

**ANA HOLDINGS reports Consolidated Financial Results  
 for the Six Months Ended September 30, 2021**

**1. Consolidated financial highlights for the six months ended September 30, 2021**

(1) Consolidated financial and operating results (%: year-on-year)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
Six months ended Sep 30, 2021	431,125	47.7	(116,007)	-	(115,519)	-	(98,803)	-
Six months ended Sep 30, 2020	291,834	(72.4)	(280,950)	-	(268,671)	-	(188,477)	-

\*Comprehensive income for the period Apr 1 - Sep 30, 2021      ¥ (91,770) million [(−%)]  
 for the period Apr 1 - Sep 30, 2020      ¥ (177,389) million [(−%)]

	Net income per share
	Yen
Six months ended Sep 30, 2021	(210.07)
Six months ended Sep 30, 2020	(563.39)

(Note) The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020), etc. and other standards from the beginning of the first quarter. Figures for the second quarter under review are based on figures after application of said accounting standards.

(2) Consolidated financial positions

	Total assets	Net assets	Shareholder's equity ratio	Net assets per Share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Sep 30, 2021	3,080,003	805,459	26.0	1,700.24
As of Mar 31, 2021	3,207,883	1,012,320	31.4	2,141.49

(Reference) Shareholders' equity as of Sep 30, 2021      ¥ 799,692 million  
 as of Mar 31, 2021      ¥ 1,007,233 million

(Note) The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020), etc. and other standards from the beginning of the first quarter. Figures for the second quarter under review are based on figures after application of said accounting standards.

**2. Consolidated operating results forecast for the fiscal year ending March 31, 2022**

(%: year-on-year)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen
FY2021	1,060,000	45.5	(125,000)	-	(140,000)	-	(100,000)	-	(212.61)

\*Revisions to the most recently disclosed earnings forecasts: Yes

### 3. Other

(1) Changes of significant subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

	Consolidated	Equity method
Newly added	-	-
Excluded	-	-

(2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and restatement of corrections

(i) Changes caused by revision of accounting standards: Yes

(ii) Changes other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement of corrections: None

(Note) For details, please refer to "2. Financial Statements and Operating Results (4) Notes to Consolidated Financial Statements, (Changes in accounting policies)" on page 16.

(4) Number of issued shares (Common stock)

	Number of Shares			
	FY2021		FY2020	
Number of shares issued (including treasury stock)	As of Sep 30	484,293,561	As of Mar 31	484,293,561
Number of treasury stock	As of Sep 30	13,953,672	As of Mar 31	13,950,901
Average number of shares outstanding during the period	Six months ended Sep 30	470,341,204	Six months ended Sep 30	334,540,226

\* This report is not subject to audit procedures

\* Explanation for appropriate use of forecasts and other notes

The earnings forecasts are forward-looking statements made on the basis of information available at the time forecasts are made and other certain assumptions deemed reasonable. Therefore, actual earnings may differ from such forward-looking statements for a variety of reasons.

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## APPENDIX

### Overview of consolidated financial results for the Six Months Ended September 30, 2021

#### 1. Qualitative Information / Financial Statements, etc.

##### (1) Explanation of Consolidated Operating Results

	Yen (Billions)		
Consolidated Operating Results	Six months ended Sep 30, 2021	Six months ended Sep 30, 2020	Year-on-Year (%)
Operating Revenues	431.1	291.8	47.7
Air Transportation	370.2	236.7	56.4
Airline Related	97.6	119.8	(18.5)
Travel Services	19.6	13.8	42.0
Trade and Retail	38.3	38.2	0.2
Others	17.4	18.5	(5.6)
Intersegment Transactions	(112.3)	(135.3)	-
Operating Income (loss)	(116.0)	(280.9)	-
Air Transportation	(113.7)	(277.7)	-
Airline Related	1.6	8.7	(80.6)
Travel Services	(0.1)	(4.0)	-
Trade and Retail	0	(2.8)	-
Others	0.6	0.8	(22.5)
Intersegment Transactions	(4.4)	(5.9)	-
Ordinary loss	(115.5)	(268.6)	-
Net loss attributable to owners of the parent	(98.8)	(188.4)	-

\*See Notes 1, 2, & 3 below.

In the first six months of fiscal year 2021 (April 1, 2021 - September 30, 2021; hereinafter the "six months ended September 30, 2021"), although the Japanese economy continues to struggle due to the effects of Coronavirus (COVID-19), corporate activities and capital investment continue to revive, albeit somewhat slowly.

The airline industry has seen signs of recovery in demand for domestic flights in the US, and so on. However, the situation remains severe due to restrictions on entry and travel in many countries.

