (2 male, 0 female) • 3 outside members (3 male, 0 female)									5 • 2 internal members (2 male, 0 female) • 3 outside members (2 male, 1 female)	5 • 2 internal members (1 male, 1 female) • 3 outside members (2 male, 1 female)		
Organizational format		2005 Established the CSR Promotion Committee 2011 Renamed to the CSR Promotion Committee	Established the Remuneration Advisory Committee Renamed to the Group CSR Promotion Committee		Established the Personnel Advisory Committee Renamed to the Group CSR Risk Compliance Committee						Renamed to the Group ESG Management Promotion Committee				
Improve the effectiveness of the Board of Directors	Enhanced medium- and long-term discussions						Began effectiveness evaluation	Reorganized agenda items and reviewed operating rules and regulations	Extended meeting time (from two to three hours)	Established a special meeting for reports and Q&A separate from Board meetings for medium- to long-term management issues	Established a strategy discussion category dedicated to medium- to long-term discussions				
	Enhanced input opportunities for outside directors		Explained all proposals to outside directors prior to the Board of Directors' meetings as a general rule					Conducted annual town meetings between employees and outside directors in the current business divisions		Established forums to explain management issues at major group companies from directors in charge Held annual discussions among financial statement auditors and outside directors					
Officer remuneration		2004 Abolished retirement benefits	Established the share remuneration plan			Adopted non-financial indicators as KPIs for officer remuneration									

Major Agenda Items for the Board of Directors (Fiscal 2023)

<ol style="list-style-type: none"> Items Related to General Meetings of Shareholders <ul style="list-style-type: none"> Proposals to be submitted to General Meetings of Shareholders for approval Items Related to Directors, Corporate Executive Officers, the Board of Directors, etc. <ul style="list-style-type: none"> Selection of director candidates and corporate executive officers Results of the evaluation of the effectiveness of the Board of Directors Policies for officer remuneration Items Related to Financial Results <ul style="list-style-type: none"> Financial results and earnings forecasts Reports from group companies Evaluations in the capital markets Items Related to Shares and Capital <ul style="list-style-type: none"> Disposal of treasury stock Items Related to Organizational Restructuring Items Related to Personnel and Organizations Items Related to the Company and Important Subsidiaries <ul style="list-style-type: none"> Discussions regarding business and other risks and risk ANA brand / Peach / AirJapan business plans Current status and issues at domestic partner airlines Discussions on management resource allocation Review of marketing and sales function reorganization 	<ol style="list-style-type: none"> Items Related to Disposal and Receipt of Important Assets <ul style="list-style-type: none"> Aircraft procurement, sales, and leases System investment and capital investment Investment-Related Matters <ul style="list-style-type: none"> Acquisition of shares of Nippon Cargo Airlines Items Related to Major Debts <ul style="list-style-type: none"> Financing plans Bond issuances Items Related to Corporate Governance <ul style="list-style-type: none"> Changes in medium-term environmental targets due to updated transition scenarios Compliance with the Modern Slavery Act of the UK and Australia Internal audit plans and results reports Group ESG Management Promotion Committee report Valuation of cross-shareholdings Other Items <ul style="list-style-type: none"> Discussions on new business creation Progress of metaverse business Status report on strategic investments Net Promoter Score (NPS) survey results ANA's Way Survey (employee awareness survey) results Personnel Advisory Committee report Remuneration Advisory Committee report
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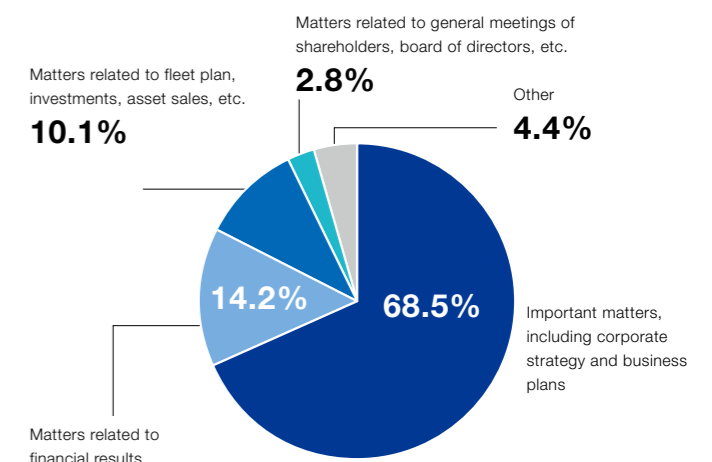
Changes in Board Meeting Length

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 2023)

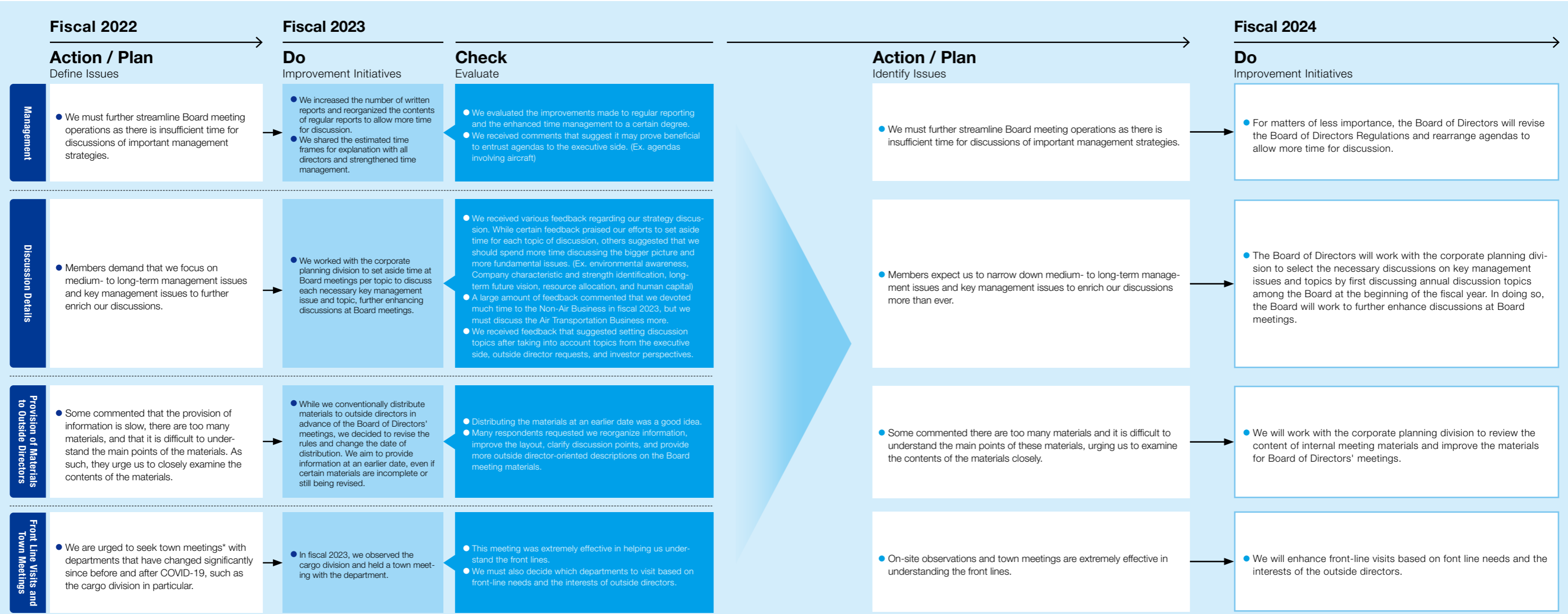
We encourage active discussions of corporate strategy at Board meetings, selecting major related topics about which to exchange opinions from medium- to long-term perspectives.



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 2023, we decided to conduct another efficacy evaluation, following the fiscal 2022 evaluation. (We plan to continue third-party assessments of board effectiveness about once every three to five 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.

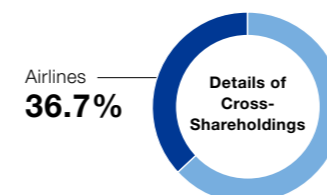
Every year, the Board of Directors conducts a comprehensive review of individual cross-shareholdings. The Board

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 2023 is ¥99,168 million.

Equity Alliances with Airlines

The total amount of shares of airlines owned by ANA HOLDINGS on our balance sheet is ¥36,396 million, which accounts for 36.7% 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

- Pursue 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 P.85

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 0.92 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 ROE, Non-Airline Business and ANA Economic Zone indicators, ESG evaluation indicators, 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.

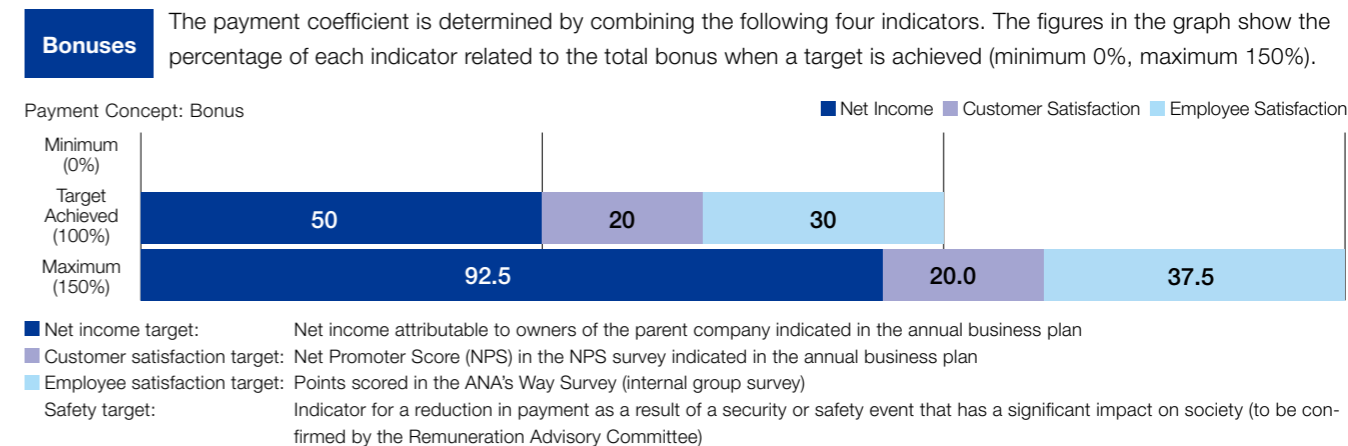
(3) Audit & Supervisory Board members

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.

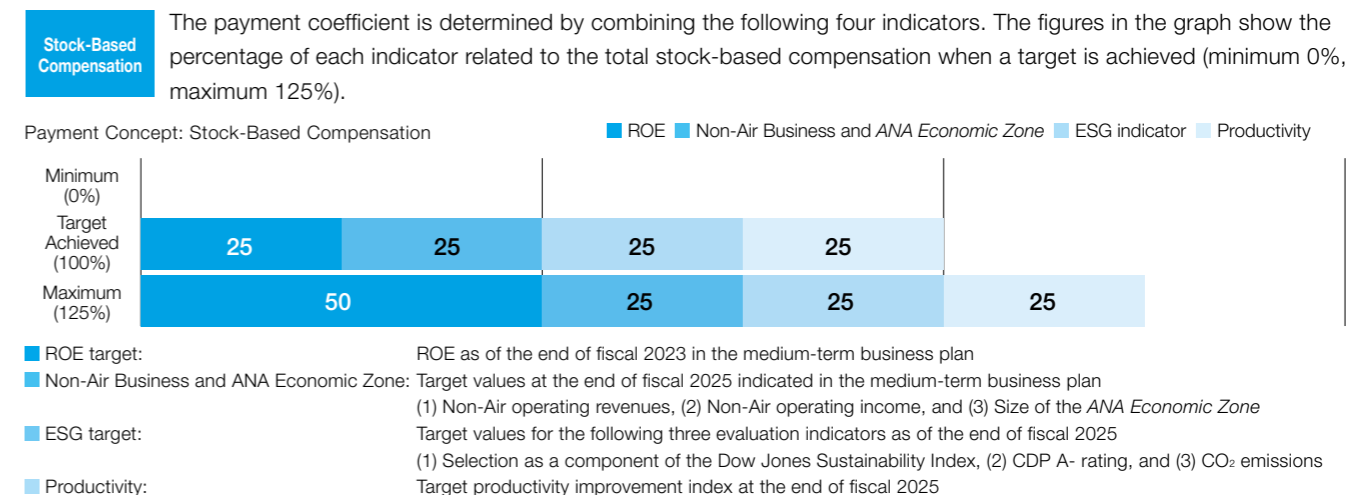
Remuneration levels for members of the Audit & Supervisory Board are determined in line with remuneration at other companies and in consultation with outside experts.

Calculation Method

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



We paid out 75% of the targeted bonus in fiscal 2023.



Conceptual Diagram for the Officer Remuneration System

		Fixed	Variable		Remuneration limits
Ratio		1	0.67 ^{*1}		
Remuneration		(1) Basic remuneration	(2) Bonus (short-term performance-linked)	(3) Stock-based compensation (long-term incentive)	
Payment criteria	Internal directors	Payment according to title, etc.	Measure for fiscal year results according to various criteria Net Income Safety Customer Satisfaction Employee Satisfaction	Evaluate contributions to corporate value over the medium to long term Return on Equity (ROE) Non-Air Business and ANA Economic Zone indicators ESG indicator Productivity	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 on June 20, 2011 (3) Annual maximum of 40,000 shares^{*2} Per resolution at the 70th Ordinary General Meeting of Shareholders, held on June 29, 2015
	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}	

*1 The Company determined to pay within a range from 0.0 to 0.92 times according to the degree of achievement for annual performance targets.

*2 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 400,000 points per fiscal year (400,000 shares of Company common stock). However, the number of shares is based on before the reverse stock split on October 1, 2017, and includes 40,000 points (40,000 shares of Company common stock) after the reverse stock split.

*3 Upon retirement, stock-based compensation is 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 2023 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	601	379	81	140
(Outside directors)	(4)	(60)	(60)	(—)	(—)
Audit & Supervisory Board members	6	144	144	—	—
(Outside Audit & Supervisory Board members)	(4)	(69)	(69)	(—)	(—)
Total	17	745	523	81	140

Notes:

1. The table above includes one outside Audit & Supervisory Board member who resigned as of the end of the 78th Ordinary General Meeting of Shareholders, held on June 27, 2023.
2. We estimate and record share remuneration for directors during the period under review, with a three-year evaluation period from fiscal 2023 to fiscal 2025.
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 400,000 points per fiscal year (400,000 shares of Company common stock). However, the number of shares is based on before the reverse stock split on October 1, 2017, and includes 40,000 points (40,000 shares of Company common stock) after the reverse stock split. 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 as of the close of this Ordinary General Meeting of Shareholders (including three outside Audit & Supervisory Board members).
5. The amounts listed above are rounded down to the nearest million yen.

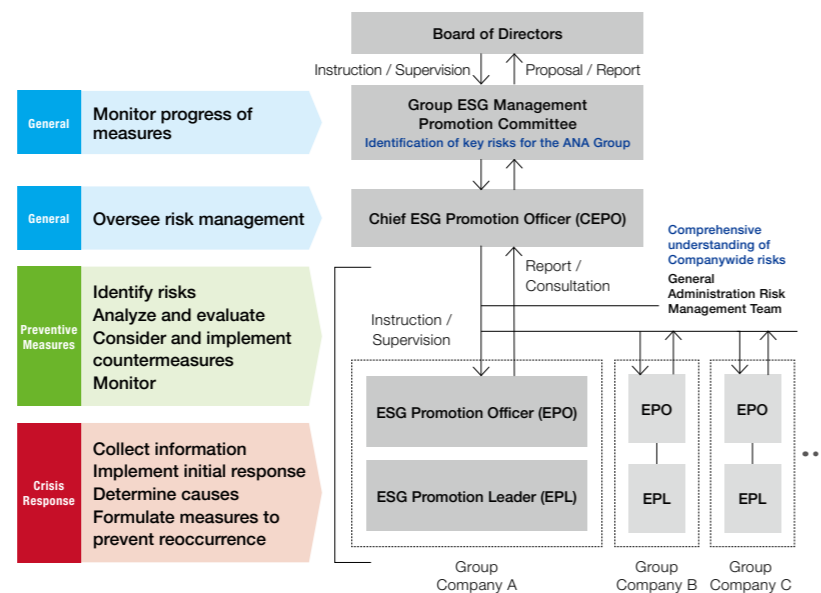
Risk Management

▶ 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 impact management severely. In addition, we have developed groupwide frameworks to minimize the impact of risks and prevent reoccurrence in case risks materialize.

Risk Management Structure

The Group ESG Management Promotion Committee monitors progress of measures in accordance with the ANA Group Total Risk Management Regulations, which stipulate the basic terms of the group's risk management system. Under the Chief ESG Promotion Officer (CEPO), who is responsible for the promotion of ESG management (promotion of risk management and information security), each group company has established a risk management system by having in place an ESG Promotion Officer (EPO) as responsible for promoting it and an ESG Promotion Leader (EPL) to actively promote it. Each EPL assumes a role to conduct risk management (risk prevention) operations according to plans, and takes swift action while working with Group General Administration 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 participate in emergency drills sponsored by the Civil Aviation Bureau or the airport management company to prepare for disasters. In this way, we ensure prompt responses in the event of an emergency.

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.

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.

More detail regarding the key issue of privacy governance (protection of personal information) follows on the next page.

