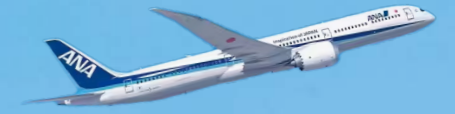


The Value Creation Process

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
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ことのない、
主体性を持つ
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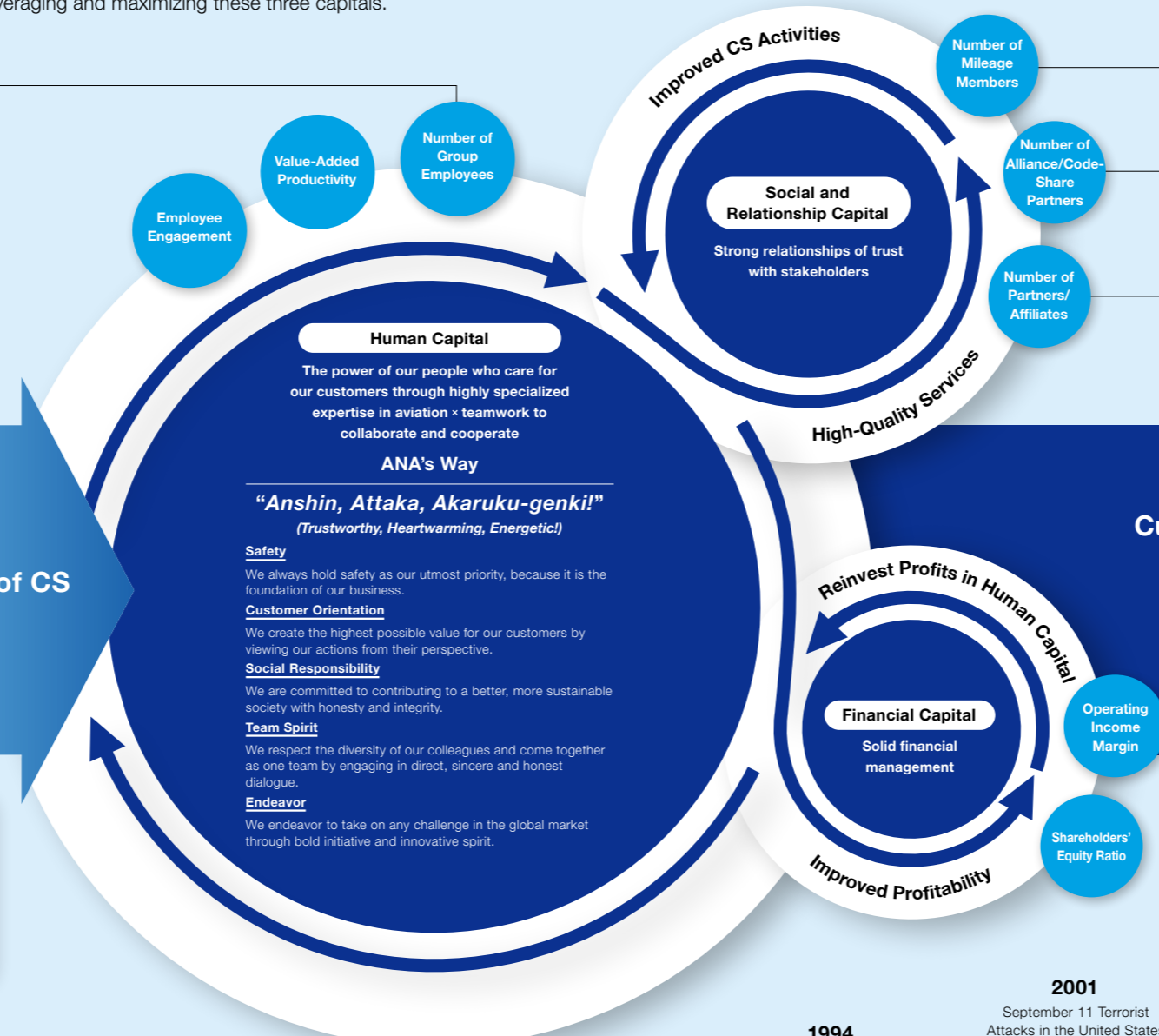
A Business with Integrity
A Resolute and Independent Business
A Self-Reliant Business

Founding Spirit

信はたていと
愛はよこ糸
和は協
将現在
来有窮之
希望

"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

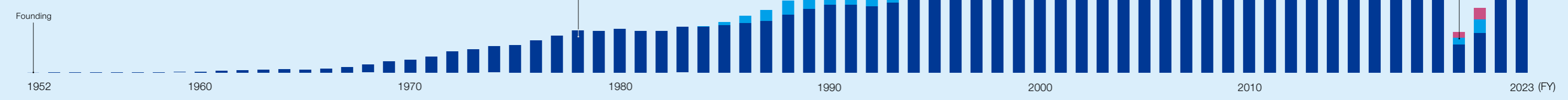
The ANA Group establishes relationships of trust with companies and organizations in Japan and overseas through a broad range of transactions. These transactions include the procurement of aircraft, engines, parts, and fuel oil, as well as contract services for airport ground handling and aircraft maintenance. 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.

