

ANA HOLDINGS Financial Results for the Nine Months Ended December 31, 2021

- While the movement of people and activities were significantly impacted by COVID-19 throughout the first half of the fiscal year, passenger demand for domestic flights greatly improved beginning in October after the State of Emergency was lifted in Japan.
- Strong international cargo sales continued in the third quarter (October – December), reaching a record high in quarterly revenue.
- Thanks to the ANA Group's concerted efforts to promote structural business reforms and continued progress in cost management, expenses were lower than the previous year despite an overall increase in operations from the previous year.
- Operating income returned to the black for the first time in consecutive eight quarters during the third quarter (October – December), with the ANA Group achieving an operating income of 0.1 billion yen. ANA HOLDINGS had initially set a target to return to black in the fourth quarter (January – March), and this target was achieved ahead of schedule.

TOKYO, Feb. 1, 2022 – ANA HOLDINGS INC. (hereinafter “ANA HD”) today reports its financial results for the nine months ended December 31, 2021.

Overview

In the first nine months of fiscal year 2021 (April 1, 2021 - December 31, 2021; hereinafter the “nine months ended December 31, 2021”), the Japanese economy has slowly recovered, demonstrating signs of recovery in corporate production activities. While the airline industry continues to face difficulties due to the spread of the Omicron variant and continued restrictions on entry and travel in many countries, there are signs of recovery in the increased demand for domestic flights in the United States and other countries.

Under these economic conditions, the increase in demand for travel in Japan contributed to an operating revenue of 738.0 billion yen for the nine months ended December 31, 2021. This marks an improvement from the same time period for the previous year. The continued impact of COVID-19 resulted in an operating loss of 115.8 billion yen, an ordinary loss of 118.3 billion yen, and a net loss attributable to owners of the parent of 102.8 billion yen. However, ANA HD achieved a positive operating income in the third quarter (October-December), returning to black for the first time in eight quarters.

“Though the entire airline industry has faced continued challenges, I am proud of how ANA Group employees have persevered to help the company continue to meet passenger and cargo needs and maintain global connections at this vital time,” said Ichiro Fukuzawa, Executive Vice President and Chief Financial Officer of ANA HOLDINGS INC. “We have adjusted our practices, but our commitment to offering unparalleled service and convenience remains unchanged. As the recovery continues, the ANA Group will continue seeking opportunities for growth and expansion with increased profitability.”

Consolidated Financial Performance of ANA Holdings

Unit: billion yen (rounded down)

	1-3Q /FY2021	1-3Q /FY2020	Difference	3Q /FY2021
Operating revenue	738.0	527.6	+210.4	306.9
Operating expenses	853.8	890.0	-36.1	306.7
Operating income	-115.8	-362.4	+246.5	0.1
Other income	-2.5	11.6	-14.1	-3.0
Ordinary income	-118.3	-350.7	+232.4	-2.8
Special gain	-6.2	-77.3	+71.0	-0.4
Net income attributable to owners of the parent	-102.8	-309.5	+206.7	-4.0

Performance by Business Segment

Unit: billion yen (rounded down)

	1-3Q /FY2021		1-3Q /FY2020		Difference	
	Revenue	Operating income	Revenue	Operating income	Revenue	Operating income
Air Transportation	638.4	-112.9	432.0	-348.0	+206.3	+235.0
Airline Related	149.8	2.6	166.7	2.0	-16.9	+0.6
Travel Services	34.5	-0.2	36.1	-4.7	-1.5	+4.4
Trade and Retail	61.4	0.6	61.0	-3.0	+0.4	+3.7
Others	27.6	1.1	27.4	0.5	+0.2	+0.6

Air Transportation

Despite being significantly impacted by the COVID-19 pandemic, passenger demand increased from the previous year, and due to proactive efforts to capture the strong cargo demand which resulted in record high revenue, 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 execution of structural business reforms) have helped curtail losses and improve profits year-on-year.

1. International Passenger Service (ANA)

- International passenger services continued to see reduced demand for travel 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 demand for connecting flights from Asia to North America and demand for flights home during the New Year holiday. Revenue and number of passengers remained at approximately 10% of pre-COVID levels.
- ANA began transferring the operation of several North America routes from Tokyo Haneda to Tokyo Narita airport starting in July to optimize connections from Asia, an example of ANA closely monitoring

demand to determine which routes to operate, 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	1-3Q /FY2021	1-3Q /FY2020	% Comparison
Revenue (billion yen)	48.2	32.3	+49.1
Number of passengers (thousand)	549	320	+71.2
Available seat km (million)	14,962	9,809	+52.5
Revenue passenger km (million)	3,746	2,140	+75.0
Passenger load factor (%)	25.0	21.8	+3.2pt

2. Domestic Passenger Service (ANA)

- The number of passengers served and revenue both increased compared to the same period during the previous year. While a State of Emergency was repeatedly declared due to a surge in COVID-19 cases during the first half of the fiscal year, a recovery in demand was visible since the declaration was lifted at the end of September and the number of COVID-19 cases remained at a low level. As a result, the number of passengers and revenue in the third quarter (October-December) was the highest on a quarterly basis since the pandemic began and recovered to approximately 50% of pre-COVID levels.
- Detailed adjustments to the route network capacity were made in response to fluctuations in demand. In addition, ANA offered additional flights on weekends and holidays from October in order to proactively capture the recovering demand.

