

## ANA HOLDINGS Financial Results for the Three Months Ended June 30, 2021

- While the net loss for the first quarter of FY2021 was 51.1 billion yen, it represented the least amount of loss since the fourth quarter of FY2019
- The results were led by the highest-ever quarterly international cargo revenue and continued cost cutting measures
- ANA Holdings Inc. remains committed to returning to a profit for FY2021, backed by recovering travel demand, strong cargo business, continued cost cutting measures and the growth of non-aviation businesses

**TOKYO, Jul. 30, 2021** – ANA HOLDINGS INC. (hereinafter “ANA HD”) today reports its financial results for the three months ended June 30, 2021.

### Overview

In the first quarter of fiscal year 2021 (April 1, 2021 - June 30, 2021, hereinafter the “three months ended June 30, 2021”), although the Japanese economy is still severely affected by COVID-19, corporate activities and capital investment continued to rebound. However, lower personal consumption figures indicate lingering weaknesses as well.

There have been signs of recovery in the airline industry, especially increased demand within the United States and European countries where an increase in vaccination rates has progressed. However, hurdles still remain on many international routes due to restrictions on entry and travel in a number of countries.

Despite these challenges, ANA HD renewed its commitment to its longterm environmental goals in April, setting targets such as reducing CO2 emissions generated by airline operations to net zero by 2050. In June, ANA HD also issued Sustainability-Linked Bonds, for which terms and conditions vary according to specific ESG goals being achieved.

For the three months ended June 30, 2021, operating revenues increased from the previous year to 198.9 billion yen. The operating loss was 64.6 billion yen, the ordinary loss was 63.7 billion yen, and net loss attributable to owners of the parent was 51.1 billion yen. While COVID-19 continues to impact performance, the results represented the least amount of net loss since the fourth quarter of FY2019.

“Our performance this quarter has validated the strategic approach adopted by the entire ANA Group in the face of numerous and complex challenges that have affected the entire airline industry,” said Ichiro Fukuzawa, Executive Vice President and Chief Financial Officer of ANA HOLDINGS INC. “Though COVID-19 and accompanying immigration restrictions have dampened demand for international travel, this turnaround was made possible by the impressive growth of our cargo business, rebounding travel

demand, and targeted cost-cutting measures that have led to the greatest improvement in quarterly financial results since COVID-19 started impacting our business in the fourth quarter of FY2019."

ANA HD has started to apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)," and other accounting standards beginning this fiscal year. Values for the three months ended June 30, 2021 reflect these accounting standards. For details, please refer to "ANA HOLDINGS INC. Consolidated Financial Results For the Three Months Ended June 30, 2021" on the ANA Group Investor Relations website (<https://www.ana.co.jp/group/en/investors/>).

**Consolidated Financial Performance of ANA Holdings** Unit: billion yen (Except for % comparison, rounded down)

	1Q/FY2021	1Q/FY2020	Difference	% Comparison
Operating revenues	198.9	121.6	+77.3	+63.6
Operating expenses	263.5	280.6	-17.1	-6.1
Operating income	-64.6	-159.0	+94.4	---
Other income	0.8	2.5	-1.6	-67.1
Ordinary income	-63.7	-156.5	+92.7	---
Special gain	-	0.3	-0.3	---
Net income attributable to owners of the parent	-51.1	-108.8	+57.6	---

**Performance by Business Segment**

Unit: billion yen (rounded down)

	1Q/FY2021		1Q/FY2020		Difference	
	Revenues	Operating income	Revenues	Operating income	Revenues	Operating income
Air Transportation	170.1	-67.6	95.3	-153.7	+74.8	+86.1
Airline Related	53.3	5.1	59.8	0.8	-6.5	+4.3
Travel Services	9.1	-0.1	3.1	-2.7	+6.0	+2.5
Trade and Retail	19.1	-0.1	19.7	-1.3	-0.5	+1.2
Others	8.5	0.3	9.2	0.6	-0.6	-0.2

**Air Transportation**

**1. International Passenger Service (ANA)**

- For international passenger services, travel demand in all regions remained suppressed due to the impact of COVID-19. However, revenue and the number of passengers increased year-on-year due to a gradual recovery in business demand, primarily for expatriates traveling between Japan and overseas, and connecting demand from Asia to North America as the United States scaled up its vaccination efforts.
- While large-scale route network suspensions are still occurring, we are closely monitoring demand to determine which routes to continue operating and are looking for opportunities to offer temporary routes to destinations with specific demand including cargo volumes.

- ANA conducted trials of both *Common Pass* and *IATA Travel Pass* with the aim of introducing universal digital certificates containing electronic medical records such as COVID-19 test results and vaccination history. We will continue to work with all relevant parties to achieve a streamlined immigration control process.