Data & Privacy Governance

The personal data entrusted to us is handled with the strictest care and is protected and managed in accordance with the laws and regulations of various countries, including Japan's Personal Information Protection Act. Also, in the utilization of personal data for the expansion of the ANA Economic Zone, we are continuously strengthening our mechanisms and systems to protect privacy in consideration of ethical appropriateness.

Privacy Governance Fundamental Policy and Principles of Conduct

The Fundamental Policy and Principles of Conduct are formulated with the intention that ANA Group employees all together sincerely respect our customers to maintain safety and security in the management and utilization of personal data entrusted to us, similarly in the operation of flights.

▶ Details related to the Privacy Governance Fundamental Policy and Principles of Conduct https://www.ana.co.jp/group/en/csr/risk_management/privacy_governance/

Fundamental Policy

The ANA Group respects the needs and rights of each individual customer and protects their privacy by handling the important personal data entrusted to us in a lawful and appropriate manner.

- To achieve our vision of "Uniting the World in Wonder" through inspiration and empowerment:

While creating a "World where people can live on miles = the ANA Economic Zone", we act with sincerity and respect for our customers in the utilization of personal data, not simply by complying with laws and regulations, but by proactively aligning our approach to privacy with social demands and quickly evolving times.

- To continue to uphold the ANA Group's promise of "Security and Trust":

With the same philosophy of safety for flight operations, each and every employee always bears in mind the safety and security of our customer data when handling personal information, and the ANA Group as a whole continuously improves the mechanisms and systems in place to enhance privacy protection.

Principles of Conduct

- Ensure the security of all personal data handled by the ANA Group.
- Create new value by utilizing personal data in a privacy-conscious manner to bring smiles and joy to our customers.
- Ensure transparency in data utilization and fulfill our social responsibility.
- Be aware of our philosophy and policies regarding privacy protection all the time and make every effort to pursue proper privacy governance.
- Be committed to protecting the privacy of our customers around the world.

Organizational Structure for Privacy Protection

The Group ESG Management Promotion Committee discusses core policies and measures in accordance with the ANA Group Personal Information Protection Rules. The Chief ESG Promotion Officer (CEPO) is responsible for overseeing the personal information protection operations within ANA Group. Also, each group company has its own privacy protection system in place by appointing the ESG Promotion Officer (EPO) as a Chief Officer for Personal Information Protection, and the ESG Promotion Leader (EPL) as a Personal Information Protection Officer.

▶ Details related to the Organizational Structure for Privacy Protection https://www.ana.co.jp/group/en/csr/risk_management/privacy_governance/

Major Initiatives in Privacy Governance

Ensure the security of all personal data

Ensuring thorough information security: The ANA Group strives to ensure confidentiality, integrity, and availability by improving information system functions, taking security measures through multilayered defenses and implementing thorough security measures to protect customers' personal data from external cyberattacks and other threats.

Utilizing personal data in a privacy-conscious manner

PIA (Privacy Impact Assessment): PIA is a system to evaluate how businesses and services that utilize customers' personal data may affect their privacy. In order to identify and mitigate privacy risks, the ANA Group conducts PIAs at the planning stages of targeted businesses and services as well as prior to the release of systems.

Ensure transparency

We disclose our internal structure and initiatives regarding privacy governance on various reports such as the Annual Report and our corporate website. Furthermore, we are exploring ways to provide easy-to-understand explanations to our customers regarding the utilization of their personal data and mechanisms that enable customers to proactively control their own information.

Education and awareness-raising

We conduct education to ensure that each and every employee understands the importance of privacy protection and the proper handling of personal data. We also engage in awareness-raising activities through providing up-to-date information and FAQs on privacy and data protection by our internal website to foster a culture of constantly being conscious of our privacy protection principles and policies.

Strengthening governance with a global perspective

Compliance with laws and regulations in each country: We regularly revise our privacy policies and internal regulations and ensure appropriate compliance with the Amended Act on the Protection of Personal Information of Japan as well as changes in regulations in various countries such as the United States, Europe, China, and Thailand.

Checks and audits: We conduct inspections of the handling of personal data and regular self-assessments by departments and companies concerned are also performed. Additionally, internal audits are conducted by the Audit Department, taking a fair and objective standpoint.

Incorporating an external third-party perspective: We incorporate the perspectives of outside experts and continuously exchange opinions with other companies that have advanced privacy protection initiatives.

Cybersecurity Measures

ANA 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 of 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. The ANA Group IT

Chart (a management document uniquely created by the ANA Group to monitor the IT usage status of each group company (e.g. OS and other versions of systems used, whether or not security screening is carried out, software license expiry dates, etc.)) is used to strengthen governance. Furthermore, as an organization above the ASY-CSIRT (ANA Systems-Computer Security Incident Response Team, a team that responds to security incidents when they occur), which handles security incidents on ANA systems, the ANA Group CSIRT has been established to handle security incidents that occur at each ANA Group company, and the system is being strengthened.

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 daily operations and Plus 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.



Enhancing Measures for Increasingly Severe Natural Disasters

In recent years, natural disasters have occurred across a wide range of regions, including such disasters as frequent earthquakes and damage caused by record-breaking rainfall in linear rainbands. In response, the ANA Group engages in various measures to strengthen our disaster response capabilities.



Disaster simulation training

In terms of theoretical education, we conduct disaster prevention e-learning for employees throughout the ANA Group, teaching preparation in times of non-emergencies and how to act in the event of a disaster.

In addition, we conduct practical training for BCP managers across the ANA Group using disaster simulations.

In the more practical aspects of preparedness, we installed large storage batteries at major sites to prepare against the loss of commercial power. We continue to implement other measures to prevent the flooding of power supplies and terminal devices.

Through theory and practice, we strive to raise the level of ANA Group disaster response capabilities, creating environments for business continuity even in the event of a natural disaster.

➤ 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, an advisory entity to the Board of Directors, we strive to strengthen awareness of compliance throughout the entire group. We appointed an ESG Promotion Officer (EPO) as the person responsible for promoting compliance at each group company, and an ESG Promotion Leader (EPL) 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 laws 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.

Information Dissemination

Our compliance website, available on the corporate intranet, includes codes of conduct that outline the actions to be commonly followed by all group executives and employees. In addition, we specifically outline employee do's and don'ts, and provide educational materials on our website for in-house training and other purposes.

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



Compliance website

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. 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. A new report form allows employees to report directly from the whistleblower website on the intranet for improved convenience, and the number of reports is on the rise. In fiscal 2023, there were 273 reports within the group, and the system has spread throughout the group as a reliable and effective whistleblowing system.



ANA Alert Poster

Compliance Survey of Group Companies

This annual survey consists of self-evaluations on compliance with relevant laws and regulations 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.

Co-Creation with Stakeholders

The ANA Group regularly engages in dialogue with external experts on ESG issues to understand social trends in a timely manner and make flexible management decisions. In addition to compliance with global laws and norms, we enhance the effectiveness of our activities by incorporating the latest information and findings from these discussions into our strategies. In addition, we hold a variety of internal discussions to help each employee understand the importance of promoting ESG management and put it into practice in their daily work. Our relationships with internal and external stakeholders help build trusted relationships throughout the ANA Group.

External Dialogue

Major Dialogues during Fiscal 2023

October 19, 2023	<p>United Nations Development Programme (UNDP) Sean Christopher Lees, Bangkok Regional Hub Business and Human Rights Specialist</p> <hr/> <p>World Benchmarking Alliance Jill van de Wall, Research Analyst</p>
November 29, 2023	<p>UBS Antonia Sariyska, UBS CIO Sustainable Investing Analyst, Executive Director Mineko Ikehashi, Senior Client Advisor, Executive Director</p>
December 4, 2023	<p>EIRIS Foundation Peter Webster, CEO of EIRIS Foundation</p> <hr/> <p>Church Commissioners for England Daniel Neale, Responsible Investment-Social Themes Lead, Church of Commissioners for England Angus Sargent</p>
December 5, 2023	<p>HSBC Sachi Suzuki, HSBC Investment Stewardship</p> <hr/> <p>Amundi Asset Management Patrick Haustant, ESG Analyst, Amundi Asset Management in Paris</p>
December 6, 2023	<p>Federated Hermes Haonan Wu, Manager-Engagement, Federated Hermes Limited.</p>
February 27, 2024	<p>ERM Japan Ltd. Yasushi Hibi, Consulting Partner Shiori Saeki, Consulting Associate</p>
March 22, 2024	<p>Yukari Takamura, Professor, Institute for Future Initiatives, The University of Tokyo</p>

Highlighted Comments from External Experts

General Comments

- I look forward to seeing how the ANA Group creates a story around its analysis of qualitative and quantitative scenarios that consider the ideal behavior of a company as required by society in the year 2050. The time frame will be 10 years or so to outline how efforts to resolve human rights and environmental issues will affect corporate financial statements.
- If companies are to achieve their ESG strategies, they must not only work on ESG strategies independently but also demonstrate initiative by lobbying industry and government.

Environment

- A movement is growing worldwide to legislate sustainability information disclosure. In moving forward with disclosures in accordance with ISSB and SSBJ requirements, a company must establish and explain its own targets. In addressing climate change, considerations of sustainability across the life cycle, or the entire value chain, and disclosures related to the same, will be a significant issue, and the efforts of companies in this context will be monitored closely.
- Decarbonization efforts in a nation such as Japan will require shared environmental values across the entirety of the social infrastructure, beyond just the aviation sector.
- Given that SAF accounts for a mere 0.24% of the aviation industry's fuel procurement at present, there are some doubts whether the industry will achieve net zero emissions by 2050. ANA can differentiate itself from other airlines by highlighting its efforts, including alternative measures to counteract doubtful voices. In addition to SAF, I commend the Company for their efforts in direct air capture (DAC), crew operational improvements, and other areas.
- Early adoption of and information disclosure related to TNFD recommendations will lead to enhanced corporate value. I think the ANA Group should address both direct and indirect impacts of its air transportation operations on biodiversity. It is also important to analyze and recognize issues that are difficult for the ANA Group to resolve alone.



Dialogue with Prof. Yukari Takamura

Human Rights

- It is important to ensure that initiatives with rights holders reach the level of engagement, rather than just a superficial effort in human rights due diligence. For example, procurement activities should consider that even buying from "certified" producers may not be sufficient if the certification body itself is not functioning properly. These types of cases require direct engagement with the producer.
- The ANA Group conducted a human rights impact assessment in 2022 and reconfirmed key human rights topics. It would be better to clarify whether human rights risks are reviewed on an ongoing annual basis. When disclosing progress, it is helpful when companies tell a story of how they identify rights holders and address issues in accordance with the human rights due diligence process. Specific examples of engagement are also helpful.



Dialogue with UNDP and World Benchmarking Alliance

Internal Dialogue

Dialogue with Overseas Branch Employees to Promote ESG Management

We shared information with local employees in Asia, North America, and Europe about our various ESG management-related initiatives in face-to-face settings to raise individual awareness. Specifically, we fostered a deeper understanding of the importance of non-financial requirements for companies, our efforts to decarbonize by 2050, respect for human rights in the supply chain, and the role each department should play in ESG management. We believe these dialogues created environments in which each individual will participate with a sense of ownership. We continue to provide opportunities for internal and external employee education on the importance of ESG management.



Dialogue with employees

ANA Group DEI Forum and DEI Month 2023

The DEI Forum was held for the 9th time since its 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 theme for 2023 was "Walk the Walk." This theme expressed our desire that every employee take a step forward with action toward achieving our new management vision, *Uniting the World in Wonder*. On the day of the event, we held discussions with guests from outside the Company and employee panelists on topics including how management can utilize diversity and balancing work and nursing care. Discussions focused on what each individual can do to walk (take one step forward) toward creating workplaces that embrace DEI. Beginning in fiscal 2023, the month before the forum has been designated as DEI Month. We conducted programs including seminars on nursing care, LGBTQ+ issues, and experiencing different cultures by serving food from various countries in the Company cafeteria so that participants can casually experience DEI.



Scene from the ANA Group DEI Forum

A total of approximately 3,800 ANA Group executives and employees participated in the DEI Forum and DEI Month.

Internal Dialogue

Outside Director Town Meeting Initiatives

Fiscal 2023 Topics

Changes Stemming From Cargo Division Initiatives during the COVID-19 Pandemic and Challenges / Future Strategies

Since fiscal 2018, the ANA Group has been providing opportunities for town meetings in which outside directors can engage in direct dialogue with managers across various 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. We held dialogues in fiscal 2023 between the cargo division, the department responsible for our Cargo Business, and outside directors. We shared the efforts of the cargo division in supporting our business performance despite the decline in passenger demand due to the COVID-19 pandemic. We also share current challenges and future strategies.

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
Fiscal 2023	Cargo	Cargo Marketing & Services



Topic 1 Initiatives in the Cargo Division during the COVID-19 Pandemic

Q How did the group respond to the plummeting passenger demand, strong cargo movements in the cargo business for semiconductors and other products, the ocean transport congestion, and increased air cargo demand?

How was the business environment?

- How did the group respond to the rapid increase in cargo demand facing a shortage of laborers and other such issues?
- Passenger flights declined resulting in redundant staff in the passenger division. Therefore, we deployed airport staff to the cargo division to handle import operations and administrative procedures.
- We also changed our sales approach. The airport division collaborated with the sales division to load cargo at each point in trilateral transportation. This eliminated the need for re-sorting at the Narita Airport transit point and improved operational efficiency.
- While employees in the passenger division were unable to work and faced temporary leave or external secondments, the employees in the cargo division were too busy to take time off.
- Did the department receive any words of encouragement or messages from upper management?
- Management sent messages throughout the entire Company saying, "The cargo division powers the ANA Group." Our division also received a lot of encouragement from inside and outside the Company, motivating us to continue.

What changed after the pandemic?

- Demand in the cargo division is more volatile than the passenger division. Demand soars every few years, making it crucial for the division to stay alert and communicate strategically with customers.
- Flight operations, maintenance, pilots, and other divisions became extremely cooperative during the pandemic, working with a better understanding of the cargo business. Building relationships and collaborating with other divisions is an asset to the cargo division.
- Emergencies such as the COVID-19 pandemic can occur at any time, so having a portfolio of businesses that support each other (e.g., a portfolio for the passenger and cargo divisions) would be a good idea. Remember, cargo is a crucial business that keeps moving when the movement of people stops.

Topic 2 Challenges in the Cargo Business

Q What do you think of the current challenges?

Automation and Digital Transformation (DX) Challenges

- Is most cargo loading and unloading handled with manual labor?
- Loading and unloading is manual labor, even overseas. We use AI to automate loading plans; however, loading processes are still performed using manual labor. This bottleneck in automation is due to the fact that the cargo itself is not uniform. We will closely monitor future trends in technological development.
- We will introduce automated guided vehicles (AGVs) at the New Cargo Building No. 8. We plan to use AGVs to move cargo to storage areas after unloading with forklifts. This use of AGVs will automate the process of locating and moving cargo.
- It is my understanding that cargo airwaybills and accompanying documents are paper-based and use human resources extensively. Do you have room to systematize and improve workflow going forward?
- We strive to digitize this system, but it requires cooperation with forwarders and customs, making it difficult for individual companies to handle alone. We will make preparations on our end, but this is an issue we must face in the industry as a whole.
- It is better to backcast customer needs for automation and DX.

Human Capital Challenges

- The industry as a whole is facing difficulties in recruitment and securing human capital is a challenge. We support skill development and personal growth to prevent turnover, but what can we do to make the Company more attractive?
- ANA should establish a system that rewards those who produced results. In addition to creating a culture that recognizes individuals who take the right action, we should also offer those individuals some type of compensation.
- I feel the Company (including the sites and head office departments that handle cargo) lacks knowledge and experience in semiconductor manufacturing equipment and other special cargo, compared to other companies. It is important to enhance human capital development and placement to compete with competitors going forward.
- We lack DX human capital who understand the business and systems, and can define business requirements. We must consider whether to hire these resources or train them in-house going forward.



Topic 3 Future Cargo Strategies

Q How will you work to establish the SmartCargo Model medium-term cargo strategy?

Competitiveness of Customer Value

- What do you hope to accomplish with the SmartCargo Model? And how will you provide new value to customers?
- We must enhance company competitiveness of high unit cost special cargo transportation. One example of such transportation is the transport of COVID-19 vaccines. Public trust in our company to transport pharmaceuticals has increased.
- We will build efficient operations through DX. In special cargo, we will also form a professional unit with employees with various skills and experience to capture cargo demand by providing customers with quality and time-saving value.
- We should view improving time and cost from the customer's point of view. Improvements of about 10% will not exceed customer switching costs.
- Many trucks line up at the entrances and exits of cargo buildings. Wouldn't it benefit customers if increased efficiency at the Company led to reduced numbers of trucks, shortened wait times, and other benefits?
- I think it would be beneficial to concentrate on high unit price special cargo. Quality can be a competitive advantage, but focusing on quality can be viewed as egotistic of the Company and makes it extremely difficult to gain customer appreciation. It would benefit

the company if DX created services and reproducible models that improve productivity for customers.


Nippon Cargo (NCA) as a New Group Member

- What are the expectations and challenges that NCA faces in becoming a member of the group?
- Our freighters operate mainly between Asia, China, and Japan, but mainstream logistics are from Asia and China to Europe and the United States. Rather than procuring wide-body aircraft internally to fly to Europe and the U.S., we decided that it would be better that NCA become a member of the group, complementing each other's strengths and weaknesses. We expect to face various challenges in our future work together, but we will strive to overcome such obstacles by working together toward the big targets.
- NCA has a high level technology for handling large amounts of cargo with forklifts, and we plan to utilize this technology in our special cargo handling. We must consider how to improve operational efficiency going forward, as the ANA and NCA cargo buildings at Narita Airport are far apart.

