

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

- Recovery in travel demand was slow due to continued entry restrictions in many countries as well as the State of Emergency and corresponding measures in effect in Tokyo for more than 90% of the period. Conversely, ANA achieved record cargo revenue due to strong international demand.
- As an outcome of fixed cost reduction efforts, operating expenses have been reduced despite an increase in operations, leading to significant improvement in operating income.
- While an upturn in domestic passenger demand is visible and strong cargo demand continues, and together with company-wide cost reduction efforts will combined contribute to improved operating income, ANA Holdings Inc. has revised its full-year financial forecast. The revised forecast reflects the findings that projected second-half revenue will not be sufficient to cover lack of revenue during the first half of the fiscal year.
- Fixed costs have decreased by 30% compared to pre-COVID levels, leading to a significantly lower break-even point. ANA Holdings Inc. expects to return to profitability in the fourth quarter of fiscal year 2021 by leveraging the new cost structure to create profitability by harnessing recovering travel demand.

TOKYO, Oct. 29, 2021 – ANA HOLDINGS INC. (hereinafter “ANA HD”) today reports its financial results for the six months ended Sept. 30, 2021.

Overview

In the first six months of fiscal year 2021 (April 1, 2021 - September 30, 2021; hereinafter the “six months ended September 30, 2021”), the Japanese economy is slowly recovering despite effects of the COVID-19 pandemic. The airline industry has seen signs of recovery in demand for domestic flights in the United States and other countries. However, challenges still exist due to restrictions on entry and travel in many countries.

Under these economic conditions, operating revenue for the first half of FY 2021 increased from the same time period for the previous year, reaching 431.1 billion yen. The continued impact of COVID-19 resulted in an operating loss of 116.0 billion yen, an ordinary loss of 115.5 billion yen, and a net loss attributable to owners of the parent of 98.8 billion yen, while overall losses are decreasing year-on-year.

“In the face of prolonged adversity and continuously changing market demands, ANA HD has leveraged its assets and expertise to adjust fundamental aspects of our business model to reflect the shifts in demand that have been caused by the pandemic,” said Ichiro Fukuzawa, Executive Vice President and Chief Financial Officer of ANA HOLDINGS INC. “I am proud of how the entire ANA team has responded to the

pandemic, and their hard work and dedication has helped place the ANA Group on an upward trajectory that will return our entire business to profitability in the near future. We will continue seeking opportunities to drive growth that will persist after the pandemic and accompanying travel regulations subside."

Consolidated Financial Performance of ANA Holdings

Unit: billion yen (rounded down)

	First Half /FY2021	First Half /FY2020	Difference
Operating revenue	431.1	291.8	+139.2
Operating expenses	547.1	572.7	-25.6
Operating income	-116.0	-280.9	+164.9
Other income	0.4	12.2	-11.7
Ordinary income	-115.5	-268.6	+153.1
Special gain	-5.8	0.7	-6.5
Net income attributable to owners of the parent	-98.8	-188.4	+89.6

Performance by Business Segment

Unit: billion yen (rounded down)

	First Half /FY2021		First Half /FY2020		Difference	
	Revenue	Operating income	Revenue	Operating income	Revenue	Operating income
Air Transportation	370.2	-113.7	236.7	-277.7	+133.5	+164.0
Airline Related	97.6	1.6	119.8	8.7	-22.1	-7.0
Travel Services	19.6	-0.1	13.8	-4.0	+5.8	+3.8
Trade and Retail	38.3	0.0	38.2	-2.8	+0.0	+2.8
Others	17.4	0.6	18.5	0.8	-1.0	-0.1

Air Transportation

Despite still being significantly impacted by the COVID-19 pandemic, passenger demand increased from the previous year, and by proactively working to capture the strong cargo demand which achieved record high revenue on a half-year basis, operating revenue exceeded the amount recorded during the same period of the previous year. While ANA HD still recorded an operating loss, reductions in fixed costs such as personnel costs as well as depreciation, amortization and maintenance costs which were achieved through the early retirement of aircraft in the previous year have helped improve profits and curtailed losses compared to the same period the previous year.