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

Domestic Passenger Service	1-3Q /FY2021	1-3Q /FY2020	% Comparison
Revenue (billion yen)	206.5	156.3	+32.1
Number of passengers (thousand)	13,198	9,906	+33.2
Available seat km (million)	24,539	20,812	+17.9
Revenue passenger km (million)	12,090	9,097	+32.9
Passenger load factor (%)	49.3	43.7	+5.6pt

3. Cargo Service (ANA)

- The continued strong performance in international cargo services can be attributed to robust demand and a shift to air transport as a result of congestion in marine transport. ANA fully utilized freighter aircraft, introducing the Boeing 777F freighter on the Tokyo Narita – Hong Kong and Tokyo Narita – Taipei route in October, as well as on the Tokyo – Qingdao route in November. ANA also actively responded to strong demand by deploying passenger aircraft to fly cargo-dedicated flights and by capturing demand for the transportation of goods such as automotive parts, semiconductors, electronic equipment and vaccines. In the third quarter (October-December), cargo volume greatly

exceeded the amount transported during the same period in the previous year, leading to record high in quarterly revenue for the fifth consecutive quarter.

(Except for % comparison, figures are rounded down)

Cargo Service		1-3Q /FY2021	1-3Q /FY2020	% Comparison
International	Revenue (billion yen)	237.7	101.6	+134.0
	Freight carried (thousand tons)	743	429	+73.0
	Cargo Traffic Volume (million ton-km)	3,929	2,066	+90.2
Domestic	Revenue (billion yen)	18.7	15.3	+22.5
	Freight carried (thousand tons)	189	162	+16.6
	Cargo Traffic Volume (million ton-km)	213	179	+19.1

4. LCC (Peach Aviation)

- Passenger numbers and revenue increased compared to the same period during the previous year, when demand was more significantly impacted. Domestic passenger volume and revenue for the third quarter (October-December) exceeded pre-COVID levels behind strong demand after the State of Emergency was lifted at the end of September, and another contributing factor was Peach Aviation's expanded scale of operations.
- Peach introduced new routes, Osaka Kansai – Memanbetsu in July, and Fukuoka – Ishigaki in October. Peach 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	1-3Q /FY2021	1-3Q /FY2020	% Comparison
Revenue (billion yen)	24.5	15.3	+59.8
Number of passengers (thousand)	2,922	1,583	+84.6
Available seat km (million)	5,556	3,769	+47.4
Revenue passenger km (million)	3,336	1,822	+83.0
Passenger load factor (%)	60.0	48.4	+11.7pt

5. Others

- Other revenue from the Air Transportation business was 96.6 billion yen (down 9.8% year-on-year from 107.1 billion yen). 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

1. Airline Related

- Operating revenue: 149.8 billion yen, down 10.1% year-on-year
- Operating income: 2.6 billion yen, up 30.1% year-on-year

- Although operating revenue decreased year-on-year as a result of lower handling volumes for systems development due to reduced investment within the ANA Group owing to COVID-19, profit improved as a result of reduction in personnel and outsourcing costs, mainly for ground handling services such as passenger check-in and baggage handling.
- In November, the product line-up was expanded to include the popular online in-flight meal sales with the introduction of ANA international business class in-flight meals.

2. Travel Services

- Operating revenue: 34.5 billion yen, down 4.4% year-on-year
- Operating loss: 0.2 billion yen (operating loss of 4.7 billion yen during the 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 contract 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 reduced operating losses.
- Working to create a "world where people can live on miles," the ANA Group launched a mobile application service called "ANA Pocket" in December, which allows users to earn points not only for air travel, but also for walking and travel on train as well as other vehicles within Japan that can be converted into ANA miles and other perks.

3. Trade and Retail

- Operating revenue: 61.4 billion yen, up 0.7% year-on-year
- Operating income: 0.6 billion yen (operating loss of 3.0 billion yen during the 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. 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: 27.6 billion yen, up 0.8% year-on-year
- Operating income: 1.1 billion yen, up 125.1% year-on-year
- While demand for buildings and facilities maintenance decreased due to the impact of COVID-19, increased transactions for the real estate business lead to improved revenue.

Consolidated Balance Sheet

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

	1-3Q /FY2021 As of Dec. 31, 2021	FY2020 As of March 31, 2021	Difference
Total assets (billion yen)	3,239.7	3,207.8	+31.8
Net assets (billion yen)	803.5	1,012.3	-208.7
Shareholder's equity (billion yen)*1	797.8	1,007.2	-209.4
Equity ratio (%)	24.6	31.4	-6.8pt
Interest-bearing debt (billion yen)	1,771.2	1,655.4	+115.7
D/E ratio*2	2.2	1.6	+0.6

*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)

	1-3Q /FY2021	1-3Q /FY2020
Cash flows from operating activities	-40.6	-200.9
Cash flows from investing activities	110.9	-521.3
Cash flows from financing activities	115.0	1,110.5
Cash flows and cash equivalents at the end of the period	555.3	523.6
Depreciation and amortization	117.7	134.8

Outlook for FY2021 (April 2021 – March 2022)

ANA HD maintains its consolidated financial forecast for FY2021, initially presented on October 29, 2021.

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 nine months ended December 31, 2021 reflect these new accounting standards. For details, please refer to "ANA HOLDINGS INC. Consolidated Financial Results for the Nine Months Ended December 31, 2021" on the ANA Group Investor Relations website (<https://www.ana.co.jp/group/en/investors/>).



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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 and Austrian 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/>