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 2023

Dialogue with Shareholders and Investors	The 79th Ordinary General Meeting of Shareholders (held on June 27, 2024)			Financial Results Presentations, Corporate Strategy Briefing Sessions, Small Meetings (for institutional investors, analysts)	
	No. of attendees	1,067 people	Voting rights exercise ratio 62.7 %		9 times
	Dialogues with institutional investors, and analysts 284 times (131 in Japan, 153 overseas)				
Communication with Our Employees	Town Meetings				
	First half	No. of sessions 581	Participants 7,917 people		
Dialogue with Experts	Second half	No. of sessions 522	Participants 9,991 people		
	Environment		Human rights		
	2 times		1 time		
Dialogue with Business Partners	Contract food production suppliers		Discussions with food production suppliers for private-brand production		
	35 companies We inspected, audited, and observed contract food production supplier facilities. These suppliers mainly produce in-flight meals and airport lounge meals.		9 companies We held discussions with private-brand food production suppliers to improve quality. ANA Catering Service Co., Ltd.		
Dialogue with Communities	ANA Aviation Classes				
	No. of classes	10	Total participants: 632 people		
The ANA Aviation Class is a program for local residents to learn more about ANA Group jobs (pilots, cabin attendants, ground staff, etc.) through easy-to-understand presentations and dialogue with employees representing various job descriptions.					

External Recognition

Inclusion in ESG Indexes, etc. As of July 2024

- 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
- MSCI Japan Empowering Women Index (WIN)
- MSCI Japan ESG Select Leaders Index
- MSCI Japan ESG Leaders Indexes
- The S&P Global Sustainability Yearbook 2024 - Top 5% S&P Global CSA Scores
- EcoVadis Sustainability Rating - BRONZE



Quality

- SKYTRAX World Airline Star Rating (ANA Group, 2023)
 - Awarded 5-Star for the 11th consecutive year
- SKYTRAX World Airline Awards (ANA Group, 2023)
 - World's Best Airport Services
 - World's Cleanest Airline
 - Best Airline Staff Service in Asia
- CIRIUM The On-Time Performance Awards (ANA Group, 2023)
 - Asia-Pacific: No. 1



Management Strategy

- Ministry of Economy, Trade and Industry
 - DX Certification
 - Job Rainbow (ANA) D&I AWARD
 - BEST Workplace 2023
 - work with Pride (37 group companies)
 - PRIDE Index 2023 Gold Award
- Ministry of Health, Labour and Welfare
 - "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., ANA FACILITIES CO., LTD., ANA X Inc., ANA NARITA AIRPORT SERVICES CO., LTD.)
- Ministry of Health, Labour and Welfare Company Promoting Women's Participation and Advancement in the Workplace
 - "Eruboshi" Certification (ANA, ANA Systems Co., Ltd., Overseas Courier Service Co., Ltd., ANA TELEMART CO., LTD., ANA X Inc., ANA KANSAI AIRPORT CO., LTD., ALL NIPPON AIRWAYS TRADING CO., LTD., ANA Aero Supply Systems Co., Ltd., Air Japan Co., Ltd., ANA Akindo Co., Ltd., ANA Cargo Inc., ANA NARITA AIRPORT SERVICES CO., LTD.)
- Nippon Kenko Kaigi, Ministry of Economy, Trade and Industry
 - Certified Health and Productivity Management Recognition Program 2024 (ANA HOLDINGS INC.)
 - Certified Health and Productivity Management Organization Recognition Program 2024 (23 group companies, of which 10 companies are White 500, 1 company is Bright 500)



Note: THE INCLUSION OF ANA HOLDINGS INC. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ANA HOLDINGS INC. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES

Consolidated 11-Year Summary

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

		Yen (Millions)										U.S. dollars (Thousands) (Note 3)
(FY) (Note 2)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2023
For the Year												
Operating revenues (Note 4)	2,055,928	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	13,578,548
Operating expenses	1,848,017	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	12,205,382
Operating income (loss)	207,911	120,030	(173,127)	(464,774)	60,806	165,019	164,516	145,539	136,463	91,541	65,986	1,373,165
Income (loss) before income taxes	204,838	114,342	(175,374)	(545,372)	51,501	154,023	196,641	139,462	131,064	77,983	36,391	1,352,869
Net income (loss) attributable to owners of the parent	157,097	89,477	(143,628)	(404,624)	27,655	110,777	143,887	98,827	78,169	39,239	18,886	1,037,560
Cash flows from operating activities	420,622	449,822	(76,413)	(270,441)	130,169	296,148	316,014	237,084	263,878	206,879	200,124	2,778,033
Cash flows from investing activities (Note 5)	(399,525)	(78,300)	230,019	(595,759)	(230,218)	(308,671)	(324,494)	(194,651)	(74,443)	(210,749)	(64,915)	(2,638,696)
Cash flows from financing activities	(136,045)	(142,909)	93,646	1,098,172	23,869	(46,480)	(29,989)	3,349	(133,257)	(30,424)	(85,569)	(898,520)
Free cash flow (Note 5)	21,097	371,522	153,606	(866,200)	(100,049)	(12,523)	(8,480)	42,433	189,435	(3,870)	135,209	139,336
Substantial free cash flow (Notes 5, 6)	206,148	373,104	(111,948)	(373,464)	(79,149)	(18,028)	61,410	39,655	88,035	(22,350)	38,929	1,361,521
Depreciation and amortization	142,315	144,313	147,328	176,352	175,739	159,541	150,408	140,354	138,830	131,329	136,180	939,931
EBITDA (Note 7)	350,226	264,343	(25,799)	(288,422)	236,545	324,560	314,924	285,893	275,293	222,870	202,166	2,313,096
Capital expenditures	240,469	116,892	133,364	156,710	351,361	375,864	304,707	254,425	281,416	274,702	183,739	1,588,197
At Year-End												
Total assets	3,569,530	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	23,575,259
Interest-bearing debt	1,484,036	1,607,918	1,750,108	1,655,452	842,862	788,649	798,393	729,877	703,886	819,831	834,768	9,801,439
Shareholders' equity (Note 8)	1,044,508	862,419	797,249	1,007,233	1,061,028	1,099,413	988,661	919,157	789,896	798,280	746,070	6,898,540
Per Share Data (Yen, U.S. dollars) (Note 9)												
Earnings (loss) per share	335.09	190.24	(305.37)	(1,082.04)	82.66	331.04	417.82	28.23	22.36	11.24	5.41	2.21
Book value per share	2,222.03	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	14.67
Cash dividends	50.00	—	—	—	—	75.00	60.00	6.00	5.00	4.00	3.00	0.33
Average number of shares during the year (Thousand shares)	468,822	470,334	470,339	373,945	334,559	334,632	344,372	3,500,205	3,496,561	3,492,380	3,493,860	
Management Indexes												
Operating income margin (%)	10.1	7.0	(17.0)	(63.8)	3.1	8.0	8.3	8.2	7.6	5.3	4.1	
Net income margin (%)	7.7	5.2	(14.1)	(55.5)	1.4	5.4	7.3	5.6	4.4	2.3	1.2	
ROA (%) (Note 10)	6.1	3.7	(5.3)	(16.0)	2.4	6.4	6.8	6.5	6.1	4.2	3.2	
ROE (%) (Note 11)	16.5	10.8	(15.9)	(39.1)	2.6	10.6	15.1	11.6	9.8	5.1	2.5	
Shareholders' equity ratio (%)	29.3	25.6	24.8	31.4	41.4	40.9	38.6	39.7	35.4	34.7	34.3	
Debt/equity ratio (Times) (Note 12)	1.4	1.9	2.2	1.6	0.8	0.7	0.8	0.8	0.9	1.0	1.1	
Asset turnover (Times) (Note 13)	0.6	0.5	0.3	0.3	0.8	0.8	0.8	0.8	0.8	0.8	0.7	
Payout ratio (%)	14.9	—	—	—	—	22.7	14.4	21.3	22.4	35.6	55.5	
Number of employees	41,225	40,507	42,196	46,580	45,849	43,466	41,930	39,243	36,273	34,919	33,719	
Operating Data												
International Passenger Operations												
Passenger revenues	728,168	433,470	70,151	44,726	613,908	651,587	597,446	516,789	515,696	468,321	395,340	4,809,246
Available seat-km (Millions)	53,281	35,875	20,524	14,465	68,885	65,976	64,376	60,148	54,710	49,487	41,451	
Revenue passenger-km (Millions)	41,192	26,408	5,550	2,840	50,219	50,776	49,132	45,602	40,635	35,639	30,613	
Number of passengers (Thousands)	7,134	4,212	825	427	9,416	10,093	9,740	9,119	8,167	7,208	6,336	
Load factor (%)	77.3	73.6	27.0	19.6	72.9	77.0	76.3	75.8	74.3	72.0	73.9	
Unit revenues (¥)	13.7	12.1	3.4	3.1	8.9	9.9	9.3	8.6	9.4	9.5	9.5	
Yield (¥)	17.7	16.4	12.6	15.7	12.2	12.8	12.2	11.3	12.7	13.1	12.9	
Domestic Passenger Operations												
Passenger revenues	644,902	529,593	279,877	203,119	679,962	696,617	689,760	678,326	685,638	683,369	675,153	4,259,309
Available seat-km (Millions)	54,225	49,901	34,288	26,896	58,552	58,475	58,426	59,080	59,421	60,213	61,046	
Revenue passenger-km (Millions)	38,060	32,201	16,382	11,567	39,502	40,704	40,271	38,990	38,470	38,582	37,861	
Number of passengers (Thousands)	40,763	34,534	17,959	12,660	42,916	44,325	44,150	42,967	42,664	43,203	42,668	
Load factor (%)	70.2	64.5	47.8	43.0	67.5	69.6	68.9	66.0	64.7	64.1	62.0	
Unit revenues (¥)	11.9	10.6	8.2	7.6	11.6	11.9	11.8	11.5	11.5	11.3	11.1	
Yield (¥)	16.9	16.4	17.1	17.6	17.2	17.1	17.1	17.4	17.8	17.7	17.8	
LCC Passenger Operations (Note 14)												
Revenues	138,030	90,265	37,813	22,071	81,953	93,611	87,555	—	—	—	—	911,630
Available seat-km (Millions)	13,461	12,232	7,863	4,932	11,076	12,052	11,832	—	—	—	—	
Revenue passenger-km (Millions)	11,677	8,991	4,846	2,403	9,202	10,394	10,212	—	—	—	—	
Number of passengers (Thousands)	9,343	7,775	4,267	2,080	7,288	8,153	7,797	—	—	—	—	
Load factor (%)	86.7	73.5	61.6	48.7	83.1	86.2	86.3	—	—	—	—	
Unit revenues (¥)	10.3	7.4	4.8	4.5	7.4	7.8	7.4	—	—	—	—	
Yield (¥)	11.8	10.0	7.8	9.2	8.9	9.0	8.6	—	—	—	—	
International Cargo Operations												
Cargo revenues	155,503	308,088	328,750	160,503	102,697	125,015	118,002	93,301	113,309	124,772	104,736	1,027,032
Cargo volume (Tons)	679,797	805,799	976,644	655,019	866,821	913,915	994,593	954,027	810,628	841,765	710,610	
Domestic Cargo Operations												
Cargo revenues	22,485	24,119	24,932	20,881	25,533	27,454	30,710	30,860	31,740	32,584	32,116	148,504
Cargo volume (Tons)	253,083	253,661	251,332	218,032	373,176	393,773	436,790	451,266	466,979	475,462	477,081	

Notes: 1. As of March 31, 2024, there were 55 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 ¥151.41 = US\$1, the approximate exchange rate as of March 31, 2024.

4. Effective from fiscal 2014, 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. Figures prior to fiscal 2023 do not include time deposits with a deposit period longer than three months in the scope of funds while figures following fiscal 2023 include time deposits with a deposit period of six months or less. (Fiscal 2022 also reflects such changes)

6. 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 (including negotiable deposits with maturities exceeding three months)

7. EBITDA = Operating income + Depreciation and amortization

8. Total shareholders' equity = Shareholders' equity + Accumulated other comprehensive income

9. 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.

10. ROA = (Operating income + Interest and dividend income) / Simple average of total assets

11. ROE = Net income (loss) attributable to owners of the parent / Simple average of shareholders' equity

12. Debt/equity ratio = Interest-bearing debt / Shareholders' equity

13. Asset turnover = Operating revenues / Simple average of total assets

14. 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

Despite some signs of a standstill, the Japanese economy experienced a gradual recovery during the fiscal year, as corporate earnings and the employment environment continued to improve.

Looking ahead, the Japanese economy should continue to recover gradually with an improving employment and income environment. Meanwhile, the global economy faces an expected downside risk reflecting international monetary tightening and concerns regarding the outlook for the Chinese economy, among other factors. The airline industry in Japan expects the recovery to continue in leisure demand for domestic routes and inbound travel and business demand on international routes. However, developments in geopolitical risk, including the situation in Ukraine and the Middle East, warrant close monitoring.

Fuel Price Trends

Crude oil prices fluctuated widely throughout the year due to production cuts by OPEC Plus member countries and escalating tensions in the Middle East. At the beginning of the fiscal year, prices declined temporarily due to the risk of a global economic slowdown caused by the collapse of U.S. financial institutions and other factors. Prices rose subsequently to nearly \$100 per barrel in September 2023 due to concerns over production cuts by Russia and Saudi Arabia, etc. The average crude oil price was \$82.45 per barrel for the fiscal year under review and \$86.8 per barrel on March 31, 2024.

The market price of Singapore kerosene tracked the price of crude oil. The average price for the fiscal year was \$104.0 per barrel, ending at \$100.7 per barrel on March 31, 2024.

Foreign Exchange Market

The yen weakened with respect to the U.S. dollar, falling to nearly ¥152 in November 2023 and March 2024 against a backdrop of widening interest rate differentials between Japan and the U.S. These interest rate gaps were mainly due to monetary tightening in the U.S. and ongoing monetary easing in Japan. As a result of weakness throughout the year, the Japanese yen averaged ¥144.59 per U.S. dollar over the fiscal year and ¥151.35 per U.S. dollar on March 31, 2024.

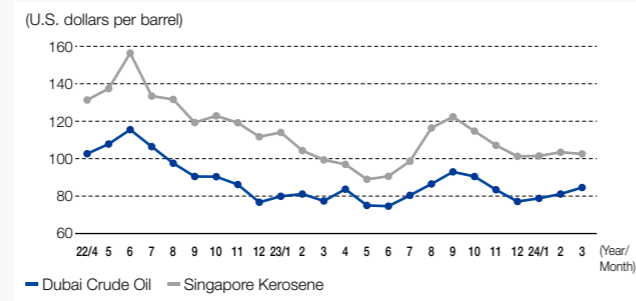
Air Transport Traffic Trends

International Air Transportation Association (IATA) member airlines reported a 41.4% year-on-year increase in RPK for scheduled international flights in 2023. RPK for scheduled domestic flights rose 30.2% for the year. At the same time, RTK in connection with scheduled global air cargo increased 25.0%. (Source: IATA World Air Transport Statistics, 2024)

In Japan, passengers on trunk routes* increased 13.8% year on year to 44.85 million. The number of passengers on local routes* increased 17.0% to 59.95 million. In total, passengers on scheduled domestic flights increased 15.6% to 104.81 million. Cargo volume increased 1.0% to 0.55 million tons. The number of passengers carried by Japanese airlines on international flights increased 85.7% to 17.66 million, while the volume of international cargo handled by Japanese airlines decreased 6.7% to 1.37 million tons. (Source: Ministry of Land, Infrastructure, Transport and Tourism Annual Summary of Air Transportation Statistics)

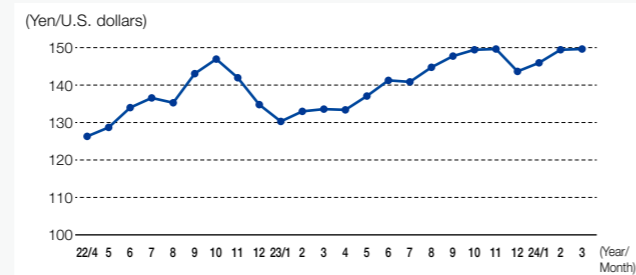
* Trunk routes refer to routes connecting Sapporo (New Chitose), Tokyo (Haneda), Tokyo (Narita), Osaka (Itami), Osaka (Kansai), Fukuoka, and Okinawa (Naha) airports with one another. Local routes refer to all other routes.

Monthly Prices for Dubai Crude Oil and Singapore Kerosene



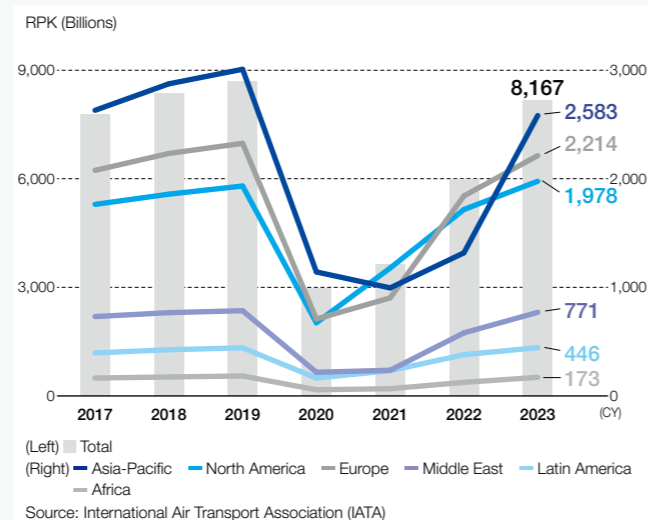
Source: Bloomberg

Monthly Yen-Dollar Exchange Rate



Source: Bloomberg

Global Air Transportation Passenger Volume by Region



Source: International Air Transport Association (IATA)

Performance for Fiscal 2023

Overview of the ANA Group

The ANA Group ("the group"), led by holding company ANA HOLDINGS INC., consists of 136 subsidiaries (including ALL NIPPON AIRWAYS CO., LTD.) and 36 affiliates. A total of 55 companies are treated as consolidated subsidiaries, with another 13 treated as equity-method subsidiaries and affiliates. Group employees numbered 41,225 individuals, an increase of 718 compared to the previous fiscal year-end.