Under these economic conditions, the domestic passenger demand has been moving toward recovery, operating revenues increased from the previous year, in which they were significantly affected by the impact of COVID-19, reaching ¥ 431.1 billion. Although the continued impact of COVID-19 resulted in an operating loss of ¥ 116.0 billion, an ordinary loss of ¥ 115.5 billion, and net loss attributable to owners of the parent of ¥ 98.8 billion, profits and losses are recovering.

The Group has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc. and other standards from the beginning of the first quarter. Figures for the second quarter under review are based on figures after application of said accounting standards. For details, please refer to "2. Financial Statements and Operating Results (4) Notes to Consolidated Financial Statements, (Changes in accounting policies)" on page 16.

An overview of the nine months ended September 31, 2021 by segment follows.  
(Revenues for each business segment include inter-segment sales, and operating income corresponds to segment income.)

## Overview by Segment

### ◎ Air Transportation

**Operating revenues: ¥370.2 billion, up 56.4% year-on-year**

**Operating loss: ¥113.7 billion (Operating loss ¥277.7 billion same period a year ago)**

Despite being severely affected by the COVID-19 pandemic, passenger demand has increased from the previous year. Furthermore, thanks in part to factors such as cargo reaching record highs through the active capture of strong freight demand, operating revenues have exceeded those of the same period the previous year. The advancement of reductions in fixed costs such as personnel costs, as well as depreciation, amortization, and maintenance costs achieved through the early retirement of mainly for large aircraft in the previous year, have helped improve profits and losses compared to the same period the previous year. Despite this, however, we still recorded an operating loss.

The Group provided transportation as an official airline partner of the Olympic and Paralympic Games Tokyo. In addition, we were selected as the best airline in four categories, including cabin cleanliness, in the SKYTRAX World Airline Awards 2021.

#### < International Passenger Service (ANA Brand) >

Category		Six months ended Sep 30, 2021	Six months ended Sep 30, 2020	Year-on-Year (%)
Passenger Revenues	(Billion yen)	30.4	19.6	54.9
Number of Passengers	(Passengers)	327,686	193,827	69.1
Available Seat Km	(Thousand km)	9,433,689	5,426,693	73.8
Revenue Passenger Km	(Thousand km)	2,247,551	1,311,847	71.3
Load Factor	(%)	23.8	24.2	(0.3)

\*See Notes 3, 4, 8, 9, & 13 below.

In international passenger services, passenger demand in all areas remained significantly sluggish due the re-emergence of COVID-19 and the outbreaks of variants. Passenger numbers and revenue increased year-on-year due to the commencement of recovery of business demand centered around personnel stationed overseas and personnel returning to Japan and demand for connections between Asia and North America, and due to having captured travel demand for those involved with the Olympic and Paralympic Games Tokyo.

In terms of the route network, we resumed North American routes to and from Narita Airport from July, and worked on selecting routes and setting up temporary flights by capturing demand for connections between Asia and North America, which continues to recover.

In terms of sales and service, we launched Face Express, a new check-in procedure that uses facial-recognition technology, from Narita to Mexico City route in July. By registering a photo of their face at an automated baggage check-in machine, passengers can then pass through airport security and boarding gates by way of facial recognition, without having to present their boarding pass or passport.

<Domestic Passenger Service (ANA Brand)>

Category		Six months ended Sep 30, 2021	Six months ended Sep 30, 2020	Year-on-Year (%)
Passenger Revenues	(Billion yen)	111.8	78.9	41.7
Number of Passengers	(Passengers)	7,140,928	4,673,405	52.8
Available Seat Km	(Thousand km)	15,159,666	11,789,904	28.6
Revenue Passenger Km	(Thousand km)	6,635,963	4,284,502	54.9
Load Factor	(%)	43.8	36.3	7.4

\*See Notes 3, 4, 5, 8, 9 & 13 below.

In domestic passenger services, despite repeated states of emergency being declared due to rise the number of infections, both passenger numbers and revenue increased compared to the same period in the previous year, when the impact of COVID-19 was the greatest.

Adjustments were made to the scale of flight operations in the route network, in response to fluctuations in demand for airline services. In addition, in August we began code-sharing on some routes operated by Peach Aviation Limited, in order to improve convenience.

In terms of sales and service, the dry ice used to keep in-flight meals cool will be replaced with reusable ice packs, keeping costs down and reducing CO2 emissions by approximately 1,700 tons per year