As a result, revenue from international passenger service increased to 12.9 billion yen (up 36.5 percent year-on-year).

(Except for % comparison and passenger load factor, rounded down)

<b>International Passenger Service</b>	1Q/FY2021	1Q/FY2020	Difference	% Comparison
Revenue (billion yen)	12.9	9.5	+3.4	+36.5
Number of passengers (thousand)	131	91	+39	+43.4
Available seat km (million)	4,514	2,365	+2,148	+90.8
Revenue passenger km (million)	892	619	+272	+43.9
Passenger load factor (%)	19.8	26.2	-6.4 pt	---

## 2. Domestic Passenger Service (ANA)

- While a State of Emergency has repeatedly been declared in Japan due to a resurgence in COVID-19 cases, the number of passengers and revenue has more than doubled compared to the same period in the previous year, when the impact of COVID-19 was the most severe.
- Detailed adjustments to the route network capacity were made in response to fluctuations in demand, and ANA will continue to closely align its services with the expected recovery in demand as vaccinations progress.
- ANA remains committed to ensuring a clean and hygienic environment through the “ANA Care Promise” program. Together with JAMCO Corporation, ANA jointly developed the world's first hands-free aircraft lavatory doors, which are being rolled out gradually beginning in May. Going forward, we will continue to strive to provide safe and comfortable services at every stage of the travel experience.

Revenue from domestic passenger service increased to 50.2 billion yen (up 123.5 percent year-on-year).

(Except for % comparison and passenger load factor, rounded down)

<b>Domestic Passenger Service</b>	1Q/FY2021	1Q/FY2020	Difference	% Comparison
Revenues (billion yen)	50.2	22.4	+27.7	+123.5
Number of passengers (thousand)	3,200	1,278	+1,921	+150.3
Available seat km (million)	6,980	3,939	+3,040	+77.2
Revenue passenger km (million)	2,981	1,176	+1,805	+153.5
Passenger load factor (%)	42.7	29.9	+12.9 pt	---

## 3. Cargo Service (ANA)

- For international cargo services, ANA Cargo actively responded to strong demand by operating additional one-time cargo flights and utilizing passenger aircraft to fly cargo dedicated flights. In addition, ANA Cargo introduced freighter aircraft for use on certain routes, for example operating the Boeing 777F aircraft on the Tokyo Narita – Los Angeles route. By capturing demand for the transportation of goods such as automotive parts, semiconductors, and seasonal products including North American cherries, cargo volume greatly exceeded the amount transported during the same period in the previous year and quarterly revenue hit a record high.

Revenue from international cargo service increased to 66.0 billion yen (up 159.5 percent year-on-year).

(Except for % comparison, figures are rounded down)

Cargo Service		1Q/FY2021	1Q/FY2020	Difference	% Comparison
International	Revenues (billion yen)	66.0	25.4	+40.5	+159.5
	Freight carried (thousand tons)	233	98	+134	+135.6
	Cargo Traffic Volume (million ton-km)	1,233	451	+782	+173.2
Domestic	Revenues (billion yen)	5.9	3.6	+2.3	+64.3
	Freight carried (thousand tons)	56	35	+21	+60.9
	Cargo Traffic Volume (million ton-km)	65	39	+25	+64.0

#### 4. LCC (Peach Aviation)

- While demand continues to be impacted by COVID-19, both passenger numbers and revenue increased compared to the same period in the previous year, when demand was most severely impacted.
- After increasing the scale of domestic flight operations to above pre-COVID-19 levels in April, we controlled flights from May onward in light of the slowdown in demand that accompanied a resurgence in COVID-19 cases. We will continue to flexibly adjust the scale of operations and will closely monitor any shifts in demand that occur as vaccination progresses. All international routes are currently suspended due to continued immigration restrictions in a number of countries.

As a result, revenue from the LCC segment increased to 3.9 billion yen (up 128.5 percent year-on-year).

(Except for % comparison and passenger load factor, rounded down)

LCC	1Q/FY2021	1Q/FY2020	Difference	% Comparison
Revenues (billion yen)	3.9	1.7	+2.2	+128.5
Number of passengers (thousand)	498	173	+324	+186.5
Available seat km (million)	1,240	559	+681	+121.7
Revenue passenger km (million)	580	197	+382	+193.8
Passenger load factor (%)	46.8	35.3	+11.5 pt	---

#### 5. Others

- Other revenue from the Air Transportation business was 29.3 billion yen (down 7.2 percent year-on-year). This includes revenue from the mileage program, in-flight sales revenue, revenue from maintenance contracts and other sources.