The environment surrounding the airline industry was favorable for both international and domestic passenger operations. Strong inbound travel demand to Japan and domestic leisure demand reflected the reclassification of COVID-19 to a Category 5 infectious disease.

In terms of business performance, operating revenues rose significantly year on year, supported by performance gains in the Air Transportation Business amid the economic conditions described above. In addition to certain other costs, variable costs increased, mainly due to the growing scale of operations. However, we posted record profits due to ongoing strict cost management and other factors.

On the balance sheet, we swung to a positive balance in retained earnings, mainly due to the increase in operating revenues. Cash and deposits together with marketable securities amounted to ¥1,257.8 billion in liquidity on hand.

Expenses and Operating Income (Loss)

In fiscal 2023, we steadily captured inbound travel demand and domestic leisure demand, resulting in consolidated operating revenues of ¥2,055.9 billion, an increase of ¥348.4 billion (20.4%) year on year.

Operating income amounted to ¥207.9 billion compared with operating income of ¥120.0 billion in the previous fiscal year. Despite an increase in flight operation-linked expenses stemming from expanded flight operations, we continued with strict cost management measures to achieve this result.

Review by Segment

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

Segment Information

(Fiscal Year)	Operating Revenues			Operating Income (Loss)			EBITDA		
	2023	2022	Change	2023	2022	Change	2023	2022	Change
Air Transportation	¥1,869,552	¥1,539,443	¥330,109	¥207,975	¥124,158	¥83,817	¥344,583	¥262,611	¥81,972
Airline Related	298,820	247,129	51,691	6,769	2,332	4,437	10,820	6,685	4,135
Travel Services	78,541	73,815	4,726	1,371	(277)	1,648	1,880	(89)	1,969
Trade and Retail	117,919	103,252	14,667	4,574	3,511	1,063	5,556	4,442	1,114
Subtotal	2,364,832	1,963,639	401,193	220,689	129,724	90,965	362,839	273,649	89,190
Other	41,244	38,066	3,178	546	599	(53)	711	987	(276)
Adjustments	(350,148)	(294,221)	(55,927)	(13,324)	(10,293)	(3,031)	(13,324)	(10,293)	(3,031)
Total (Consolidated)	¥2,055,928	¥1,707,484	¥348,444	¥207,911	¥120,030	¥87,881	¥350,226	¥264,343	¥85,883

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

Management's Discussion and Analysis

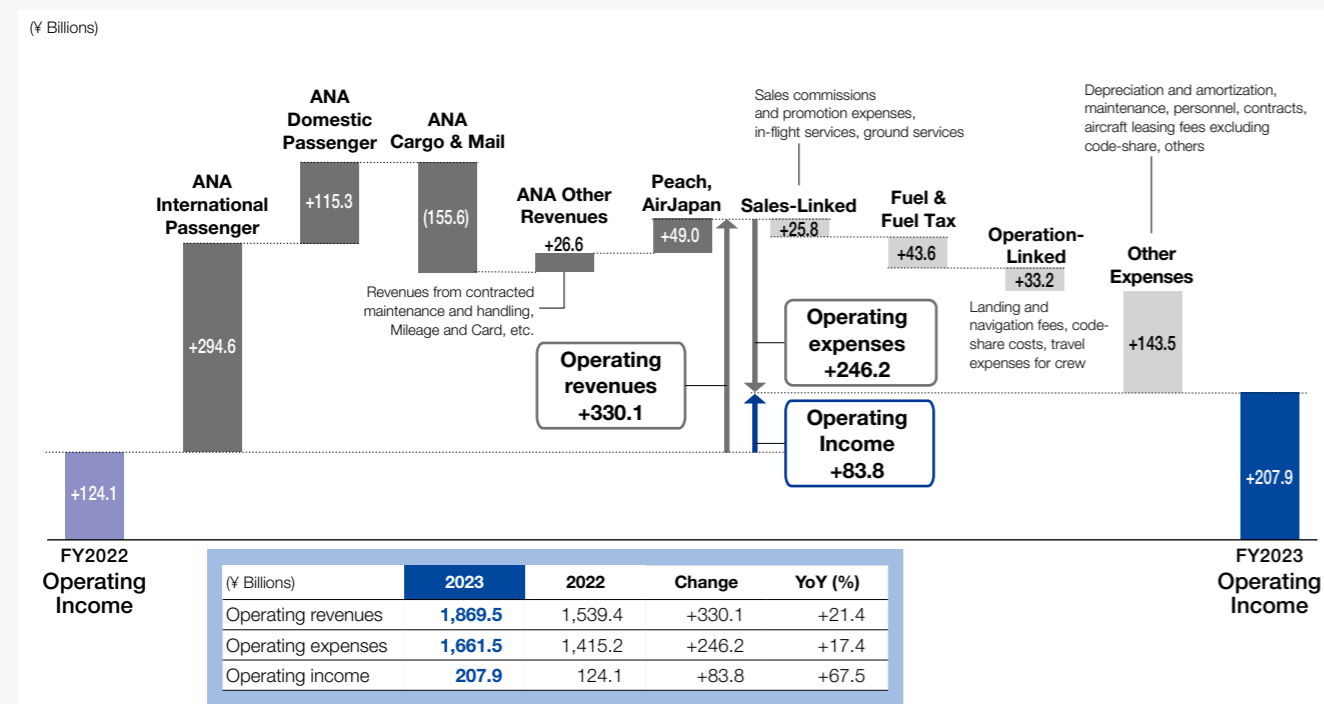
Air Transportation Business

Air Transportation Business operating revenues amounted to ¥1,869.5 billion, a year-on-year increase of 21.4%. This result was mainly due to strong international and domestic passenger demand, supported in part by the reclassification of COVID-19 to Category 5 under the Act on the Prevention of Infectious Diseases. Operating income amounted to ¥207.9 billion compared to operating income of ¥124.1 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 the expanding scale of our business.

The ANA Group was recognized by SKYTRAX of the U.K. as a 5-Star airline for the 11th consecutive year, the highest rating for customer satisfaction. We were also named the best airline in two categories, including overall airport services, for a second consecutive year in the 2024 World Airline Awards.

In February 2024, we commenced operations under the new AirJapan brand, offering Narita–Bangkok and Narita–Incheon routes. The ANA Group will continue maximizing the strengths of our three brands to improve customer convenience and increase Air Transportation Business profits.

Changes in Operating Income (Loss) (Fiscal 2023 vs. Fiscal 2022)



Results by business were as follows.

ANA International Passenger Business

Delivered Expanding Business Operations and Maximized Revenues as a Pillar of Medium-Term Profit Growth, Supported by Favorable Demand Trends

Fiscal 2023 in Review

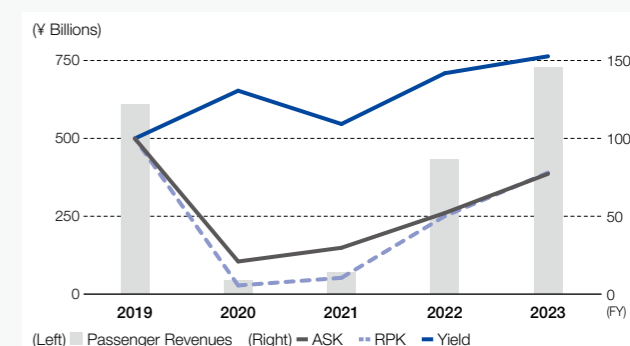
The ANA International Passenger Business saw strong inbound travel demand to Japan throughout the fiscal year, while leisure and business demand from Japan continued to recover. The supply–demand balance remained tight in all regions, particularly connection demand between North America and China. We took advantage of this environment to capture recovering demand by expanding operations throughout the year. In April 2023, we resumed the Haneda–Beijing and Haneda–Shanghai (Pudong and Hongqiao) routes and the Narita–Perth route in October, followed by other routes. Beginning in December, we operated twice-daily round-trip flights on the Narita–Honolulu route, featuring the Airbus A380 FLYING HONU.

Sales and service efforts reflected improved convenience for domestic and international connections after the July 2023 reopening of the international route facilities at Haneda Airport Terminal 2, which had been closed for the previous three years. In addition to reopening ANA lounges at Kansai Airport and the Haneda Airport Terminal 2 international facilities, we enhanced customer comfort through a redesigned collaboration menu for international in-flight meals, introduced in March 2024. As a result, available seat-kilometers (ASK) and revenue passenger-kilometers (RPK) increased 48.5% and 56.0%, respectively, while load factor increased 3.7 points to 77.3%. Passenger numbers increased 69.4% to 7.13 million, while unit price decreased 0.8% to ¥102,058. Operating revenues increased 68.0% to ¥728.1 billion. Both passenger volume and revenues were significantly higher year on year. International Passenger Business revenues exceeded Domestic Passenger Business revenues for the first time ever, becoming the ANA Group's largest source of revenue.

Fiscal 2024 Business Policies

We expect fiscal 2024 seat supply on routes to and from Japan to increase on all routes. We will continue to strengthen efforts to capture strong demand for inbound travel to Japan and steadily growing business demand originating from Japan, improving revenues and profitability. In July 2024, we added flights to the Haneda–Munich and Haneda–Paris routes while resuming the Haneda–Vienna route in August. We also plan to open Haneda–Milan, Haneda–Stockholm, and Haneda–Istanbul routes in the second half of fiscal 2024 as we expand capacity in the strong European routes and extend our international route network further.

ANA International Passenger Business Results



*1 Figures for ASK, RPK, and yield are indexed using the figures for fiscal 2019 as 100.
*2 Figures prior to fiscal 2020 are adjusted based on the Accounting Standard for Revenue Recognition (including award ticket passengers).

(Fiscal Year)	2023	2022	YoY (%)
ASK (Millions)	53,281	35,875	+48.5
RPK (Millions)	41,192	26,408	+56.0
Number of passengers (Thousands)	7,134	4,212	+69.4
Load factor (%)	77.3	73.6	+3.7pt*
Passenger revenues (¥ Billions)	728.1	433.4	+68.0
Unit revenues (¥)	13.7	12.1	+13.1
Yield (¥)	17.7	16.4	+7.7
Unit price (¥)	102,058	102,899	(0.8)

* Load factors are year-on-year differences.



Narita–Perth flights resumed



The third Airbus A380 FLYING HONU

Management's Discussion and Analysis

ANA Domestic Passenger Business

Pursuing Profitability through Aircraft and Network Supply-Demand Matching

Fiscal 2023 in Review

A slower-than-expected recovery in business travel demand and reduced flights in connection with inspections and maintenance on Pratt & Whitney engines were a drag on performance. However, leisure travel demand continued to be strong for a second consecutive year, supported in part by the reclassification of COVID-19 to a Category 5 infectious disease. We captured robust leisure travel demand in a steady manner by using wide-body aircraft on weekends and holidays. We also leveraged ANA SUPER VALUE SALES and other means to capture demand. Passenger numbers and revenues increased year on year as a result of improved unit price levels. This unit price improvement reflected efforts including setting fares in line with demand trends for each route and flight, even during the course of promotional campaigns.

In terms of sales and services, we endeavored to improve convenience and comfort by adding more seats and new soundproof private booths at the Haneda Airport ANA SUITE LOUNGE (domestic lounge) in July 2023 in conjunction with the lounge renovation. We also began regular operations of aircraft featuring the ANA Future Promise Prop livery in October 2023. Environmentally friendly initiatives we performed included the use of in-flight service items made from recycled materials and flight operations designed to reduce CO₂ emissions.

As a result, ASK and RPK increased 8.7% and 18.2%, respectively, while load factor increased 5.7 points to 70.2%. Passenger numbers increased 18.0% to 40.76 million, while unit price increased 3.2% to ¥15,820. Operating revenues increased 21.8% to ¥644.9 billion.

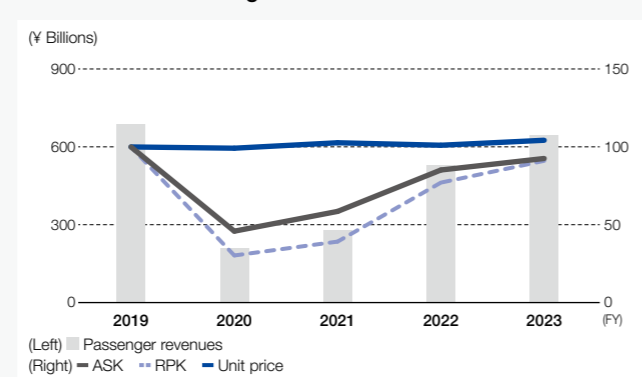
Fiscal 2024 Business Policies

In addition to continued strong leisure demand, we anticipate further increases in business travel and inbound travel demand. Meanwhile, we plan to improve profitability through a number of measures. We will continue efforts to improve customer convenience and business efficiencies through the use of ANA Smart Travel and other digital technologies. We also expect to introduce the new wide-body Boeing 787-10 aircraft on the Haneda-New Chitose and other routes to meet strong demand. Further sophistication in supply-demand matching for each route by leveraging a diverse fleet of aircraft and stronger coordination between ANA and Peach will also contribute to improved profitability.



Domestic-spec Boeing 787-10 aircraft

ANA Domestic Passenger Business Results



*1 Figures for ASK, RPK, and unit price are indexed using the figures for fiscal 2019 as 100.
*2 Figures prior to fiscal 2020 are adjusted based on the Accounting Standard for Revenue Recognition (including award ticket passengers).

(Fiscal Year)	2023	2022	YoY (%)
ASK (Millions)	54,225	49,901	+8.7
RPK (Millions)	38,060	32,201	+18.2
Number of passengers (Thousands)	40,763	34,534	+18.0
Load factor (%)	70.2	64.5	+5.7pt*
Passenger revenues (¥ Billions)	644.9	529.5	+21.8
Unit revenues (¥)	11.9	10.6	+12.1
Yield (¥)	16.9	16.4	+3.0
Unit price (¥)	15,820	15,335	+3.2

* Load factors are year-on-year differences



Renovated Haneda Airport ANA SUITE LOUNGE (domestic lounge)

ANA Cargo and Mail Business

Adjusting Supply Flexibly Based on Demand Trends and Continuing Efforts to Secure Profitability

Fiscal 2023 in Review

The International Cargo Business began to see normalization in air cargo supply-demand balance, which had been tight due to the COVID-19 pandemic. Demand continued to decline for major commodities such as semiconductors and electronic components, automobile-related parts, etc., while air cargo space increased with the recovery in passenger flights. In response to this environment, the business secured profitability and captured demand by adjusting freighter capacity according to market conditions. In the second half of the fiscal year, we began working to maximize earnings by steadily capturing robust demand for trilateral cargo from China to North America. In September 2023, we launched a service to issue CO₂ reduction certificates to cargo agents and shippers to encourage efforts toward achieving environmental targets. This initiative is part of the SAF Flight Initiative, a program supporting decarbonization among companies that use air transportation.

As a result, ANA International Cargo volume amounted to 679 thousand tons (down 15.6% year on year), while operating revenues amounted to ¥155.5 billion (down 49.5%). Available ton-kilometers (ATK) decreased 4.4% year on year and revenue ton-kilometers (RTK) decreased 16.5%.

ANA Domestic Cargo experienced a sluggish recovery in air transportation demand throughout the year. ATK was higher 19.4% year on year, while cargo volume was down 0.2% at 253 thousand tons. Operating revenues amounted to ¥22.4 billion, down 6.8% year on year.

As a result, the ANA Cargo and Mail Business recorded fiscal 2023 operating revenues of ¥185.7 billion, a year-on-year decrease of 45.6%.

Fiscal 2024 Business Policies

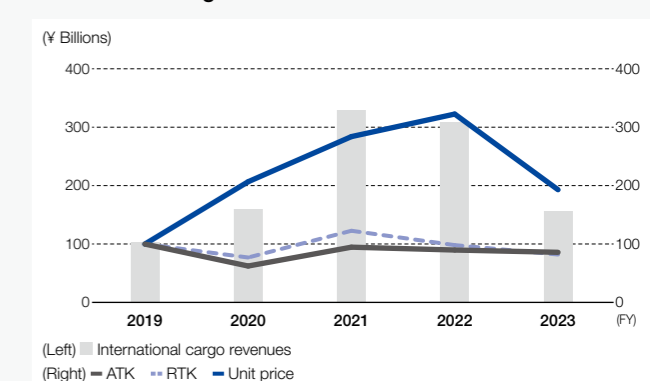
In ANA International Cargo, we expect a gradual recovery in demand for major commodities, particularly for automobile parts and semiconductors. We intend to maximize revenues by continuing to adjust capacity flexibly and opportunistically in response to demand. In addition, we intend to capture special cargo through the use of wide-body freighters and secure high-unit-price commercial goods through more competitive products. In Domestic Cargo, we intend to address the 2024 Problem facing the logistics industry through new daytime-only fares beginning in April 2024, making effective use of available cargo space on domestic passenger flights and expanding the use of air transportation.



