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24 November 2021

To whom it may concern:

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Announcement on Issuance of Zero Coupon Convertible Bonds due 2031

ANA HOLDINGS INC. (the "Company") hereby announces that, at its board of directors' meeting held on 24 November 2021, the Company resolved to issue Zero Coupon Convertible Bonds due 2031 (the "Bonds") (the Bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*).

[Background of the Issuance of the Bonds]

Since the fourth quarter of the fiscal year ended March 2020, we have experienced a severe business environment with sharply and substantially reduced passenger demand due to the impact of the COVID-19 pandemic. In addition to implementing various emergency measures, such as controlling capacity of the air transportation business and ensuring liquidity on hand, we announced "Business Structure Reform Plan" on 27 October 2020, as a management policy to overcome the COVID-19 pandemic and achieve further growth again. We have been implementing a variety of initiatives, mainly focusing on the themes set out herein.

This announcement is intended as general information regarding ANA HOLDINGS INC.'s issuance of convertible bonds. This announcement does not constitute an offer of, or the solicitation of an offer to buy or subscribe for the Bonds or the shares of common stock of the Company in the United States or in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the shares of common stock of the Company issuable upon exercise of, or upon acquisition by the Company of, the Stock Acquisition Rights (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any relevant securities laws of any state, and may not be offered or sold within the United States, absent registration or an applicable exemption from registration requirements. No public offering of the Securities will be made in the United States.

<Themes in "Business Structure Reform Plan" and Progress>

1. Respond to Changes in Demand Quantity: Reduce Resources to Push through the COVID-19 Pandemic

In order to cope with the decline in passenger demand caused by the COVID-19 pandemic, we have reduced aircraft and human resources by the end of the fiscal year ended March 2021 with our highest priority. We decreased the number of aircraft for the entire group by accelerating the retirement (mainly of wide-body) and postponing the planned delivery schedule. With regard to human resources, the group curbed new hiring, expanded secondments outside the group and reduced wages and bonuses levels of employees on the premise of protecting their employment. As a result of these measures, we substantially reduced fixed costs and lowered the break-even point. We will continuously pursue a reduction in unit costs (cost per Available Seat Kilometer) in the medium-term by continuing the reduction in aircraft-related expenses as permanent measures and limiting the increase in personnel costs through the structural reform in the wage system and productivity improvements.

2. Respond to Changes in Demand Quality: Pursue a Group Air Transportation Business Model with an Eye to the post-COVID-19 Era

In order to transform the group's supply structure to achieve sustainable growth even under the post-COVID-19 era, we have been working on transformation of our group air transportation business portfolio adapting to the changes in demand quality by, for example, strengthening cooperation between ANA and Peach and preparing for the launch of the new third brand, concurrently with optimizing and streamlining the ANA brand. In addition, the group intends to pursue business efficiency while improving customer satisfaction by reforming the service model, including digitalization and labor-saving initiatives. Through these measures, we aim to improve the group's profitability in the post-COVID-19 era.

3. Bolster Resilience: Establish a Platform Business that Utilizes Customer Data Assets

In order to bolster resilience by growing non-air revenues, we are preparing for the establishment of a platform business. While utilizing the customer data accumulated over the years mainly in the air transportation business, we are strengthening EC sales and expanding services for creating a world in which consumers can conduct their lives via mileage rewards.

To accelerate the Business Structure Reform Plan based on these themes, we have raised capital through a subordinated syndicated loan in October 2020 and the issuance of new shares and secondary offering of shares from December 2020 to January 2021 to maintain and strengthen our financial flexibility in terms of both liquidity and capital adequacy.

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The Company resolved to issue the Bonds in order to secure additional funds for investment in growth to further accelerate the themes in the Business Structure Reform Plan as well as to secure funds for the redemption and repayment of the existing debt earlier aiming to implement solid and flexible financial strategies.

[Use of Proceeds]

The Company intends to apply the net proceeds from the issuance of the Bonds as follows:

- (i) approximately ¥50 billion by the end of March 2024 as investment in growth to promote further our Business Structure Reform Plan, including investments in reforming our service model and establishing our new third brand;
- (ii) ¥70 billion to redeem the convertible bonds to be redeemed at maturity on 16 September 2022; and
- (iii) the remainder for the repayment of long-term debt by the end of March 2024.

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Zero Coupon Convertible Bonds due 2031

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| 1. Name of the Bonds | ANA HOLDINGS INC. Zero Coupon Convertible Bonds due 2031 (the "Bonds with Stock Acquisition Rights", of which the bonds is referred to as the "Bonds" and the stock acquisition rights is referred to as the "Stock Acquisition Rights"; the same shall apply hereinafter) |
| 2. Issue price of the Bonds | Issue price of the Bonds shall be determined by the Representative Director or the Chief Financial Officer of the Company pursuant to the authorisation of the Board of Directors of the Company, taking into account the demand from investors and other market conditions. However, the issue price of the Bonds shall not be less than 100.0% of the principal amount of the Bonds. The difference between the offer price of the Bonds with Stock Acquisition Rights and the issue price of the Bonds shall be 2.5% of the principal amount of the Bonds.
(The Bonds are issued in the denomination of ¥10,000,000 each) |
| 3. Closing date and issue date of the Bonds | 10 December 2021 (London time; unless otherwise indicated, hereinafter the same shall apply) |
| 4. Matters concerning the Bonds | |
| (1) Interest rate of the Bonds | The Bonds do not bear interest. |
| (2) Final Maturity | The Company will redeem the Bonds at 100 per cent of their principal amount on 10 December 2031 (the Maturity Date). |

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