### **Airline Related, Travel Services, Trade and Retail, and Others**

- For airline related business, operating revenue was 53.3 billion yen (down 10.9 percent year-on-year). As a result of cost cutting efforts of fixed costs such as personnel and outsourcing costs, operating income improved to 5.1 billion yen (up 522.6 percent year-on-year).
- For travel services, while all overseas tours operated by ANA Group remain suspended due to the effects of COVID-19, domestic travel services increased its handling volume, particularly with dynamic travel package products offered online. As a result, operating revenue increased 190.5 percent year-on-year to 9.1 billion yen and the operating loss was 0.1 billion yen, compared to an operating loss of 2.7 billion yen the previous year. New initiatives initially conceived through proposals submitted by employees were rolled out, including in-flight wedding ceremonies, *THE WEDDING with ANA*, and in-flight restaurants, *Restaurant with Wings*, utilizing parked aircraft. Charter flights and in-flight restaurant experiences on the A380 “FLYING HONU” aircraft usually dedicated for the Honolulu route were offered as well. In April, we transferred ANA Sales Co., Ltd.’s travel business to ANA X Inc., which is in charge of platform businesses that utilize customer data assets. The aim of this transfer is to enhance sales in the digital field. ANA Sales Co., Ltd. changed its name to ANA Akindo Co., Ltd, with its main focus on revitalizing regions in Japan.
- For the trade and retail division, ANA FESTA shops in airports saw an improvement in revenue due to recovering domestic passenger demand, and the handling volume of semiconductors for the electronics business increased. However, accompanying the change in accounting standards, operating revenues decreased 2.8 percent year-on-year to 19.1 billion yen, and the operating loss was 0.1 billion yen, compared to an operating loss of 1.3 billion yen in the previous year.
- For other businesses, operating revenues decreased 7.1 percent year-on-year to 8.5 billion yen due to a decrease in demand for buildings and facilities maintenance due to the impact of COVID-19. Operating income was 0.3 billion yen, down 46.6 percent from the previous year.

### **Consolidated Balance Sheet**

(Except for Equity ratio and D/E ratio, figures are rounded down)

	1Q/FY2021 As of June 30, 2021	1Q/FY2020 As of June 30, 2020	Difference
Total assets (billion yen)	3,166.9	3,207.8	-40.9
Net assets (billion yen)	849.6	1,012.3	-162.6
Shareholder’s equity (billion yen)*1	843.8	1,007.2	-163.4
Equity ratio (%)	26.6	31.4	-4.8 pt
Interest-bearing debt (billion yen)	1,654.8	1,655.4	-0.6
D/E ratio*2	2.0	1.6	+0.3

\*1: For shareholder’s equity, assets of non-controlling interests are deducted from net assets

\*2: Debt/equity ratio = Interest-bearing debt / Total shareholders’ equity

## Consolidated Statement of Cash Flow

Unit: billion yen (rounded down)

	1Q/FY2021	1Q/FY2020
Cash flows from operating activities	-39.9	-135.3
Cash flows from investing activities	298.5	27.6
Cash flows from financing activities	-0.3	513.7
Cash flows and cash equivalents at the end of the period	628.7	541.8
Depreciation and amortization	39.5	45.0

## Outlook for FY2021 (April 2021 – March 2022)

ANA HD maintains its consolidated financial forecast for FY2021, presented on April 30, 2021.



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### About ANA HOLDINGS

Founded in 1952 with just two helicopters, All Nippon Airways (ANA) has grown to become the largest airline in Japan. ANA HOLDINGS Inc. (ANA HD) was established in 2013 as the largest airline group holding company in Japan, comprising 71 companies including ANA and Peach Aviation, the leading LCC in Japan.

ANA is a launch customer and the largest operator of the Boeing 787 Dreamliner, making ANA HD the biggest Dreamliner owner in the world. A member of Star Alliance since 1999, ANA has joint venture agreements with United Airlines, Lufthansa German Airlines, Swiss International Airlines, Austrian Airlines and Brussels Airlines – giving it a truly global presence.

The airline's legacy of superior service has helped it earn SKYTRAX's respected 5-Star rating every year since 2013, with ANA being the only Japanese airline to win this prestigious designation for eight consecutive years. ANA also has been recognized by Air Transport World as "Airline of the Year" three times (2007, 2013 and 2018); it is one of only a select few airlines to win this prominent award multiple times.

ANA is the only company in the aviation industry to receive the Gold Class distinction from the 2021 S&P Global Sustainability Awards and ANA HD has been selected as a member of the Dow Jones Sustainability World Index list for the fourth consecutive year and the Dow Jones Sustainability Asia Pacific Index list for the fifth consecutive year.

For more information, please refer to the following link:

<https://www.ana.co.jp/group/en/>