Boeing 777F aircraft

Further, we changed the effective date of the share acquisition of Nippon Cargo Airlines to March 31, 2025.

International Cargo Business Results



* Figures for ASK, RTK, and unit price are indexed using the figures for fiscal 2019 as 100.

ANA Cargo and Mail Business Results

(Fiscal Year)	2023	2022	YoY (%)
Cargo and mail services revenues (¥ Billions)	185.7	341.3	(45.6)
International cargo			
ATK (Millions)	6,316	6,605	(4.4)
RTK (Millions)	3,464	4,147	(16.5)
Cargo volume (Thousand tons)	679	805	(15.6)
Cargo revenues (¥ Billions)	155.5	308.0	(49.5)
Unit price (¥/kg)	229	382	(40.2)
Mail revenues (¥ Billions)	5.0	6.2	(19.5)
Domestic cargo			
ATK (Millions)	1,687	1,413	+19.4
RTK (Millions)	280	281	(0.4)
Cargo volume (Thousand tons)	253	253	(0.2)
Cargo revenues (¥ Billions)	22.4	24.1	(6.8)
Unit price (¥/kg)	89	95	(6.6)
Mail revenues (¥ Billions)	2.7	2.8	(5.9)



SAF Flight Initiative Cargo Program launching a new service

Management's Discussion and Analysis

Peach / AirJapan

Optimizing Multi-brand to Increase Market Share and Revenues

Peach: Fiscal 2023 in Review

Peach resumed Kansai-Shanghai (Pudong) and Haneda-Shanghai (Pudong) routes in May 2023, and the Kansai-Kaohsiung route in August 2023, bringing back all international routes to and from Haneda Airport and Kansai Airport formerly suspended under the COVID-19 pandemic. Peach added the Kansai-Hong Kong route and the Kansai-Taipei route in September. Meanwhile, the Okinawa-Taipei route celebrated its 10th anniversary. By increasing international routes gradually over time, the brand tapped into robust demand for inbound travel to Japan. On domestic routes, the brand captured strong leisure demand, resulting in a full-year operating profit for the first time in five fiscal years.

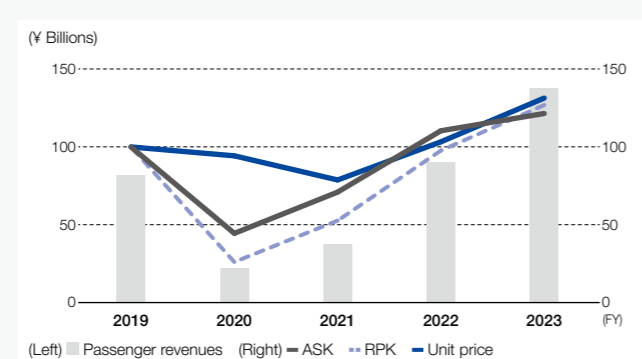
In terms of sales and services, Peach endeavored to stimulate leisure demand further and attract new customers through *Secret Sale* promotions (routes eligible for discounts change every month), the *Peach Point Present* campaign, conducted jointly with ANA, and other measures.

As a result, ASK and RPK increased 10.0% and 29.9%, respectively, while load factor increased 13.2 points to 86.7%. Passenger numbers increased 20.2% to 9.34 million, while unit price increased 27.2% to ¥14,772. Operating revenues increased 52.9% to ¥138.0 billion.

Peach: Fiscal 2024 Business Policies

Peach will continue to cultivate domestic leisure travel and other demand and improve profitability by increasing the number of flights on the Kansai-New Chitose and Narita-Naha routes, among other efforts. The brand intends to expand the ASK composition of international flights by opening new routes and increasing the number of flights, etc., while securing strong demand for inbound travel to Japan, contributing to ANA Group profits.

Peach Aviation Results



*1 Figures for ASK, RPK, and unit price are indexed using the figures for fiscal 2019 as 100.

*2 The graph above includes ancillary revenues.

*3 Fiscal 2019 includes Vanilla Air results.

(Fiscal Year)	2023	2022	YoY (%)
ASK (Millions)	13,461	12,232	+10.0
RPK (Millions)	11,677	8,991	+29.9
Number of passengers (Thousands)	9,343	7,775	+20.2
Load factor (%)	86.7	73.5	+13.2pt*
Passenger revenues (¥ Billions)	138.0	90.2	+52.9
Unit revenues (¥)	10.3	7.4	+39.0
Yield (¥)	11.8	10.0	+17.7
Unit price (¥)	14,772	11,610	+27.2

* Load factor figures are year-on-year differences.

AirJapan

AirJapan began as a new brand on February 9, 2024, with the launch of the Narita-Bangkok and Narita-Incheon routes. In April 2024, the brand introduced a second aircraft to expand business through a new Narita-Singapore route and by increasing the number of flights on the Narita-Bangkok and Narita-Incheon routes. As a *hybrid airline* that offers both comfort and reasonable fares, AirJapan continues to grow revenues and expand operations to capture demand for inbound travel to Japan and travel to other destinations.

Others

Air Transportation Business other operating revenues amounted to ¥172.6 billion, up 19.3% year on year. Operating revenues include incidental mileage members revenues, in-flight sales, contracted maintenance revenues, and revenues from the AirJapan brand, which began operations in February 2024.

Operating Expenses

Air Transportation Business operating expenses increased ¥246.2 billion year on year to ¥1,661.5 billion. Specific expense amounts and explanations of year-on-year changes are described below.

Breakdown of Operating Revenues and Expenses

(Fiscal Year)	2023	2022	Change
Segment operating revenues	¥1,869,552	¥1,539,443	¥ 330,109
International Passenger	728,168	433,470	294,698
Cargo	155,503	308,088	(152,585)
Mail	5,048	6,268	(1,220)
Domestic Passenger	644,902	529,593	115,309
Cargo	22,485	24,119	(1,634)
Mail	2,728	2,898	(170)
LCC revenues	138,030	90,265	47,765
Other revenues	172,688	144,742	27,946
Segment operating expenses	1,661,577	1,415,285	246,292
Fuel and fuel tax	391,382	347,729	43,653
Landing and navigation fees	86,593	60,540	26,053
Aircraft leasing fees	147,902	133,388	14,514
Depreciation and amortization	136,608	138,453	(1,845)
Aircraft maintenance	186,065	138,049	48,016
Personnel	216,308	193,416	22,892
Sales commissions and promotion	55,732	47,630	8,102
Contracts	257,142	207,023	50,119
Others	183,845	149,057	34,788
Segment operating income	¥ 207,975	¥ 124,158	¥ 83,817

<Fuel and Fuel Tax>

Fuel and fuel tax expenses amounted to ¥391.3 billion, a ¥43.6 billion (12.6%) increase year on year. This expense accounted for 23.6% of Air Transportation Business operating expenses, compared with 24.6% in the previous fiscal year.

This ¥43.6 billion increase was mainly due to an increase in ANA consumption volume factors of ¥51.0 billion, approximately ¥5.0 billion for LCC, and ANA unit price factors (including hedging effectiveness) of approximately ¥12.0 billion.

<Landing and Navigation Fees>

Domestic and international passenger flights increased 1.6% and 16.4%, respectively (excluding Peach Aviation flights). Freighter flights decreased 43.0%. Passenger route landing and navigation fees amounted to ¥86.5 billion, up ¥26.0 billion (43.0%) 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 amounted to ¥147.9 billion, up ¥14.5 billion (10.9%) year on year, mainly due to an increase in engine leases designed to minimize the impact of engine inspection and maintenance.

<Depreciation and Amortization>

Depreciation and amortization expenses decreased ¥1.8 billion (1.3%) to ¥136.6 billion. This result was mainly due to fully amortized aircraft and intangible assets.

<Aircraft Maintenance>

Aircraft maintenance expenses increased ¥48.0 billion (34.8%) to ¥186.0 billion. This increase was due to an increase in maintenance frequency stemming from the increase in aircraft flights, as well as the impact of engine inspection and maintenance.

<Personnel>

Personnel expenses increased ¥22.8 billion (11.8%) year on year to ¥216.3 billion, mainly due to monthly wage base increases, provision for bonuses, and crew travel expenses in connection with the recovery in ASK.

<Sales Commissions and Promotion>

Sales commissions and promotion expenses increased ¥8.1 billion (17.0%) year on year to ¥55.7 billion, stemming from an increase in sales commissions in connection with higher passenger revenues, particularly on international routes.

<Contracts>

Outsourcing expenses increased ¥50.1 billion (24.2%) to ¥257.1 billion due to an increase in the number of passenger flights and an increase in contract expenses resulting from contract renewals.

<Other Expenses>

Other expenses increased ¥34.7 billion year on year (23.3%) to ¥183.8 billion. The most significant factor behind this increase was an increase in in-flight service expenses due to higher passenger numbers, mainly on international routes.



Taipei-Okinawa flights celebrate 10th anniversary



Newly launched routes from Narita to Bangkok

Management's Discussion and Analysis

Airline Related Business

Airline Related Business operating revenues rose ¥51.6 billion (20.9%) year on year to ¥298.8 billion. Operating income amounted to ¥6.7 billion, compared with ¥2.3 billion in the previous fiscal year. The increase in operating revenues was mainly due to an increase in ground handling services in connection with boarding and baggage loading from foreign airlines, as well as an increase in in-flight meal production associated with the recovery in passenger demand.

Performance in the Airline Related Segment

(Fiscal Year)	2023	2022	Change
Segment operating revenues	¥298,820	¥247,129	¥51,691
Segment operating expenses	292,051	244,797	47,254
Segment operating income	¥ 6,769	¥ 2,332	¥ 4,437

(¥ Millions)

Travel Services

Domestic travel revenues were lower year on year, mainly due to a decrease in dynamic travel package sales compared to the previous fiscal year, when the Nationwide Travel Support program was in place.

Overseas travel revenues rose year on year, mainly due to active efforts to capture demand from individual travelers to our mainstay Hawaii and Asian destinations focused on South Korea and Taiwan.

As a result, Travel Services recorded operating revenues of ¥78.5 billion, up ¥4.7 billion (6.4%) year on year. Operating income amounted to ¥1.3 billion (operating loss of ¥0.2 billion in the previous fiscal year).

In November 2023, the Group launched ANA Moment Ads, a digital advertising distribution service that provides information tailored to customer behavior based on airline reservation data. In addition, we upgraded the ANA Pay mobile payment service to allow recharging beginning with just one mile in May 2023. We upgraded the app again in November 2023 to support code payments. We will continue to offer higher levels of convenience for our customers, seeking to create a world in which people live in a mileage-based ecosystem.

Performance in the Travel Services Segment

(Fiscal Year)	2023	2022	Change
Segment operating revenues	¥78,541	¥73,815	¥ 4,726
Domestic package products	44,888	45,954	(1,066)
International package products	3,947	1,512	2,435
Other revenues	29,706	26,349	3,357
Segment operating expenses	77,170	74,092	3,078
Segment operating income (loss)	¥ 1,371	¥ (277)	¥ 1,648

(¥ Millions)

Trade and Retail

In conjunction with higher passenger demand, operating income increased year on year with strong sales at ANA FESTA airport merchandise stores, ANA DUTY FREE SHOP locations, and the FUJISEY souvenir wholesale outlets. The food business saw higher sales volume for bananas, a core product.

As a result, Trade and Retail business operating revenues rose ¥14.6 billion (14.2%) year on year to ¥117.9 billion. Operating income increased ¥1.0 billion (30.3%) to ¥4.5 billion.

Performance in the Trade and Retail Segment

(Fiscal Year)	2023	2022	Change
Segment operating revenues	¥117,919	¥103,252	¥14,667
Segment operating expenses	113,345	99,741	13,604
Segment operating income	¥ 4,574	¥ 3,511	¥ 1,063

(¥ Millions)

Others

Although operating revenues increased year on year due to an increase in transaction volume in the real estate business and the airport facilities maintenance and management business, operating income decreased due to an increase in personnel expenses.

As a result, Others operating revenues rose ¥3.1 billion (8.3%) year on year to ¥41.2 billion. Operating income was essentially level at ¥0.5 billion (8.8% decrease).

Performance in the Others Segment

(Fiscal Year)	2023	2022	Change
Segment operating revenues	¥41,244	¥38,066	¥3,178
Segment operating expenses	40,698	37,467	3,231
Segment operating income	¥ 546	¥ 599	¥ (53)

(¥ Millions)

Non-Operating Income / Expenses, Special Income / Expenses

Non-operating income and special income amounted to a loss of ¥3.0 billion. Impairment losses on marketable securities contributed somewhat to this result.

Non-Operating Income / Expenses, Special Income / Expenses

(Fiscal Year)	2023	2022	Change
Non-Operating Income	¥ 30,774	¥ 28,589	¥ 2,185
Interest income	1,294	838	456
Dividend income	1,311	1,092	219
Equity in earnings of unconsolidated subsidiaries and affiliates	1,060	801	259
Foreign exchange gain, net	4,459	2,306	2,153
Gain on sales of assets	2,265	7,854	(5,589)
Gain on donation of non-current assets	367	1,060	(693)
Subsidies for employment adjustment	—	5,043	(5,043)
Compensation payments	14,404	—	14,404
Other, net	5,614	9,595	(3,981)
Non-Operating Expenses	(31,029)	(36,809)	5,780
Interest expenses	(23,324)	(24,845)	1,521
Loss on sales of assets	50	(85)	135
Loss on disposal of assets	(4,866)	(3,233)	(1,633)
Grounded aircraft expenses	—	(4,638)	4,638
Other, net	(2,789)	(4,008)	1,219
Special Income	0	3,574	(3,574)
Gain on sales of property and equipment	—	1,587	(1,587)
Gain on reversal of foreign currency translation adjustments	—	1,987	(1,987)
Special Expenses	(2,818)	(1,042)	(1,776)
Loss on valuation of investment securities	(2,818)	(1,042)	(1,776)
Total	¥ (3,073)	¥ (5,688)	¥ 2,615

(¥ Millions)

Net Income Attributable to Owners of the Parent

As a result of the preceding, income before income taxes amounted to ¥204.8 billion, compared with ¥114.3 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 ¥157.0 billion, compared with ¥89.4 billion in the previous fiscal year. Income per share was ¥335.09, compared with ¥190.24 in the previous fiscal year.

Comprehensive income amounted to ¥183.8 billion, compared with ¥63.2 billion in the previous fiscal year, mainly due to the recording of net income attributable to owners of the parent.

Management's Discussion and Analysis

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, 2024, 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 2023

Free cash flow amounted to ¥21.0 billion (sum of cash flows from operating activities and investing activities). Net cash used in financing activities totaled ¥136.0 billion. As a result, cash and cash equivalents decreased ¥110.9 billion from the beginning of the fiscal year, amounting to ¥1,002.5 billion at the end of the fiscal year.

Cash Flows from Operating Activities

After adjusting the ¥204.8 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 ¥420.6 billion, compared with ¥449.8 billion in the previous fiscal year.

Cash Flows from Investing Activities

Net cash used in financing activities was ¥399.5 billion, compared with ¥78.3 billion in the previous fiscal year. This result was mainly due to capital investments in aircraft, etc. Substantial cash flows from investing activities after excluding net outlays of ¥185.0 billion from payments into and proceeds from withdrawals of time deposits and payments for purchases and proceeds from redemptions of marketable securities (including negotiable deposits with maturities exceeding three months) amounted to ¥214.4 billion.

Free Cash Flow

Net cash provided by operating activities totaled ¥420.6 billion. Since net cash used in investing activities was ¥399.5 billion, free cash flow for fiscal 2023 amounted to ¥21.0 billion, a decrease of ¥350.4 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 (including negotiable deposits with maturities exceeding three months) amounted to ¥206.1 billion, compared with ¥373.1 billion in the previous fiscal year.

Cash Flows from Financing Activities

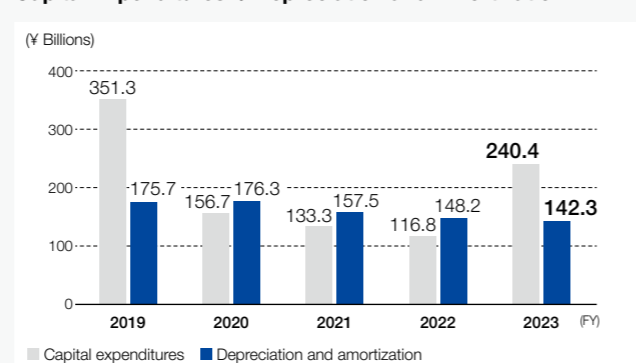
Net cash used in financing activities was ¥136.0 billion, compared with ¥142.9 billion in the previous fiscal year. This result was mainly due to redemptions of convertible bonds with stock acquisition rights and repayments of loans.

Capital Expenditures and Aircraft Procurement

Capital Expenditures

In fiscal 2020, the ANA Group began temporary restraints on the scale of investment, particularly in aircraft, and has reviewed the timing of investment as appropriate.

Capital Expenditures* / Depreciation and Amortization



* Capital expenditures contains only fixed assets.

Capital expenditures for fiscal 2023 amounted to ¥240.4 billion, an increase of 105.7% year on year.