<Cargo Service (ANA Brand)>

Category		Six months ended Sep 30, 2021	Six months ended Sep 30, 2020	Year-on-Year (%)
International Cargo Revenues	(Billion yen)	138.3	50.8	172.4
Available Cargo Capacity	(Thousand ton-km)	3,388,092	1,559,963	117.2
Cargo Volume	(Tons)	476,118	227,825	109.0
Cargo Traffic Volume	(Thousand ton-km)	2,516,830	1,047,337	140.3
Mail Revenues	(Billion yen)	2.3	1.0	130.9
Mail Volume	(Tons)	8,647	4,761	81.6
Mail Traffic Volume	(Thousand ton-km)	39,367	26,323	49.5
Cargo and Mail Load Factor	(%)	75.4	68.8	6.6
Domestic Cargo Revenues	(Billion yen)	12.1	8.6	40.1
Available Cargo Capacity	(Thousand ton-km)	437,468	294,122	48.7
Cargo Volume	(Tons)	120,169	93,079	29.1
Cargo Traffic Volume	(Thousand ton-km)	136,910	103,959	31.7
Mail Revenues	(Billion yen)	1.2	1.1	14.2
Mail Volume	(Tons)	11,751	9,851	19.3
Mail Traffic Volume	(Thousand ton-km)	11,444	9,718	17.8
Cargo and Mail Load Factor	(%)	33.9	38.6	(4.7)

\*See Notes 3, 4, 6, 7, 10, 11, 12 & 13 below.

In international cargo services, backed by strong demand, in addition to set up cargo-only flights using passenger plane, we made the most of our fleet of cargo aircraft by taking actions such as newly introducing Boeing 767F freighter plane on the Narita-Beijing route from July. As a result, and due to actively taking on

vehicle components, as well as semiconductors and electronic equipment from Japan and Asia, and electronic equipment and vaccine from North America and Europe, cargo volume greatly exceeded the same period last year and revenue hit a record high.

#### < LCC >

Category		Six months ended Sep 30, 2021	Six months ended Sep 30, 2020	Year-on-Year (%)
Passenger Revenues	(Billion yen)	13.0	8.4	54.6
Number of Passengers	(Passengers)	1,554,658	817,344	90.2
Available Seat Km	(Thousand km)	3,254,706	2,090,734	55.7
Revenue Passenger Km	(Thousand km)	1,777,912	922,047	92.8
Load Factor	(%)	54.6	44.1	10.5

\*See Notes 3, 8, 9, 13 & 14 below.

Although LCC continues to be impacted by COVID-19, both passenger numbers and revenue increased compared to the same period in the previous year, when they were most greatly impacted.

In terms of the route network, we launched a new Kansai-Memanbetsu route in July. Going forward, we will continue to expand our network by monitoring trends such as recovery in demand. On international routes, flights have been suspended on all routes since in mid-April due to ongoing immigration restrictions in various countries.

In terms of sales and service, in order for travel to not contribute to the spread of COVID-19, from July to September we ran a service that allowed customers to simultaneously book flight tickets and apply for antigen testing on all domestic routes departing from Narita and Kansai

#### < Others in Air Transportation >

Other revenue in Air Transportation was ¥60.7billion (¥68.1 billion, down 10.8% year-on-year).

Other revenue in Air Transportation includes revenue from the mileage program, in-flight sales revenue, and revenue from maintenance contracts, etc.

As a new initiative during the COVID-19 pandemic, we began offering tours in July at the Group training facility, ANA Blue Base, that allowed guests to experience what it's like to work as a pilot, an engineer or a member of the cabin crew.

#### ◎ Airline Related

**Operating revenues: ¥97.6 billion, down 18.5% year-on-year**

**Operating income: ¥1.6 billion, down 80.6% year-on-year**

In addition to a decrease of revenue from ground handling services such as passenger check-in and baggage handling, operating revenues decreased year-on-year as a result of decreased handling volumes for systems development and other work due to reduced investment.

#### ◎ Travel Services

**Operating revenues: ¥19.6 billion, up 42.0% year-on-year**

**Operating loss: ¥0.1 billion (Operating loss ¥4.0 billion same period a year ago)**

In addition to the suspension of all overseas tours operated by the Group carrying on from the previous year, domestic travel volumes decreased compared to the previous year, when the "Go To Travel" campaign had been in effect. On the other hand, contracting revenue increased as a result of transferring digital marketing and other functions within the Group. As the result of above, operating revenues exceeded that of the same period of the previous year and profit and losses improved.

◎ **Trade and Retail**

**Operating revenues: ¥38.3 billion, up 0.2% year-on-year**

**Operating income: ¥0 billion (Operating loss ¥2.8 billion same period a year ago)**

As air travel demand gradually recovered, sales increased at shops in airports such as “ANA FESTA,” and semiconductor handling volumes in the electronics business increased. On the other hand, because of the effect of decreasing revenues due to the application of the Accounting Standard for Revenue Recognition from this term, operating revenues exceeded the same period of the previous year.

◎ **Others**

**Operating revenues: ¥17.4 billion, down 5.6% year-on-year**

**Operating income: ¥0.6 billion, down 22.5% year-on-year**

Operating revenues decreased year-on-year due to a decrease in turnover in the buildings and facilities maintenance business owing to the impact of COVID-19.