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

1. International Passenger Service (ANA)

- For international passenger services, travel demand continued to be reduced across all regions due to the resurgence of COVID-19 cases, the spread of new variants and continued government travel

restrictions. 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, as well as connecting demand for flights from Asia to North America and demand for the Tokyo Olympic and Paralympic Games.

- ANA reinstated North America flights to/from Tokyo Narita in July to accommodate recovering demand for flights from Asia to North America. The resumption of flights was part of a proactive effort to determine which routes meet emerging demand, as well as to offer temporary routes to destinations with seasonal demand and urgent travel needs.

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

International Passenger Service	First Half /FY2021	First Half /FY2020	% Comparison
Revenue (billion yen)	30.4	19.6	+54.9
Number of passengers (thousand)	327	193	+69.1
Available seat km (million)	9,433	5,426	+73.8
Revenue passenger km (million)	2,247	1,311	+71.3
Passenger load factor (%)	23.8	24.2	-0.3pt

2. Domestic Passenger Service (ANA)

- While State of Emergency and quasi-emergency measures were in effect in Tokyo for more than 90% of the period due to a resurgence in COVID-19 cases, the number of passengers served and revenue both increased compared to the same period in the previous year, when the impact of COVID-19 was felt more acutely.
- Detailed adjustments to the route network capacity were made in response to fluctuations in demand. In addition, ANA started code-sharing on select flights operated by Peach Aviation Ltd. to further improve convenience for customers.

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

Domestic Passenger Service	First Half /FY2021	First Half /FY2020	% Comparison
Revenue (billion yen)	111.8	78.9	+41.7
Number of passengers (thousand)	7,140	4,673	+52.8
Available seat km (million)	15,159	11,789	+28.6
Revenue passenger km (million)	6,635	4,284	+54.9
Passenger load factor (%)	43.8	36.3	+7.4pt

3. Cargo Service (ANA)

- For international cargo services, ANA actively responded to strong demand by deploying passenger aircraft to fly cargo-dedicated flights and fully utilizing the freighter aircraft, while introducing the Boeing 767F freighter on the Tokyo Narita – Beijing route in July. By capturing demand for the transportation of goods such as automotive parts and semiconductors from Asia as well as electronic equipment and

vaccines from North America and Europe, cargo volume greatly exceeded the amount transported during the same period in the previous year and quarterly revenue hit a record high.

(Except for % comparison, figures are rounded down)

Cargo Service		First Half /FY2021	First Half /FY2020	% Comparison
International	Revenue (billion yen)	138.3	50.8	+172.4
	Freight carried (thousand tons)	476	227	+109.0
	Cargo Traffic Volume (million ton-km)	2,516	1,047	+140.3
Domestic	Revenue (billion yen)	12.1	8.6	+40.1
	Freight carried (thousand tons)	120	93	+29.1
	Cargo Traffic Volume (million ton-km)	136	103	+31.7

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 more significantly impacted.
- Peach introduced a new route, Osaka Kansai – Memanbetsu in July. We will continue to closely monitor signs of recovery in demand to further expand the network. All international routes are currently suspended due to continued immigration restrictions in a number of countries.

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

LCC	First Half /FY2021	First Half /FY2020	% Comparison
Revenue (billion yen)	13.0	8.4	+54.6
Number of passengers (thousand)	1,554	817	+90.2
Available seat km (million)	3,254	2,090	+55.7
Revenue passenger km (million)	1,777	922	+92.8
Passenger load factor (%)	54.6	44.1	+10.5pt

5. Others

- Other revenue from the Air Transportation business was 60.7 billion yen (down 10.8% year-on-year). This includes revenue from the mileage program, in-flight sales revenue, revenue from maintenance contracts and other sources.
- As a new initiative during the COVID-19 pandemic, ANA began offering tours in July at the ANA Blue Base Group training facility, providing guests with a chance to experience the work of a pilot, an engineer or a flight attendant.

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

1. Airline Related

- Operating revenue: 97.6 billion yen, down 18.5% year-on-year
- Operating income: 1.6 billion yen, down 80.6% year-on-year

- In addition to a decrease in contracts for ground handling services such as passenger check-in and baggage handling due to the suspension and reduction of flights by various airlines, decreased handling volumes for systems development and other factors due to reduced investment owing to COVID-19, there was a decrease in operating revenue year-on-year.