By segment, Air Transportation Business capital expenditures increased 103.5% year on year to ¥234.3 billion. Airline Related expenditures increased 34.5% to ¥2.8 billion, while Travel Services expenditures increased 75.7% to ¥2.5 billion. Trade and Retail capital expenditures increased 66.5% to ¥1.9 billion, and Others increased 5.0% to ¥0.1 billion.

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) Allocating resources to growth areas, as represented by the international business.

Fundamentally, the group purchases and owns 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 2023

Based on our fleet strategy, aircraft totaled 278 as of the end of fiscal 2023, an increase of two compared to the end of 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 ten aircraft, consisting of two Boeing 787-10s, three Boeing 787-9s, and five Airbus A320-200neos. Meanwhile, we retired eight Airbus A320-200 aircraft.

Changes in the Number of Aircraft in Fiscal 2023

Aircraft	Number of Aircraft	Owned	Leased	() changes
Airbus A380-800	3	3	0	
Boeing 777-300	18	9	9	
Boeing 777-200	10	10 (+1)	0 (-1)	
Boeing 777F	2	2	0	
Boeing 787-10	5 (+2)	4 (+2)	1	
Boeing 787-9	43 (+3)	37 (+3)	6	
Boeing 787-8	36	31	5	
Boeing 767-300	15	15	0	
Boeing 767-300F	9	6	3	
Airbus A321-200neoLR	3	0	3	
Airbus A321-200neo	22	0	22	
Airbus A321-200	4	0	4	
Airbus A320-200neo	26 (+5)	11	15 (+5)	
Airbus A320-200	19 (-8)	0	19 (-8)	
Boeing 737-800	39	26 (+2)	13 (-2)	
De Havilland Canada DASH 8-400 aircraft	24	24	0	
Total	278 (+2)	178 (+8)	100 (-6)	

Aircraft Procurement Plan for Fiscal 2024

We plan to add a total of 8 aircraft during fiscal 2024. These aircraft consist of five Boeing 787-10s, one Boeing 787-9, and two Airbus A320-200neos.

Meanwhile, the group retired six aircraft, consisting of three Boeing 767-300Fs and three Airbus A320-200s.

Management's Discussion and Analysis

Financial Position

Assets

Total assets as of March 31, 2024 amounted to ¥3,569.5 billion, an increase of ¥202.8 billion compared to March 31, 2023.

Total current assets amounted to ¥1,701.1 billion, up ¥150.3 billion from the end of the previous fiscal year. Cash and deposits amounted to ¥600.8 billion, a decrease of ¥2.7 billion compared to the end of the previous fiscal year. Marketable securities increased ¥76.8 billion to ¥656.9 billion. As a result, liquidity on hand amounted to ¥1,257.8 billion, up ¥74.0 billion year on year. Total non-current assets at the end of the fiscal year stood at ¥1,867.8 billion, up ¥52.9 billion year on year.

We plan to reduce total assets over the medium term and shift to more efficient financial management.

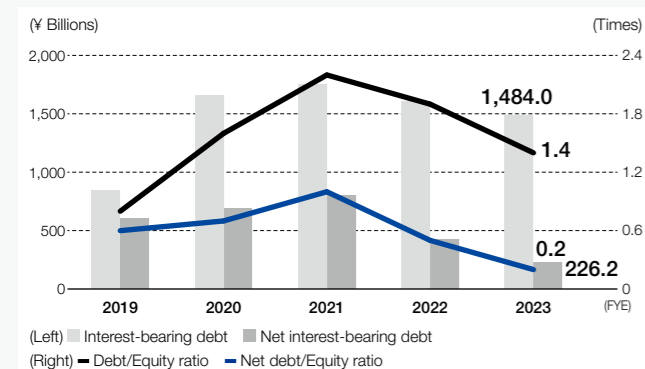
Liabilities

Total liabilities as of March 31, 2024 amounted to ¥2,516.9 billion, up ¥20.5 billion year on year.

Current liabilities increased ¥152.0 billion year on year to ¥1,035.4 billion, mainly due to an increase in contract liabilities resulting from increased airline ticket bookings. Total long-term liabilities amounted to ¥1,481.4 billion, a decrease of ¥131.4 billion.

Interest-bearing debt, including finance lease obligations, decreased ¥123.8 billion to ¥1,484.0 billion, mainly due to repayments of loans. Our debt/equity ratio amounted to 1.4 times, a decrease of 0.4 points compared with the end of the previous fiscal year. Net debt/equity ratio on a net interest-bearing debt basis was 0.2 times.

Interest-Bearing Debt / Debt/Equity Ratio*



* Excluding off-balanced lease obligations

Interest-Bearing Debt

(End of Fiscal Year)	2023	2022	Change
Short-term debt:	¥ 229,998	¥ 209,850	¥ 20,148
Short-term loans	84,170	92,170	(8,000)
Current portion of long-term loans	73,777	84,633	(10,856)
Current portion of bonds with stock acquisition rights	70,000	30,000	40,000
Finance lease obligations	2,051	3,047	(996)
Long-term debt*:	1,254,038	1,398,068	(144,030)
Bonds	155,000	155,000	0
Convertible bonds with stock acquisition rights	150,000	220,000	(70,000)
Long-term loans	943,808	1,017,585	(73,777)
Finance lease obligations	5,230	5,483	(253)
Total interest-bearing debt	¥1,484,036	¥1,607,918	¥(123,882)

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

Net Assets

Net assets as of March 31, 2024 amounted to ¥1,052.6 billion, an increase of ¥182.2 billion compared to the end of the previous fiscal year.

Shareholders' equity amounted to ¥951.1 billion, an increase of ¥156.6 billion compared to the end of the previous fiscal year. This increase was mainly due to the recording of net income and the increase in retained earnings.

Total accumulated other comprehensive income amounted to ¥93.3 billion, an increase of ¥25.4 billion compared to the end of the previous fiscal year. This increase was mainly due to an increase in deferred gain on derivatives under hedge accounting.

As a result, total shareholders' equity increased ¥182.0 billion from the end of the previous fiscal year, amounting to ¥1,044.5 billion. Shareholders' equity ratio increased 3.6 points to 29.3%.

Book value per share (BPS) at the end of the fiscal year was ¥2,222.03, compared to ¥1,833.64 as of the end of the previous fiscal year.

Bond Ratings

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

Bond ratings as of March 31, 2024 were as follows:

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

Retirement Benefit Obligations

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

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

Retirement Benefit Obligations and Related Expenses

(Fiscal Year/End of Fiscal Year)	2023	2022
Retirement benefit obligation	¥(215,433)	¥(217,079)
Plan assets at fair value	58,604	57,568
Net liability arising from defined benefit obligation in the consolidated balance sheet	(156,829)	(159,511)
Liabilities for retirement benefits	(160,027)	(161,129)
Assets for retirement benefits	3,198	1,618
Net liability arising from defined benefit obligation in the consolidated balance sheet	(156,829)	(159,511)
Net periodic benefit costs	14,279	14,765
Main basis for actuarial calculations		
Discount rates	0.1–1.6%	0.1–1.5%
Expected rates of return on plan assets	1.0–2.5%	1.0–2.5%
Contribution to defined contribution pension plans	¥4,825	¥4,587

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 2023 and Plans for Fiscal 2024

During the fiscal year under review, operating income, ordinary income, and net income attributable to owners of the parent increased as a result of higher revenues, mainly in the Air Transportation Business, stemming from International Passenger and Domestic Passenger operations, supported by strong demand for inbound travel to Japan and strong leisure demand. We have decided to pay a dividend of ¥50 per share for the current fiscal year. This dividend is an increase of ¥20 per share compared with our previous forecast, announced on October 31, 2023. We plan to pay a dividend of ¥50 per share in the next fiscal year, having addressed the issues described in the FY2023-25 ANA Group Corporate Strategy.

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. Any event that damages or impedes safety 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 is an organization dedicated to the promotion of safety. This team conducts safety quality audits and has built a sustainable mechanism to ensure safety. We engage in safety risk management that prevents recurrence while incorporating preventive and predictive measures. We pursue further safety improvements through risk management focusing on factors that include best practices and case studies from outside the group and fatigue risk management for flight crew and flight attendants. Further, we provide visibility to safety through safety performance indicators 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 of active safety and security. 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 replacing aircraft with newer, more fuel-efficient types, we also take proactive measures in the use of negative emissions technologies (NETs) to capture, absorb, store, and immobilize atmospheric CO₂. We are also establishing 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 situations in Ukraine and the Middle East, 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 and cyberattacks is increasing with the rising number and sophistication of cyberattacks related to the increasing use of cloud systems, business supply chain interconnectivity and linkage, and even geopolitical considerations. We believe there is a growing social demand to prevent and reduce this risk.

Response

Last year, we established the Group IT Department and the ANA Group Computer Security Incident Response Team (CSIRT) as specialized organizations in charge of systems operation and management for the ANA Group. We have made advancements in strengthening overall cybersecurity governance and resistance to cyberattacks, building a comprehensive and multifaceted structure for systems operations and to deal with cyberattacks.

The group is also bolstering our response to intangible aspects through a function to oversee overall system architecture, improved education, and system failure-response training.

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 acts that violate 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. Certain countries and regions overseas are enacting legislation related to the protection of human rights in the supply chain. Any acts that violate human rights, including acts committed by contractors or other parties outside the group, may result in penalties levied on the group under the jurisdiction of these countries and regions. Further, any problem resulting in a shutdown of a supplier or other subcontractor could lead to restrictions or limitations on group business operations.

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 that reflects 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 or the worker themselves directly through dialogue, etc. 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 large-scale pandemics, 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 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 human capital. These investments will include appropriate assignments and expanded education and training opportunities. At the same time, we pursue mechanization, labor savings, and unattended operations, etc., for greater productivity.

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.

Operating Risks

(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.

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 credit-worthiness 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 2024, 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, 2024

As of March 31	2024	Yen (Millions) 2023	U.S. dollars (Thousands) 2024
ASSETS			
Current assets:			
Cash and deposits	¥ 600,893	¥ 603,686	\$ 3,968,648
Marketable securities	656,913	580,037	4,338,636
Notes and accounts receivable	218,208	186,052	1,441,172
Accounts receivable from and advances to unconsolidated subsidiaries and affiliates	2,350	2,741	15,520
Lease receivables and investments in leases	12,219	14,724	80,701
Inventories	53,961	44,655	356,389
Prepaid expenses and other	156,931	119,183	1,036,463
Allowance for doubtful accounts	(285)	(258)	(1,882)
Total current assets	1,701,190	1,550,820	11,235,651
Property and equipment:			
Land	44,069	44,045	291,057
Buildings and structures	258,669	257,665	1,708,401
Aircraft	1,898,878	1,781,646	12,541,298
Machinery and equipment	100,406	99,411	663,139
Vehicles	36,330	33,137	239,944
Furniture and fixtures	60,326	60,748	398,428
Lease assets	9,295	9,849	61,389
Construction in progress	224,173	186,967	1,480,569
Total	2,632,146	2,473,468	17,384,228
Accumulated depreciation	(1,301,393)	(1,202,156)	(8,595,158)
Net property and equipment	1,330,753	1,271,312	8,789,069
Investments and other assets:			
Investment securities	129,700	122,820	856,614
Investments in and advances to unconsolidated subsidiaries and affiliates	31,167	31,667	205,845
Lease and guaranty deposits	18,452	16,362	121,867
Deferred tax assets	213,374	263,303	1,409,246
Goodwill	15,999	18,115	105,666
Intangible assets	87,908	69,705	580,595
Other assets	40,987	22,620	270,702
Total investments and other assets	537,587	544,592	3,550,538
TOTAL	¥3,569,530	¥3,366,724	\$23,575,259

As of March 31	2024	Yen (Millions) 2023	U.S. dollars (Thousands) 2024
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term loans	¥ 84,170	¥ 92,170	\$ 555,907
Current portion of long-term debt	145,828	117,680	963,133
Accounts payable	236,297	167,303	1,560,643
Accounts payable to unconsolidated subsidiaries and affiliates	1,113	1,225	7,350
Contract liabilities	444,982	393,545	2,938,920
Accrued expenses	80,417	53,198	531,120
Income taxes payable	8,015	6,910	52,935
Other current liabilities	34,606	51,370	228,558
Total current liabilities	1,035,428	883,401	6,838,570
Long-term liabilities:			
Long-term debt	1,254,038	1,398,068	8,282,398
Liability for retirement benefits	160,027	161,129	1,056,911
Deferred tax liabilities	505	206	3,335
Asset retirement obligations	1,312	1,537	8,665
Other long-term liabilities	65,593	51,992	433,214
Total long-term liabilities	1,481,475	1,612,932	9,784,525
Contingent liabilities			
Equity:			
Common stock:			
Authorized – 1,020,000,000 shares;			
Issued – 484,293,561 shares in 2024 and 484,293,561 shares in 2023	467,601	467,601	3,088,309
Capital surplus	404,065	407,328	2,668,681
Retained earnings (Accumulated deficit)	135,971	(21,126)	898,031
Treasury stock – 14,224,644 shares in 2024 and 13,961,988 shares in 2023	(56,512)	(59,365)	(373,238)
Accumulated other comprehensive income:			
Unrealized gain on securities	41,360	36,824	273,165
Deferred gain on derivatives under hedge accounting	59,782	42,496	394,835
Foreign currency translation adjustments	3,677	2,481	24,285
Defined retirement benefit plans	(11,436)	(13,820)	(75,530)
Total	1,044,508	862,419	6,898,540
Non-controlling interests	8,119	7,972	53,622
Total equity	1,052,627	870,391	6,952,163
TOTAL	¥3,569,530	¥3,366,724	\$23,575,259

Consolidated Statement of Income

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2024

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands)
	2024	2023	2024
Operating revenues	¥2,055,928	¥1,707,484	\$13,578,548
Cost of sales	1,642,263	1,403,567	10,846,463
Gross income	413,665	303,917	2,732,085
Selling, general and administrative expenses	205,754	183,887	1,358,919
Operating income	207,911	120,030	1,373,165
Other income (expenses):			
Interest income	1,294	838	8,546
Dividend income	1,311	1,092	8,658
Equity in earnings of unconsolidated subsidiaries and affiliates	1,060	801	7,000
Foreign exchange gain, net	4,459	2,306	29,449
Gain on sales of assets	2,265	7,854	14,959
Gain on donation of non-current assets	367	1,060	2,423
Compensation income	14,404	–	95,132
Interest expenses	(23,324)	(24,845)	(154,045)
Loss on sales of assets	(50)	(85)	(330)
Loss on disposal of assets	(4,866)	(3,233)	(32,137)
Grounded aircraft expense	–	(4,638)	–
Gain on reversal of foreign currency translation adjustments	–	1,987	–
Other, net	7	11,175	46
Other income (expenses), net	(3,073)	(5,688)	(20,295)
Income before income taxes	204,838	114,342	1,352,869
Income taxes:			
Current	5,971	4,578	39,435
Deferred	40,540	19,666	267,749
Total income taxes	46,511	24,244	307,185
Net income	158,327	90,098	1,045,683
Net income attributable to non-controlling interests	1,230	621	8,123
Net income attributable to owners of the parent	¥ 157,097	¥ 89,477	\$ 1,037,560

Year Ended March 31	Yen		U.S. dollars
	2024	2023	2024
Per share of common stock:			
Basic net income	¥335.09	¥190.24	\$2.21
After adjusting for diluted shares net income per share	301.62	170.16	1.99
Cash dividends applicable to the year	50.00	–	0.33

Consolidated Statement of Comprehensive Income

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2024

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands)
	2024	2023	2024
Net income	¥158,327	¥ 90,098	\$1,045,683
Other comprehensive income (loss):			
Unrealized gain on securities	4,472	4,466	29,535
Deferred gain (loss) on derivatives under hedge accounting	17,279	(29,641)	114,120
Foreign currency translation adjustments	1,277	(1,139)	8,434
Defined retirement benefit plans	2,406	(554)	15,890
Share of other comprehensive income in affiliates	59	6	389
Total other comprehensive income (loss)	25,493	(26,862)	168,370
Comprehensive income	¥183,820	¥ 63,236	\$1,214,054
Total comprehensive income attributable to:			
Owners of the parent	¥182,499	¥ 62,560	\$1,205,329
Non-controlling interests	1,321	676	8,724

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2024

	Thousands											Yen (Millions)	
	Number of shares of common stock outstanding	Common stock	Capital surplus	Retained earnings (Accumulated deficit)	Treasury stock	Total shareholders' 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	Total equity
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
Net income attributable to owners of the parent				157,097		157,097							157,097
Purchase of treasury stock	(263)				(9,510)	(9,510)							(9,510)
Disposal of treasury stock			(3,282)		12,362	9,080							9,080
Changes in the parent's ownership interest due to transactions with non-controlling interests			19			19							19
Change in treasury shares arising from change in equity in entities accounted for using equity method					1	1							1
Net changes in the year							4,536	17,286	1,196	2,384	25,402	147	25,549
Total changes during the fiscal year	(263)	-	(3,263)	157,097	2,853	156,687	4,536	17,286	1,196	2,384	25,402	147	182,236
Balance at March 31, 2024	470,068	¥467,601	¥404,065	¥ 135,971	¥(56,512)	¥951,125	¥41,360	¥ 59,782	¥ 3,677	¥(11,436)	¥ 93,383	¥8,119	¥1,052,627