Notes:

1. The breakdowns within segments are the categories used for internal management.
2. The revenues for each segment include internal inter-segment revenues; operating income/loss is the income/loss for the segment.
3. The above figures do not include consumption tax, etc.
4. Non-scheduled flights have been excluded from both domestic and international routes.
5. The results for passenger travel on domestic routes include results from code share flights with IBEX Airlines Co., Ltd., AIRDO Co., Ltd., Solaseed Air Inc., and Star Flyer Inc. and some of code share flights with ORIENTAL AIR BRIDGE CO., LTD. Results for some of code share flights with Peach Aviation Limited are included from August 27, 2021
6. The results for international cargo and mail include the results for code share flights, results for airline charter flights, flights with block space agreements, and land transport results.
7. Domestic cargo and mail results include results for code share flights with AIRDO Co., Ltd., Solaseed Air Inc., ORIENTAL AIR BRIDGE CO., LTD, Star Flyer Inc., and Peach Aviation Limited results for airline charter flights, and land transport results. Results for some of code share flights with Peach Aviation Limited are included from November 01, 2020.
8. Available Seat-Kilometers represent the total figure calculated by multiplying the available number of seats on each segment of each route (seats) by the distance for each segment (km).
9. Revenue Passenger-Kilometers represent the total figure calculated by multiplying the number of passengers (people) on each segment of each route by the distance for each segment (km).
10. Available Cargo Capacity is the total calculated by multiplying the available cargo space (tons) on each segment of each route by the distance for each segment (km). Please note that for passenger aircraft, the available cargo space in the hold (belly) of the aircraft is multiplied by the distance traveled for each segment. Moreover, the available cargo space in the belly includes the available space for checked luggage of passengers on the flight in addition to cargo, mail, etc.
11. Cargo Traffic Volume and Mail Traffic Volume is the total calculated by multiplying the volume of cargo transported on each segment of each route (tons) by the distance for each segment (km).
12. The Cargo and Mail Load Factor is the figure arrived at by dividing the sum of the cargo traffic volume and the mail traffic volume by the available cargo capacity.
13. Percentage point difference for Passenger load factor and cargo and mail load factor between previous year and FY2021 is indicated in field of year-on-year.
14. The result for Peach Aviation Limited is included.



## **(2) Information Regarding Consolidated Financial Conditions**

### **(a) Financial conditions as of September 30, 2021**

**Assets:** Total assets decreased by ¥127.8 billion compared to the balance as of the end of FY2020 to ¥3,080.0 billion.

**Liabilities:** Contract liabilities are accounted due to have applied the Accounting Standard for Revenue Recognition, etc. and other standards from the first quarter. As a result, the total liabilities increased by ¥78.9 billion compared to the balance as of the end of FY2020 to ¥2,274.5 billion. Interest-bearing debt decreased by ¥18.6 billion compared to the balance as of the end of FY2020 to ¥1,636.8 billion.

**Equity:** A decrease in retained earnings due to the application of Accounting Standard for Revenue Recognition, etc. in addition to recording a net loss, resulting in an equity decrease by ¥206.8 billion compared to the balance as of the end of FY2020 to ¥805.4 billion.

For details on the impact of the application of “Accounting Standards for Revenue Recognition”, etc. on the financial position, please refer to “2. Financial Statements and Operating Results (4) Notes to Consolidated Financial Statements, (Changes in accounting policies)” on page 16.

For details, please refer to “2. Financial Statements and Operating Results (1) Consolidated Balance Sheet” on page 11.

### **(b) Cash Flows for six months ended September 30, 2021**

**Operating activities:** Loss before income taxes and non-controlling interests for the current period was ¥121.3 billion. After adjustments on non-cash items such as depreciation and amortization and addition and subtraction of accounts receivable and payable for operating activities, cash flows from operating activities (outflow) was ¥77.8 billion.

**Investment activities:** While spending on capital investment, proceeds from the redemption of marketable securities, cash flows from investing activities (inflow) was ¥208.3 billion. As a result, free cash flow (inflow) was ¥130.4 billion.

**Financial activities:** While income from issuance of corporate bonds, cash flow from repayment of long-term debt (outflow) was ¥19.1 billion.

As a result of the above, cash and cash equivalents at the end of the current period increased by ¥ 111.3 billion compared to the balance from the beginning at the period, to ¥481.7 billion.

For details, please refer to page 15 “2. Financial Statements and Operating Results (3) Consolidated Statement of Cash Flows.”

### **(3) Explanation of Forecast of Consolidated Financial Results**

Regarding the consolidated earnings forecast, despite a promising outlook for international cargo demand, the extended impact of COVID-19 due to outbreaks of variants has resulted in a much larger decrease in passenger demand than first anticipated. While the number of new infections in Japan is currently decreasing and domestic route demand is showing signs of recovery, the delay in full recovery has led to an estimated ¥ 320.0 billion decrease in operating revenues.