2. Travel Services

- Operating revenue: 19.6 billion yen, up 42.0% year-on-year
- Operating loss: 0.1 billion yen (operating loss 4.0 billion yen same period a year ago)
- For travel services, all overseas tours operated by the ANA Group remain suspended due to the effects of COVID-19, and domestic travel volume decreased compared to the previous year when the “Go To Travel” promotion was in effect. ANA X Inc.'s contracting revenue increased as a result of the transferred digital marketing business and other functions within the ANA Group, and contributed to the increase in operating revenue and a reduced operating loss.

3. Trade and Retail

- Operating revenue: 38.3 billion yen, up 0.2% year-on-year
- Operating income: 0 billion yen (operating loss 2.8 billion yen same period a year ago)
- As aviation demand gradually recovered, sales increased at ANA FESTA shops in airports and the handling volume of semiconductors for electronics businesses increased. However, due to the change in accounting standards, the increase in operating revenue was minimal compared to the same period during the previous year.

4. Others

- Operating revenue: 17.4 billion yen, down 5.6% year-on-year
- Operating income: 0.6 billion yen, down 22.5% year-on-year
- Operating revenue decreased year-on-year due to a decrease in demand for buildings and facilities maintenance caused by the impact of COVID-19.

Consolidated Balance Sheet

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

	First Half /FY2021 As of Sept. 30, 2021	FY2020 As of March 31, 2021	Difference
Total assets (billion yen)	3,080.0	3,207.8	-127.8
Net assets (billion yen)	805.4	1,012.3	-206.8
Shareholder's equity (billion yen)*1	799.6	1,007.2	-207.5
Equity ratio (%)	26.0	31.4	-5.4pt
Interest-bearing debt (billion yen)	1,636.8	1,655.4	-18.6
D/E ratio*2	2.0	1.6	+0.4

*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)

	First Half /FY2021	First Half /FY2020
Cash flows from operating activities	-77.8	-190.9
Cash flows from investing activities	208.3	37.2
Cash flows from financing activities	-19.1	469.4
Cash flows and cash equivalents at the end of the period	481.7	451.0
Depreciation and amortization	78.4	90.1

Outlook for FY2021 (April 2021 – March 2022)

- While international cargo demand was strong, reduced passenger demand continued globally during the first half of the fiscal year due to a resurgence of COVID-19 cases and the spread of new variants. While domestic passenger demand has now started to show signs of recovery in correlation with the decline in reported COVID-19 cases, full-fledged recovery of demand is delayed compared to initial expectations.
- In addition to curbing variable costs related to flight operations, ANA HD will initiate further cuts in fixed costs – such as maintenance and outsourcing costs – to reduce operating expenses. However, due to the significant impact of the decrease in operating revenue, operating income, ordinary income and net income attributable to owners of parent are expected to decrease as well.

As a result, we have revised the consolidated financial forecast for the fiscal year ending March 31, 2022, as shown in the table below.

Consolidated Financial Forecast

Unit: billion yen (rounded down)

	Forecast for FY2021	FY2020	Difference
Operating revenue	1,060.0	728.6	+331.3
Operating income	-125.0	-464.7	+339.7
Ordinary income	-140.0	-451.3	+311.3
Net income attributable to owners of the parent	-100.0	-404.6	+304.6

*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 six months ended September 30, 2021 reflect these new accounting standards. For details, please refer to “ANA HOLDINGS INC. Consolidated Financial Results for the Six Months Ended September 30, 2021” on the ANA Group Investor Relations website (<https://www.ana.co.jp/group/en/investors/>).



Contact: ANA Corporate Communications, TEL +81-3-6735-1111, publicrelations@ana.co.jp

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 nine 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.

In 2021, ANA was awarded the 5-star COVID-19 safety rating by SKYTRAX, recognizing the airline's initiatives to provide a safe, clean and hygienic environment at airports and aboard aircraft, embodied in the ANA Care Promise.

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/>