	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	Unrealized gain on securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Non-controlling interests	Total equity
Balance at March 31, 2023	470,331	\$3,088,309	\$2,690,231	\$ (139,528)	\$(392,081)	\$5,246,932	\$243,207	\$280,668	\$16,385	\$(91,275)	\$448,986	\$52,651	\$5,748,570
Net income attributable to owners of the parent				1,037,560		1,037,560							1,037,560
Purchase of treasury stock	(263)				(62,809)	(62,809)							(62,809)
Disposal of treasury stock			(21,676)		81,645	59,969							59,969
Changes in the parent's ownership interest due to transactions with non-controlling interests			125			125							125
Change in treasury shares arising from change in equity in entities accounted for using equity method					6	6							6
Net changes in the year							29,958	114,166	7,899	15,745	167,769	970	168,740
Total changes during the fiscal year	(263)	-	(21,550)	1,037,560	18,842	1,034,852	29,958	114,166	7,899	15,745	167,769	970	1,203,592
Balance at March 31, 2024	470,068	\$3,088,309	\$2,668,681	\$ 898,031	\$(373,238)	\$6,281,784	\$273,165	\$394,835	\$24,285	\$(75,530)	\$616,755	\$53,622	\$6,952,163

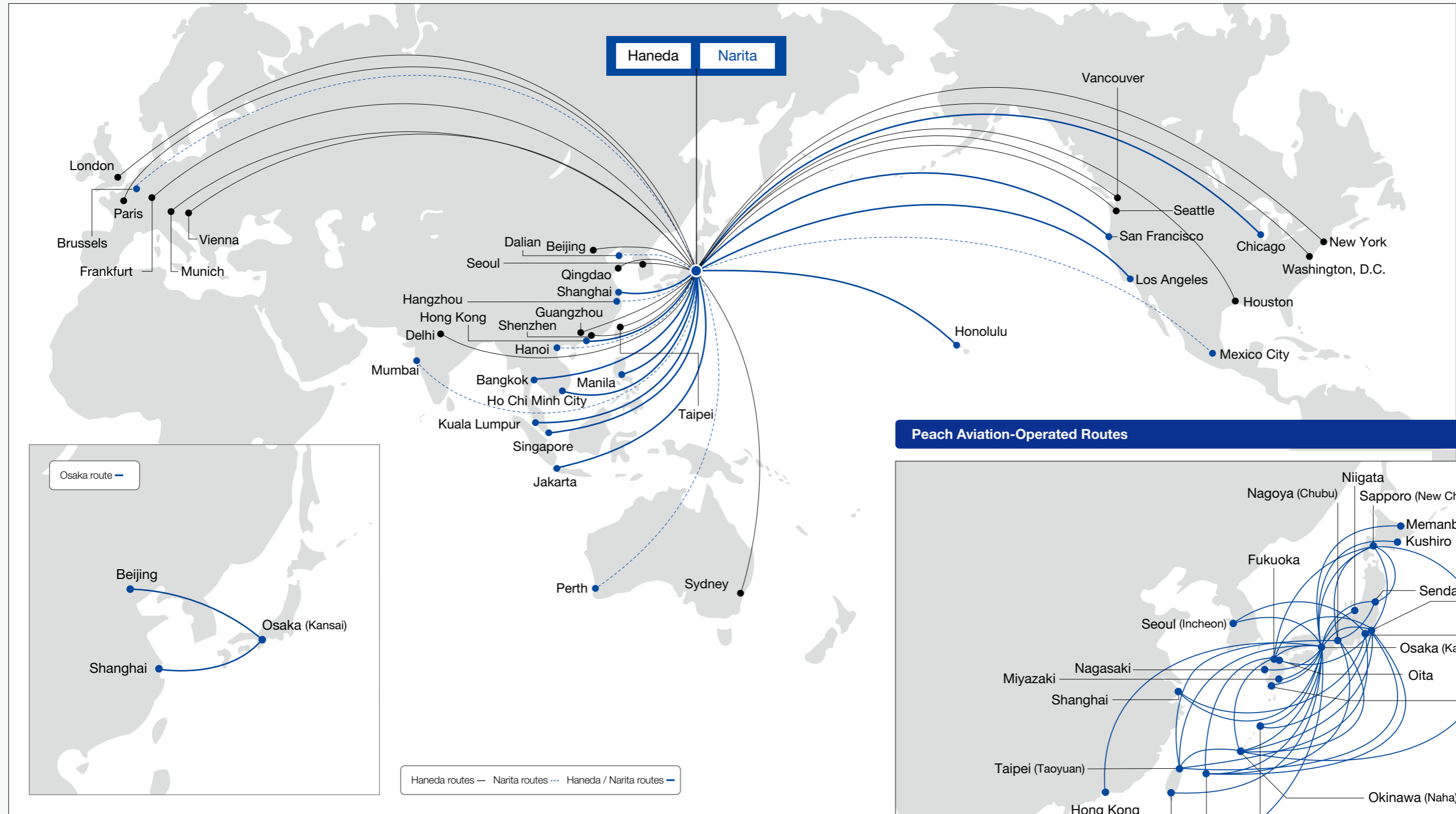
Consolidated Statement of Cash Flows

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2024

	Yen (Millions)		U.S. dollars (Thousands)
	2024	2023	
Cash flows from operating activities:			
Income before income taxes	¥ 204,838	¥ 114,342	\$ 1,352,869
Adjustments for:			
Depreciation and amortization	142,315	148,270	939,931
Amortization of goodwill	2,116	2,115	13,975
Loss (gain) on disposal and sales of property and equipment	2,651	(6,123)	17,508
Loss on sales and valuation of investment securities	2,818	841	18,611
Reversal of foreign currency translation of investment securities	-	(1,987)	-
Decrease (increase) in allowance for doubtful accounts	(111)	506	(72)
Increase in liability for retirement benefits	1,554	2,906	10,263
Interest and dividend income	(2,605)	(1,930)	(17,204)
Interest expenses	23,324	24,845	154,045
Subsidies for employment adjustment	-	(5,043)	-
Foreign exchange gain	(4,268)	(2,348)	(28,188)
Increase in notes and accounts receivable	(33,419)	(36,523)	(220,718)
(Increase) decrease in other current assets	(25,279)	5,758	(166,957)
Increase in notes and accounts payable	62,539	35,612	413,044
Increase in contract liabilities	51,437	137,522	339,719
Other, net	14,111	50,230	93,197
Subtotal	442,121	468,993	2,920,025
Interest and dividends received	3,563	2,202	23,532
Interest paid	(23,419)	(24,990)	(154,672)
Proceeds from subsidy income	15	7,300	99
Income taxes paid	(1,658)	(3,683)	(10,950)
Net cash provided by operating activities	420,622	449,822	2,778,033
Cash flows from investing activities:			
Purchases of marketable securities	(528,209)	(154,321)	(3,488,600)
Proceeds from redemption of marketable securities	343,158	152,739	2,266,415
Purchases of property and equipment	(202,066)	(93,450)	(1,334,561)
Proceeds from sales of property and equipment	29,171	42,717	192,662
Purchases of intangible assets	(38,403)	(23,442)	(253,635)
Purchases of investment securities	(2,534)	(674)	(16,736)
Proceeds from sales of investment securities	-	277	-
Proceeds from withdrawal of investments in securities	1,153	-	7,615
Other, net	(1,795)	(2,146)	(11,855)
Net cash used in investing activities	(399,525)	(78,300)	(2,638,696)
Cash flows from financing activities:			
Decrease in short-term loans, net	(8,000)	(7,900)	(52,836)
Repayment of long-term loans	(84,633)	(62,775)	(558,965)
Redemption of bonds	(30,000)	(70,000)	(198,137)
Repayment of finance lease obligations	(2,947)	(3,764)	(19,463)
Proceeds from share issuance to non-controlling shareholders	-	2,000	-
Net increase of treasury stock	(9,339)	(15)	(61,680)
Other, net	(1,126)	(455)	(7,436)
Net cash used in financing activities	(136,045)	(142,909)	(898,520)
Effect of exchange rate changes on cash and cash equivalents	3,979	2,539	26,279
Net (decrease) increase in cash and cash equivalents	(110,969)	231,152	(732,904)
Cash and cash equivalents at beginning of year	1,113,481	882,329	7,354,078
Cash and cash equivalents at end of year	¥1,002,512	¥1,113,481	\$ 6,621,174

Does not include routes not in service
 Narita-Perth service to be resumed from October 2024
 Compilation by ANA HOLDINGS INC. (As of August 1, 2024)

ANA-Operated International Routes



Peach Aviation-Operated Routes



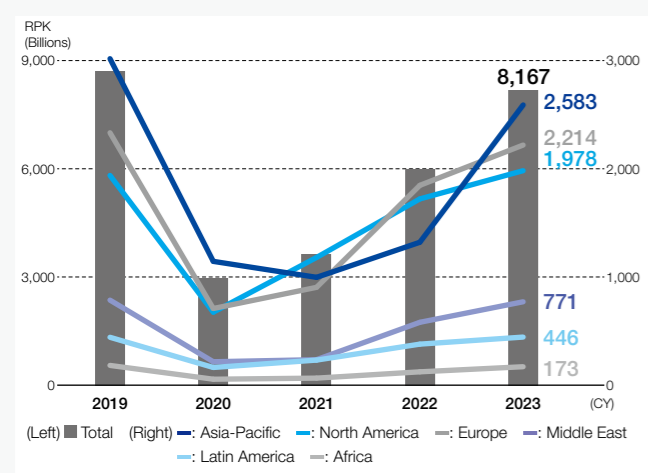
Market Data

Environmental and Social Data

For further information, Fact Book 2024 can be downloaded from the ANA Group corporate website in PDF format.
<https://www.ana.co.jp/group/en/investors/rddata/annual/>

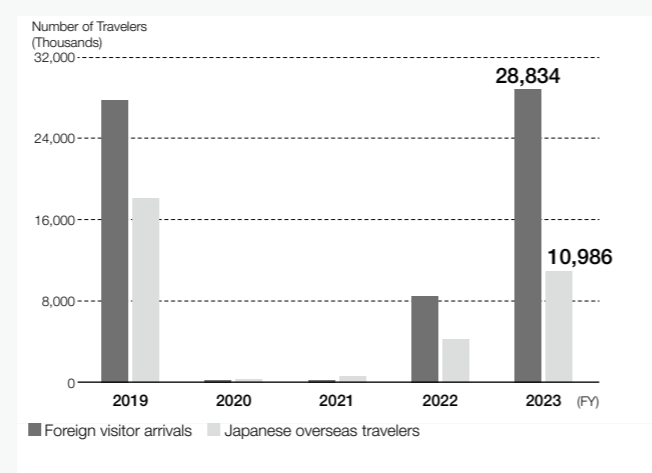
International Passenger Market

Global Air Transportation Passenger Volume by Region



Source: International Air Transport Association (IATA)

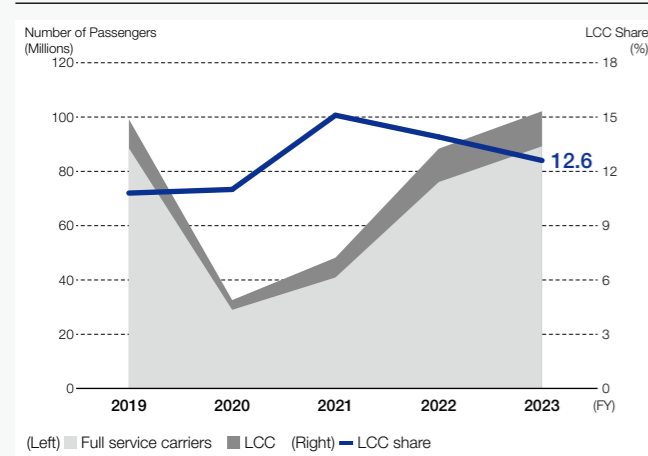
Foreign Visitor Arrivals / Number of Japanese Overseas Travelers



Source: Japan National Tourism Organization (JNTO)

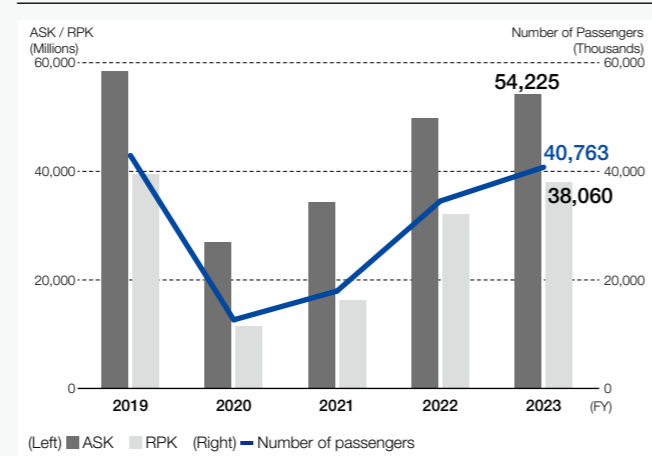
Domestic Passenger Market

Number of Domestic Passengers and LCC Share



Source: Ministry of Land, Infrastructure, Transport and Tourism

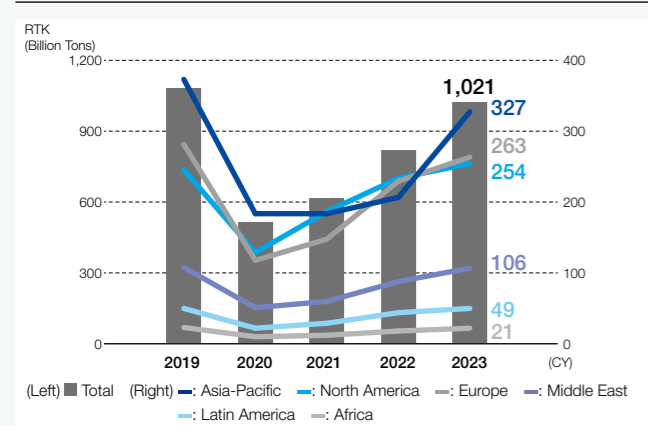
ANA Domestic Passenger Business: ASK, RPK, and Number of Passengers



Note: We applied the Accounting Standard for Revenue Recognition in fiscal 2021.

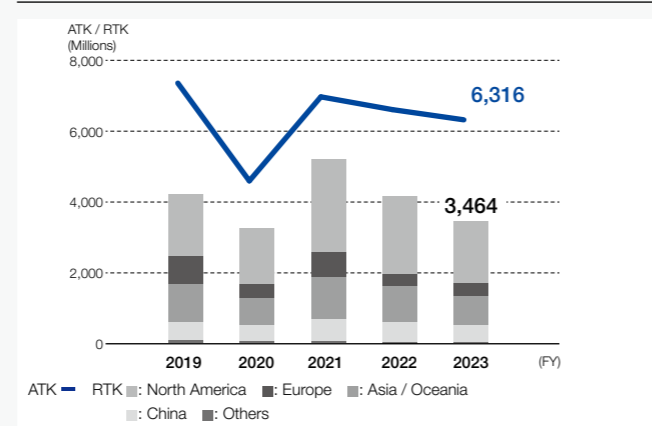
International Cargo Market

Global Freight Ton Carried by Region



Source: International Air Transport Association (IATA)

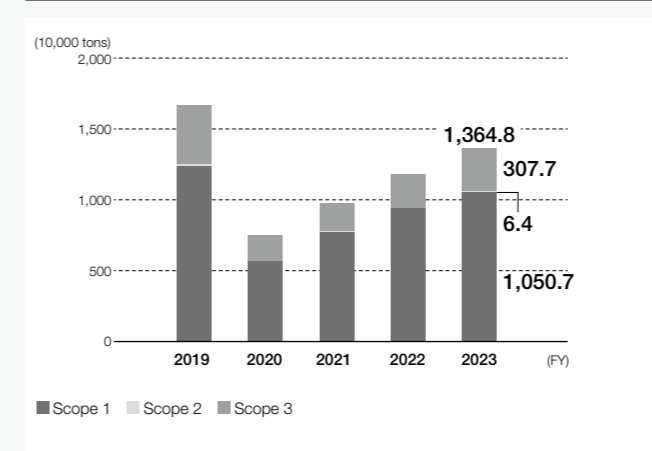
ANA International Cargo Operations: ATK and RTK



Notes: 1. Figures for China include the Hong Kong routes.
 2. Figures for Asia / Oceania include the Vladivostok routes.
 3. Figures for Others include RFS (Road Feeder Service).