In addition to restrictions on variable flight operation costs, current reduction efforts for fixed expenses such as maintenance and outsourcing costs should result in a reduction of ¥ 167.0 billion in operating expenses. However, the significant impact of reduced operating revenues has lowered operating income by ¥ 153.0 billion, with net income attributable to owners of the parent and recurring profit also down considerably, leading us to forecast a loss.

#### Consolidated Operating Results and Forecast (April 1, 2021~March 31, 2022)

	Operating Revenues	Operating Income	Ordinary Income	Net Income attributable to owners of the parent	Net Income per Share
Previous Forecast (A)	(Billion yen) 1,380.0	(Billion yen) 28.0	(Billion yen) 5.0	(Billion yen) 3.5	(Yen) 7.44
New forecast (B)	1,060.0	(125.0)	(140.0)	(100.0)	(212.61)
Change (B – A)	(320.0)	(153.0)	(145.0)	(103.5)	(220.05)
% Change	(23.2)	-	-	-	-
Ref.FY2020 (Apr 1, 2020 - Mar 31, 2021)	728.6	(464.7)	(451.3)	(404.6)	(1,082.04)

The above earnings forecasts are made on the basis of information currently available. Therefore, earnings results may differ from such forecasts for a variety of reasons.

## 2. Financial Statements and Operating Results

### (1) Consolidated Balance Sheet

	Yen (Millions)	
Assets	FY2021 as of Sep 30, 2021	FY2020 as of Mar 31, 2021
<b>Current assets:</b>		
Cash and deposits	426,198	464,739
Notes and accounts receivable	104,980	103,939
Lease receivables and investments in leases	18,621	19,112
Marketable securities	394,689	500,980
Inventories (Merchandise)	10,466	11,625
Inventories (Supplies)	29,719	27,230
Other current assets	95,246	98,908
Allowance for doubtful accounts	(242)	(231)
<b>Total current assets</b>	<b>1,079,677</b>	<b>1,226,302</b>
<b>Fixed assets</b>		
<b>Property and equipment:</b>		
Buildings and structures	110,873	116,032
Aircraft	994,417	1,026,210
Machinery, equipment and vehicles	30,700	33,180
Furniture and fixtures	16,976	18,957
Land	48,741	48,748
Lease assets	4,420	4,791
Construction in progress	217,095	198,389
<b>Total property and equipment</b>	<b>1,423,222</b>	<b>1,446,307</b>
<b>Intangible assets:</b>		
Goodwill	21,288	22,346
Other intangible assets	77,703	87,839
<b>Total intangible assets</b>	<b>98,991</b>	<b>110,185</b>
<b>Investments and other assets:</b>		
Investments securities	144,309	159,276
Long-term receivables	6,840	6,080
Deferred tax assets	280,068	219,618
Other assets	47,253	40,295
Allowance for doubtful accounts	(2,195)	(2,237)
<b>Total investments and other assets</b>	<b>476,275</b>	<b>423,032</b>
<b>Total fixed assets</b>	<b>1,998,488</b>	<b>1,979,524</b>
<b>Deferred assets</b>	<b>1,838</b>	<b>2,057</b>
<b>TOTAL</b>	<b>3,080,003</b>	<b>3,207,883</b>

Yen (Millions)

<b>Liabilities and Equity</b>	FY2021 as of Sep 30, 2021	FY2020 as of Mar 31, 2021
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	118,223	161,507
Short-term loans	100,070	100,070
Current portion of long-term debt	64,651	69,443
Current portion of convertible bond-type bonds with share acquisition rights	70,000	-
Finance lease obligations	3,861	3,523
Income taxes payable	3,438	10,696
Advance ticket sales	-	44,718
Contract liabilities	233,549	-
Accrued bonuses to employees	4,135	4,805
Other provisions	12,679	12,738
Other current liabilities	54,624	95,905
<b>Total current liabilities</b>	<b>665,230</b>	<b>503,405</b>
<b>Long-term liabilities:</b>		
Bonds	185,000	165,000
Convertible bonds with stock acquisition rights	70,000	140,000
Long-term debt	1,135,985	1,168,252
Finance lease obligations	7,242	9,164
Deferred tax liabilities	270	222
Accrued corporate executive officers' retirement benefits	669	766
Other provisions	16,454	15,319
Net defined benefit liabilities	160,192	160,885
Asset retirement obligations	1,239	1,153
Other long-term liabilities	32,263	31,397
<b>Total long-term liabilities</b>	<b>1,609,314</b>	<b>1,692,158</b>
<b>Total liabilities</b>	<b>2,274,544</b>	<b>2,195,563</b>
<b>Equity</b>		
<b>Shareholders' equity:</b>		
Common stock	467,601	467,601
Capital surplus	407,328	407,329
Retained earnings	(68,357)	145,101
Treasury stock	(59,342)	(59,335)
<b>Total shareholders' equity</b>	<b>747,230</b>	<b>960,696</b>
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on securities	31,827	38,468
Deferred gain on derivatives under hedge accounting	32,843	21,652
Foreign currency translation adjustments	2,890	2,666
Defined retirement benefit plans	(15,098)	(16,249)
<b>Total</b>	<b>52,462</b>	<b>46,537</b>
<b>Non-controlling interests</b>	<b>5,767</b>	<b>5,087</b>
<b>Total equity</b>	<b>805,459</b>	<b>1,012,320</b>
<b>TOTAL</b>	<b>3,080,003</b>	<b>3,207,883</b>