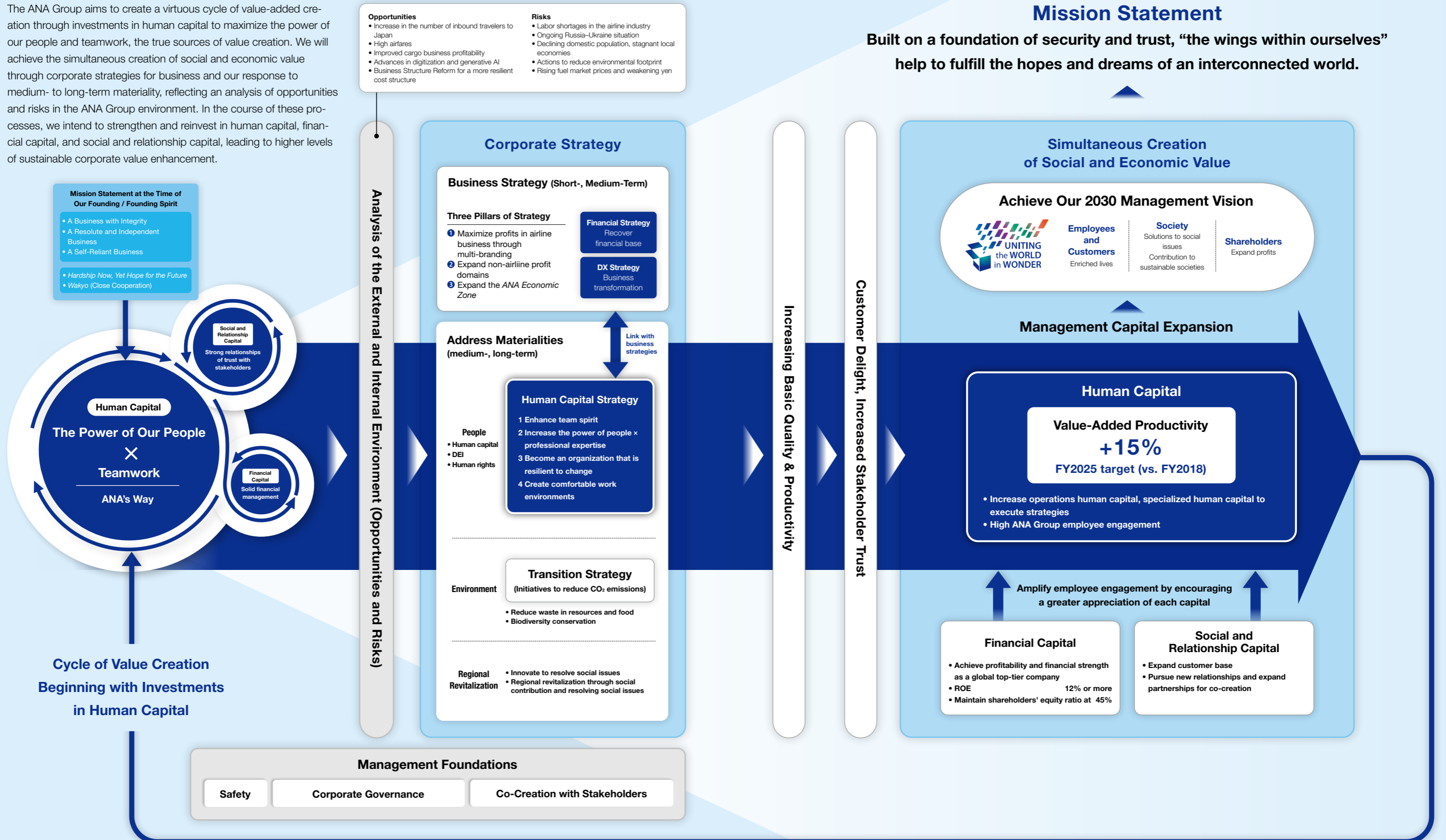
Revenue Passenger-Kilometers (RPK)

- 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</p>	<p>Human Capital as the Source of Added Value Highly specialized human capital in our Air Transportation Business must demonstrate their individual skills and teamwork to provide high-quality services. Skills and teamwork are an absolute must for establishing a competitive edge over other companies. We must continue to strengthen human capital if the ANA Group is to continue sustainable growth in these difficult and unpredictable times. 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>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>	<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>Financial Capital</p>	<p>Achieve Profitability and Financial Strength as a Global Top-Tier Airline 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: Priority given to financial base restoration Build shareholders' equity through profit accumulation Maintain high level of cash on hand Maintain A credit rating</p> <p>FY2026 and After: Reduce total assets Accumulate shareholders' equity</p>	<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>Social and Relationship Capital</p>	<p>Expanding Partnerships to Co-Create Mobility and Relationships 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>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>	
 <p>Intellectual Capital</p>	<p>Continuing to be the World's Airline of Choice, While Pursuing Customer Satisfaction and Creating New Value 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. 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>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>	<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>Manufactured Capital</p>	<p>Establishing a Structure to Expand Business in Line with Demand and Improve Basic Quality We procure aircraft systematically from a long-term perspective to expand routes and flights to meet the needs of our customers. 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>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>	<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>Natural Capital</p>	<p>Balancing the Creation of Abundant Societies and Business Sustainability 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>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> <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.)