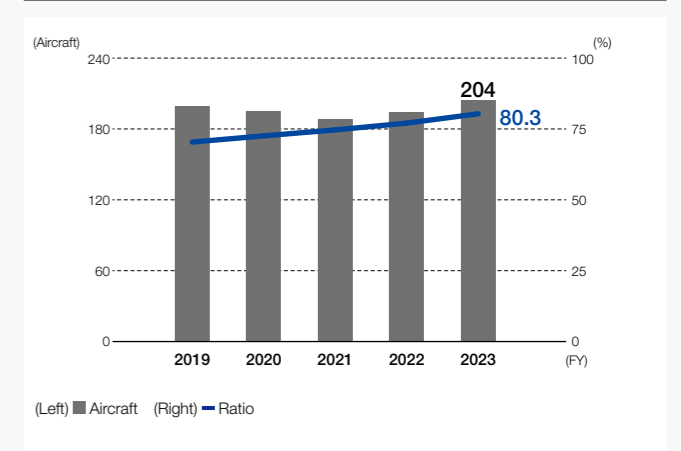
Environmental

CO₂ Emissions



Legend: Scope 1, Scope 2, Scope 3

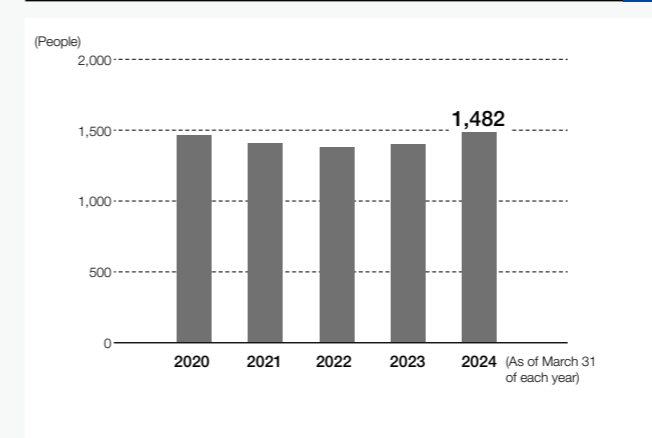
Fuel-Efficient Aircraft (No. / Ratio)



* ANA Group aircraft (jets)
 * Fuel-efficient aircraft: Boeing 777, 787, 737-700 and -800; Airbus A320neo and A321neo

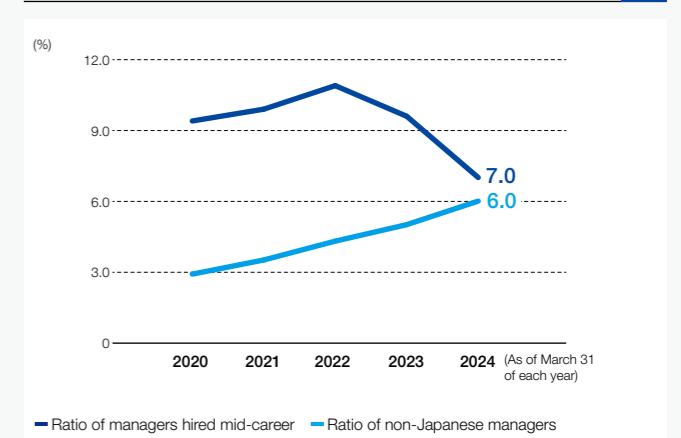
Social

Number of Employees Hired Overseas (ANA)



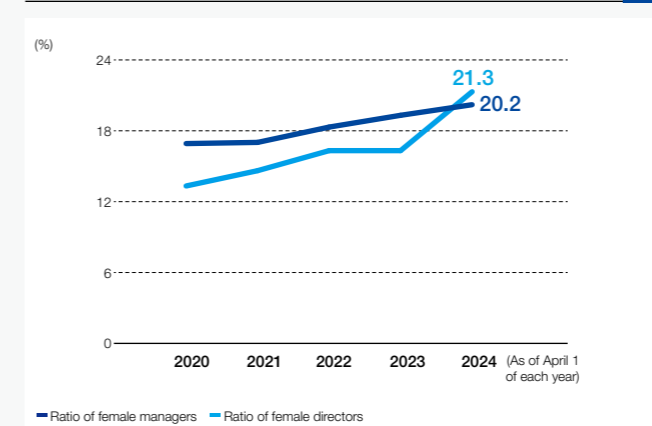
(As of March 31 of each year)

Ratio of Managers Hired Mid-Career / Ratio of Non-Japanese Managers* (ANA)



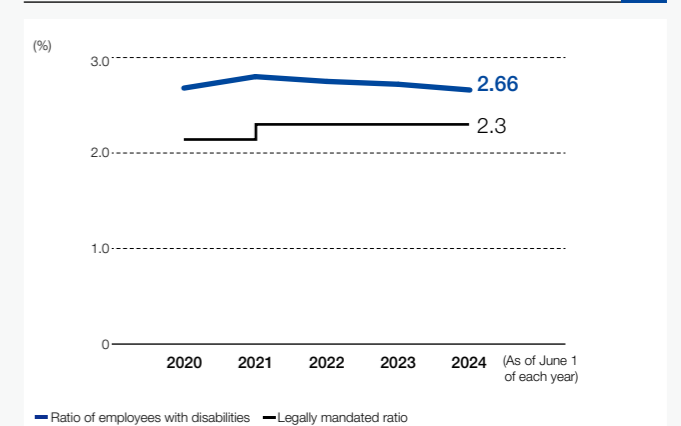
* Ratio of non-Japanese managers is calculated excluding TC1 (Americas region) as defined by the International Air Transport Association (IATA).

Ratio of Female Managers / Ratio of Female Directors (ANA)



(As of April 1 of each year)


Ratio of Employees with Disabilities (ANA)



(As of June 1 of each year)

ESG-Related Data

The following data is the environmental results related to the ANA Group. (Aggregate figures for fiscal 2023 are preliminary.)

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

Climate Change Countermeasures (E)

(FY)	Unit	2019	2020	2021	2022	2023
Carbon dioxide (CO₂) emissions*						
Total (Aircraft, ground equipment and vehicles)	10,000 tons	1,245.8	548.0	776.0	941.9	1,057.1
Aircraft		1,233.2	538.7	766.9	932.5	1,047.4
Passenger		1,195.8	470.9	678.0	846.8	933.3
Cargo		37.4	67.8	89.0	85.7	114.1
Ground equipment and vehicles		12.6	9.3	9.1	9.4	9.7
A** Total (Scope 1, 2, and 3)	10,000 tons	1,682.2	723.3	976.0	1,179.6	1,364.8
Scope 1		1,237.3	541.4	769.5	935.4	1,050.7
Scope 2		8.4	7.0	6.6	6.5	6.4
Scope 3		436.4	174.9	199.9	237.6	307.7
[Breakdown by Category]**						
	1,000 tons					
1 Purchased goods and services		986.6	624.9	548.8	753.0	971.4
2 Capital goods		788.6	361.3	327.2	250.9	560.4
3 Fuel- and energy-related activities (not included in Scope 1 or 2)		1,664.1	734.2	1,038.1	1,258.6	1,413.2
4 Upstream transportation and distribution		1.7	0.6	1.1	0.7	1.6
5 Waste generated in operations		30.8	17.5	17.3	33.0	39.4
6 Business travel		1.6	0.3	2.3	4.0	6.4
7 Employee commuting		9.4	9.9	8.9	8.5	8.4
11 Use of sold products		881.7	0.0	0.0	0.0	0.0
13 Downstream leased assets		*3	*3	55.6	67.6	75.9
Aircraft CO ₂ emissions per RTK	kg-CO ₂	1.01	1.21	1.09	1.00	0.99
Total sustainable aviation fuel (SAF) emissions	1,000 tons	—	—	4.03*4	6.32*4	0.03*4
Total energy consumption						
	Crude oil equivalent: 10,000 kl					
Total		480	212	300	364	407
Aircraft energy		474	207	295	359	403
Ground energy (non-aircraft operations)		6.3	4.8	4.7	4.9	4.8
Ozone depletion						
Fluorocarbon	kg					
Aircraft (ANA brand only)		2.7	2.9	0.0	0.0	0.0
Ground (non-aircraft operations)		—	254*5	169	80	120
Halon Aircraft (ANA brand only)		31.7	20.5	12.8	12.8	44.3
B** Fuel-efficient aircraft (Fiscal year-end)**						
Number of aircraft ANA Group (jet aircraft)	Aircraft	199	195	188	194	204
Ratio	%	70.3	72.5	74.6	77.0	80.3

*1 We have not yet reflected the impact of sustainable aviation fuel (SAF) on CO₂ emissions from fiscal 2019 to fiscal 2020
 *2 Scope 3, categories 8, 9, 10, 12, 14, and 15 are not applicable
 *3 Not applicable
 *4 Direct CO₂ emissions from the combustion of the SAF that ANA purchased are not included in Scope 1. 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
 *5 Calculated beginning fiscal 2020
 *6 Boeing 777, 787, 737-700, -800, Airbus A320neo, and A321neo
 *7 **A** to **B**: See graphs on P.143

Resource Savings

(FY)	Unit	2019	2020	2021	2022	2023
Waste produced						
Total	1,000 tons	22.9	12.7	16.0	27.3	30.1
General waste (cabin waste and sewage included)		15.3	7.8	4.8	16.1	21.2
General waste (ground waste included)		2.9	1.0	2.8	1.6	1.5
Industrial waste		4.7	3.8	8.4	9.6	7.5
Water consumption						
Total	10,000 kl	68.4	35.1	31.6	40.9	50.1
Clean water		60.7	30.6	27.1	35.8	43.9
Non-potable water		7.8	4.5	4.4	5.1	6.1

Human Resources Data (ANA) (S)

(FY)	Unit	2020	2021	2022	2023	2024
People						
Number of employees (As of March 31 of each year)*1	People	14,830	15,114	13,689	12,803	12,854
C** Number of employees hired overseas (As of March 31)	People	1,464	1,404	1,375	1,399	1,482
Number of overseas managers hired locally (As of March 31 of each year)	People	157	173	198	207	248
D** Ratio of managers hired mid-career (As of March 31 of each year)	%	9.4	9.9	10.9	9.6	7.0
Ratio of non-Japanese managers**2 (As of March 31 of each year)	%	2.9	3.5	4.3	5.0	6.0
E** Ratio of female managers (As of April 1 of each year, excluding individuals 60 years old and over)	%	16.9	17.0	18.3	19.3	20.3
F** Ratio of employees with disabilities**3 (As of June 1 of each year)	%	2.68	2.80	2.75	2.72	2.66
Average age of employees (As of March 31 of each year)	Years	38.0	37.9	38.9	39.2	41.0
Years worked						
Average years worked (As of March 31 of each year)	Years	13.6	12.5	13.4	14.2	16.9
Job turnover rates						
Job turnover rates of employees (FY)	%	4.0	4.2	3.5	3.6	—
Average annual salary						
Gender wage gap (FY)**4	%	—	—	38.6	42.8	—
Diverse work styles						
Number of employees on pregnancy or childcare leave / Male (As of March 31 of each year)	People	645 / 29	643 / 27	727 / 61	856 / 194	790 / 140
Number of employees on nursing care leave (As of March 31 of each year)	People	10	11	17	13	22
Health management						
Ratio of employees with healthy BMI (Male / Female, As of March 31 of each year)**5	%	72.5 / 73.0	67.7 / 70.1	74.3 / 69.1	73.7 / 68.4	73.4 / 70.8
Ratio of employees that smoke (Male / Female, As of March 31 of each year)	%	16.7 / 3.1	14.5 / 2.6	14.1 / 2.3	13.6 / 2.4	13.7 / 2.2
Employee obesity rate (Male / Female, As of March 31 of each year)	%	12.9 / 1.0	8.2 / 1.7	11.2 / 1.3	11.1 / 1.0	9.5 / 0.9

*1 Figures for fiscal 2023 was revised.
 *2 Excluding TC1 (Americas region) as defined by the International Air Transport Association (IATA)
 *3 Total of ANA HOLDINGS INC., ANA, and qualified ANA Group companies (total of 11 companies including 1 special subsidiary)
 *4 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.
 *5 Ratio of employees with BMI of 18.5%–25.0%
 *6 **C** to **F**: See graphs on P.143

Governance-Related Data (G)

* ANA only	Unit	2020	2021	2022	2023	2024
Corporate governance						
E** Ratio of female directors (As of April 1 of each year)	%	12.5	14.6	16.3	16.3	21.3
Risk management						
Work-related accidents (As of March 31 of each year)		69	25	26	65	83

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

(FY)	Unit	2019	2020	2021	2022	2023
In-service rate	%	97.4	43.5	59.3	95.0	97.7
On-time departure rate*7	%	88.7	97.3	94.5	88.1	83.9
On-time arrival rate*7	%	87.5	96.8	93.6	88.1	82.0

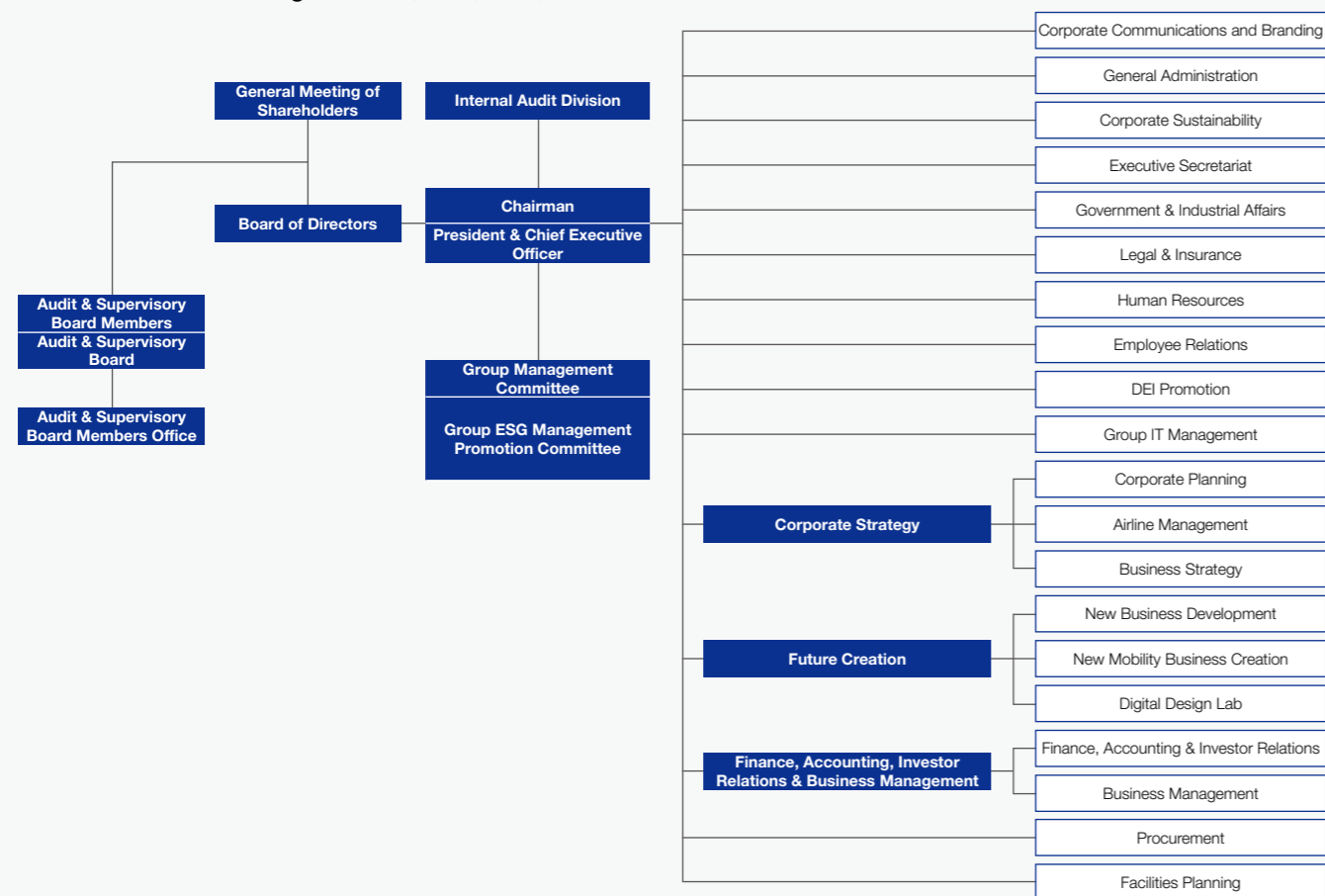
*7 Delays of 15 minutes or less, excluding canceled flights

Customer-Related Data

(FY)	Unit	2019	2020	2021	2022	2023
Number of customer feedback reports						
[Breakdown by route type]						
Domestic	%	59.5	54.6	65.6	58.65	54.43
International	%	37.9	11.7	11.2	23.99	30.79
Other	%	2.7	33.7	23.2	17.36	14.77
[Breakdown by report type]						
Complaint	%	42.3	30.1	29.1	38.30	40.80
Compliment	%	21.1	20.8	28.3	25.27	23.96
Comment / Request	%	16.6	28.8	21.9	19.62	17.39
Other	%	20.1	21.3	20.7	16.82	17.85

The ANA Group Profile

ANA HOLDINGS INC. Organization (As of July 1, 2024)



Number of Subsidiaries and Affiliates (As of March 31, 2024)

Operating segment	Total of subsidiaries		Total of affiliates	
	of which, consolidated	of which, equity method	of which, equity method	of which, equity method
Air Transportation	5	4	1	—
Airline Related	41	29	4	2
Travel Services	6	5	3	1
Trade and Retail	72	8	1	—
Others	12	9	27	9
Total	136	55	36	12

Major Subsidiaries (As of March 31, 2024)

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	91.6	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, 2024)

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	41,225 (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	761,448
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

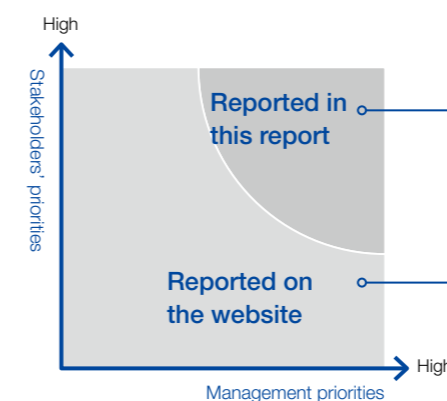
Deloitte Touche Tohmatsu LLC

American Depository

Receipts Ratio (ADR:ORD): 5:1
Exchange: OTC (Over-the-Counter)
Symbol: ALNPY
CUSIP: 032350100

Depository:
The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286, U.S.A.
Tel: 1-201-680-6825
U.S. Toll Free: 1-888-269-2377
(888-BNY-ADRS)
URL: <https://www.adrbnymellon.com>

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 2024

Fact Book 2024 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.

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