**(2) Consolidated Statement of Operations and Consolidated Statement of Comprehensive Income**

## Consolidated Statement of Operations

Yen (Millions)

	Six months ended Sep 30, 2021	Six months ended Sep 30, 2020
<b>Operating revenues</b>	431,125	291,834
<b>Cost of sales</b>	476,320	481,708
<b>Gross loss</b>	(45,195)	(189,874)
<b>Selling, general and administrative expenses</b>		
Commissions	7,348	15,310
Advertising	2,318	3,875
Employees' salaries and bonuses	16,205	15,400
Provision of allowance for doubtful accounts	21	1
Provision for accrued bonuses to employees	719	1,112
Retirement benefit expenses	1,524	1,580
Depreciation	12,871	13,556
Outsourcing expenses	11,960	14,160
Other	17,846	26,082
<b>Total selling, general and administrative expenses</b>	70,812	91,076
<b>Operating loss</b>	(116,007)	(280,950)
<b>Other income:</b>		
Interest income	151	389
Dividend income	541	973
Foreign exchange gain, net	250	991
Gain on sales of assets	3,433	2,466
Gain on donation of non-current assets	373	1,730
Subsidies for employment adjustment	14,038	21,411
Other	4,712	2,764
<b>Total other income</b>	23,498	30,724
<b>Other expenses:</b>		
Interest expenses	12,609	4,577
Equity in losses of unconsolidated subsidiaries and affiliates	912	2,175
Loss on sales of assets	422	274
Loss on disposal of assets	789	2,524
Loss on valuation of derivatives	-	7,639
Grounded aircraft expense	6,542	-
Other	1,736	1,256
<b>Total other expenses</b>	23,010	18,445
<b>Ordinary loss</b>	(115,519)	(268,671)
<b>Special gain</b>		
Gain on sales of property and equipment	-	1,862
Other	-	379
<b>Total special gain</b>	-	2,241
<b>Special loss</b>		
Loss on valuation of investment securities	4,075	1,482
Loss on cancellation of contracts	1,729	-
<b>Total special loss</b>	5,804	1,482
<b>(Loss) before income taxes</b>	(121,323)	(267,912)
<b>Income taxes</b>	(23,548)	(76,755)
<b>Net loss</b>	(97,775)	(191,157)
<b>Net income (loss) attributable to non-controlling interests</b>	1,028	(2,680)
<b>Net loss attributable to owners of the parent</b>	(98,803)	(188,477)

Consolidated Statement of Comprehensive Income

Yen (Millions)

	Six months ended Sep 30, 2021	Six months ended Sep 30, 2020
<b>Net loss</b>	(97,775)	(191,157)
<b>Other comprehensive income:</b>		
Unrealized (loss) gain on securities	(6,640)	4,585
Deferred gain on derivatives under hedge accounting	11,177	8,120
Foreign currency translation adjustments	303	(256)
Defined retirement benefit plans	1,123	1,241
Share of other comprehensive income in affiliates	42	78
<b>Total other comprehensive income</b>	6,005	13,768
<b>Comprehensive loss</b>	(91,770)	(177,389)
Total comprehensive loss attributable to:		
Owners of the parent	(92,878)	(174,834)
Non-controlling interests	1,108	(2,555)

**(3) Consolidated Statement of Cash Flows**

Yen (Millions)

	Six months ended Sep 30, 2021	Six months ended Sep 30, 2020
<b>I. Cash flows from operating activities</b>		
(Loss) before income taxes	(121,323)	(267,912)
Depreciation and amortization	78,492	90,149
Amortization of goodwill	1,057	1,057
(Gain) on disposal and sales of property and equipment	(2,222)	(1,530)
Loss on cancellation of contracts	1,729	-
Loss on sales and valuation of investment securities	4,074	1,187
(Decrease) increase in allowance for doubtful accounts	(31)	62
Increase in liability for retirement benefits	933	1,591
Interest and dividend income	(692)	(1,362)
Interest expenses	12,609	4,577
Subsidies for employment adjustment	(14,038)	(21,411)
Foreign exchange loss	51	678
(Increase) decrease in notes and accounts receivable	(1,041)	14,415
Decrease in other current assets	2,691	39,456
(Decrease) in notes and accounts payable	(4,305)	(33,085)
(Decrease) in advance ticket sales	-	(55,711)
(Decrease) in Contract liabilities	(7,028)	-
Other, net	(30,261)	14,941
<b>Subtotal</b>	<b>(79,305)</b>	<b>(212,898)</b>
Interest and dividends received	1,015	1,626
Interest paid	(13,186)	(3,100)
Proceeds from subsidy income	16,588	16,206
Income taxes (paid) refund	(2,984)	7,256
<b>Net cash (used in) provided by operating activities</b>	<b>(77,872)</b>	<b>(190,910)</b>
<b>II. Cash flows from investing activities</b>		
Increase in time deposits	(332,261)	(28,735)
Proceeds from withdrawal of time deposits	307,030	58,700
Purchase of marketable securities	(82,729)	-
Proceeds from redemption of marketable securities	364,250	71,590
Purchase of property and equipment	(74,057)	(68,423)
Proceeds from sales of property and equipment	34,776	17,224
Purchase of intangible assets	(6,431)	(12,349)
Purchase of investments securities	(1,309)	(3,795)
Proceeds from sales of investments securities	-	474
Proceeds from withdrawal of investments in securities	1,644	1,012
Other, net	(2,585)	1,504
<b>Net cash provided by (used in) investing activities</b>	<b>208,328</b>	<b>37,202</b>

	Yen (Millions)	
	Six months ended Sep 30, 2021	Six months ended Sep 30, 2020
<b>III. Cash flows from financing activities</b>		
Increase in short-term loans, net	-	99,908
Proceeds from long-term loans	-	435,687
Repayment of long-term loans	(37,059)	(42,631)
Proceeds from issuance of bonds	19,906	-
Repayment of bonds	-	(20,000)
Repayment of finance lease obligations	(1,509)	(3,071)
Proceeds from share issuance to non-controlling shareholders	-	2
Net (increase) decrease of treasury stock	(8)	107
Other, net	(459)	(543)
<b>Net cash provided by financing activities</b>	<b>(19,129)</b>	<b>469,459</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	<b>68</b>	<b>(369)</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>111,395</b>	<b>315,382</b>
<b>VI. Cash and cash equivalents at beginning of period</b>	<b>370,322</b>	<b>135,937</b>
<b>VII. Net (decrease) resulting from changes in scope of consolidation</b>	<b>-</b>	<b>(236)</b>
<b>VIII. Cash and cash equivalents at end of period</b>	<b>481,717</b>	<b>451,083</b>

#### **(4) Notes to Consolidated Financial Statements**

(Notes Regarding Going Concern Assumption)

None

(Notes in the Event of Significant Changes in Shareholders' Capital)

The Group has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc. effective from the beginning of the first quarter. For further details, please refer to "Changes in accounting policies".

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Group has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc. effective from the beginning of the first quarter and it recognizes revenue when (or as) it satisfies a performance obligation by transferring promised goods or services (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. It recognizes as revenue the amount expected to be received upon exchange of goods or services.

Major changes due to the application of Accounting Standard for Revenue Recognition, etc. are as follows.

##### Revenue Recognition of the company point program

The Group operates the membership program "ANA Mileage Club". This program awards points (miles) to member customers depending on the use of our flights and the services of partner companies, and the miles awarded can be redeemed for goods and services provided by the Group or partner company.

Previously, to prepare for the use of the miles awarded, the estimated future expenditure was recorded as operating expenses and operating accounts payable. The miles awarded individually identify performance obligations as an option for future purchase of additional goods or services. As a result, the transaction price allocated to the miles will be recognized as a contract liability at the time the miles is granted, and the revenue will be recognized when the goods or services exchanged for the miles are used or when the miles expires.

The transaction price is allocated based on the proportion of the independent selling price for each performance



obligation included in the contract, and the independent selling price of miles is estimated by taking into account the composition ratio of products and services that customers select when using miles.

The application of the Accounting Standard for Revenue Recognition is subject to the transitional treatment provided for in the proviso Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter was added to or subtracted from the beginning balance of retained earnings of the first quarter, and thus the new accounting policy was applied from the beginning balance.

As a result, the balance of retained earnings at the beginning of the period decreased by ¥114,656 million, and equity were ¥897,664 million, and total assets increased by ¥37,352 million to ¥3,245,235 million. In addition, net sales for the second quarter of the current consolidated cumulative period decreased by ¥7,090 million, and operating income, ordinary income and net income before adjustment for taxes increased by ¥8,093 million, respectively.

In the previous consolidated fiscal year, the advance consideration received from customers regarding air transportation services was represented as "Advance ticket sales" of current liabilities, but from the current consolidated fiscal year, it is included in "Contract liabilities". As a result, at the end of the second quarter of the current consolidated fiscal year, advance ticket sales decreased by ¥53,369 million.

In accordance with transitional treatment stipulated in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation. And the transitional treatment stipulated in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No.12, March 31, 2020)", we do not list information showing a breakdown of revenue earned from contracts with customers for the previous consolidated second quarter.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Group has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019; hereinafter, "Fair Value Accounting Standards") and others from the beginning of the first quarter ended June 30, 2021. In accordance with the transitional treatment set forth in Article 19 of Fair Value Accounting Standards and Article 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, July 4, 2019), the Group has applied prospectively a new accounting policy prescribed by Fair Value Accounting Standards and others. This has no effect on the quarterly consolidated financial statements.

(Additional Information)

(Accounting estimates associated with the spread of COVID-19)

Considering the impact of COVID-19 up to the second quarter of the current consolidated fiscal year, the Group reconsider the expected recovery of demand for passengers, that is described in "(Significant Accounting Estimates) 1. Recoverability of deferred tax assets" in the securities report for the previous consolidated fiscal year, which is a prerequisite for estimating future taxable income of ANA Holdings Inc. and All Nippon Airways Co., Ltd.

As a result, the Group makes an accounting estimate of recoverability of deferred tax assets, which is based on that demand for domestic passengers will recover to pre-pandemic level of 2019 during the first half of the fiscal year ending March 31, 2023, and demand for international passengers will recover to the 30% of pre-pandemic level of 2019 by the end of fiscal year ending March 31, 2022 and to the pre-pandemic level of 2019 by the end the end of fiscal year ending March 31, 2024, respectively.

(Segment Information)

I. Six months ended Sep 30, 2021

1. Information on amount of operating revenues, profit or loss by reporting segment

	Reportable Segments				Yen (Millions)
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	358,504	20,336	11,937	33,847	424,624
Intersegment revenues or transfers	11,765	77,353	7,667	4,531	101,316
Total	370,269	97,689	19,604	38,378	525,940
Segment profit (loss)	(113,735)	1,689	(189)	22	(112,213)

  

	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	6,501	431,125	-	431,125
Intersegment revenues or transfers	10,996	112,312	(112,312)	-
Total	17,497	543,437	(112,312)	431,125
Segment profit (loss)	677	(111,536)	(4,471)	(116,007)

\*1. "Others" represents all business segments that are not included in reportable segments, such as facility management, business support and other operations.

\*2. "Adjustments" of "Segment profit (loss)" represents the elimination of corporate expenses.

\*3. "Segment profit (loss)" is reconciled with operating loss on the consolidated statement of operations for the current period.

2. Information regarding impairment loss on fixed assets or goodwill by reportable segment: None

3. Matters about changes of reportable segment, etc.

The Group has applied the Accounting Standard for Revenue Recognition, etc. and changed the way of accounting for revenue recognition from the beginning of the first quarter as described in "Changes in accounting policies". Therefore, the Group has similarly changed the measuring method of segment profit or loss.

In addition, this change mainly affects the operating revenues and segment loss of the air transportation segment.

II. Six months ended Sep 30, 2020

1. Information on amount of operating revenues, profit or loss by reporting segment

	Reportable Segments				Yen (Millions)
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	224,654	18,002	10,440	32,896	285,992
Intersegment revenues or transfers	12,096	101,800	3,363	5,388	122,647
Total	236,750	119,802	13,803	38,284	408,639
Segment profit (loss)	(277,757)	8,723	(4,001)	(2,851)	(275,886)
	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)	
Operating revenues from external customers	5,842	291,834	-	291,834	
Intersegment revenues or transfers	12,693	135,340	(135,340)	-	
Total	18,535	427,174	(135,340)	291,834	
Segment profit (loss)	873	(275,013)	(5,937)	(280,950)	

\*1. "Others" represents all business segments that are not included in reportable segments, such as facility management, business support and other operations.

\*2. "Adjustments" of "Segment profit (loss)" represents the elimination of corporate expenses.

\*3. "Segment profit (loss)" is reconciled with operating loss on the consolidated statement of operations for the current period

2. Information regarding impairment loss on fixed assets or goodwill by reportable segment: None

### **3. Other**

Important factors related to going concern status

The Group was heavily affected by the impact of the spread of COVID-19.

Under these unprecedented conditions, for the acquisition of assets including aircraft, the Group limits capital investment and reviews the timing of implementation through scrutinizing of plan, in addition to reductions in personnel costs, and fixed costs such as depreciation and maintenance costs due to early retirement of mainly for large aircraft in the previous year. In the cumulative second quarter, the Group raised ¥20.0 billion by issuing corporate bonds and refinanced ¥100.0 billion from commercial bank. As a result, liquidity on hand including cash, deposits and securities amounted to ¥820.8 billion at the end of the second quarter. Since we are continuing to work to secure liquidity on hand in each of the Group companies by procuring funding as needed, we have judged that there are no important uncertainties in the company's status as a going concern.