

ANA HOLDINGS Financial Results for the Year Ended March 31, 2022

- While the impact of COVID-19 continued throughout the fiscal year, passenger demand followed a recovering trend. In addition, international cargo revenue reached a record high behind proactive efforts to capture strong cargo demand.
- As a result, operating revenue for the fiscal year increased by 40% year-on-year.
- Continued cost management efforts led to lower operating expenses despite increased operations of 1.3 times for passenger flights, 1.5 times for international cargo, and 1.6 times for Peach domestic flights, when compared to the year before.
- While ANA HOLDINGS INC. recorded a loss for the second consecutive fiscal year, operating revenue, operating income, and net income attributable to owners of the parent all marked significant improvements from the previous year.
- Further signs of recovery in airline demand are visible, with quasi-emergency measures in Japan lifted in March, as well as eased entry restrictions in various countries.
- ANA HOLDINGS INC. forecasts a return to profit for fiscal year 2022, supported by recovering passenger demand and sustained cost management initiatives.

TOKYO, April 28, 2022 – ANA HOLDINGS INC. (hereinafter “ANA HD”) today reports its financial results for the year ended March 31, 2022.

Overview

During fiscal year 2021 (April 1, 2021 - March 31, 2022; hereinafter the “year ended March 31, 2022”), the Japanese economy began to recover, demonstrating signs of improvement in corporate production activities. While the airline industry continues to face difficulties due to continued effects of COVID-19, passenger demand is recovering especially on domestic flights, and there are signs of recovery in demand for international flights as well, as entry restrictions are gradually eased.

Under these economic conditions, the increase in demand for travel in Japan contributed to an operating revenue of 1,020.3 billion yen for the year ended March 31, 2022, which marks an improvement from the previous fiscal year. The continued impact of COVID-19 resulted in an operating loss of 173.1 billion yen, an ordinary loss of 184.9 billion yen, and a net loss attributable to owners of the parent of 143.6 billion yen.

“The sustained focus on reducing our operating expenses along with increased domestic travel, strong cargo sales and favorable conditions for growth of international traffic point to a better FY2022,” said Kimihiro Nakahori, Executive Vice President and Group Chief Financial Officer. “While this past year has been challenging, I am extremely proud of how all our employees have responded after the past two years to excel in their duties and help position ANA Group for the future. Through their efforts and inspiration, we are confident for continued progress and further improvements across our operations.”

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

	FY2021	FY2020	Difference	% Comparison
Operating revenue	1,020.3	728.6	+291.6	+40.0
Operating expenses	1,193.4	1,193.4	-0.0	-0.0
Operating income	-173.1	-464.7	+291.6	-
Other income	-11.8	13.4	-25.2	-
Ordinary income	-184.9	-451.3	+266.4	-
Special gain	9.5	-94.0	+103.5	-
Net income attributable to owners of the parent	-143.6	-404.6	+260.9	-

Performance by Business Segment Unit: billion yen (rounded down)

	FY2021		FY2020		Difference	
	Revenue	Operating income	Revenue	Operating income	Revenue	Operating income
Air Transportation	885.0	-162.9	604.0	-447.8	+281.0	+284.9
Airline Related	206.8	-0.6	222.1	3.6	-15.3	-4.3
Travel Services	46.2	-2.1	45.0	-5.0	+1.2	+2.9
Trade and Retail	81.6	0.5	79.9	-4.2	+1.7	+4.8
Others	38.1	1.3	36.6	-0.0	+1.4	+1.4

Air Transportation

Despite being significantly impacted by the COVID-19 pandemic, passenger demand increased from the previous fiscal 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.

ANA, our main airline business company, was recognized with a total of four prestigious awards from the SKYTRAX World Airline Awards in 2021, including repeat recognition for World's Best Airline Cabin Cleanliness. Also, ANA was recognized by travel data and analytics firm Cirium with being ranked first worldwide for its exceptional service and reliability in providing on-time performance in 2021.

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 and the spread of new variants. 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.

- Due to the ongoing situation in Ukraine, the Tokyo Haneda - London and Tokyo Haneda - Paris routes were suspended from March this year. However, the Tokyo Haneda - Frankfurt and Tokyo Narita - Brussels routes have continued to operate, taking alternate flight paths to bypass Russian airspace.
- ANA began transferring the operation of several North America routes from Tokyo Haneda to Tokyo Narita airport starting in July 2021 to optimize connections in our network from Asia, an example of ANA closely monitoring demand to determine which routes to operate, as well as to offer temporary routes to destinations to meet seasonal demand and necessary travel needs.
- Revenue and number of passengers remained at approximately 10% of pre-COVID levels, however the easing of restrictions for entry into Japan has contributed to a building recovery trend.

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

International Passenger Service	FY2021	FY2020	% Comparison
Revenue (billion yen)	70.1	44.7	+56.8
Number of passengers (thousand)	825	427	+93.2
Available seat km (million)	20,524	14,465	+41.9
Revenue passenger km (million)	5,550	2,840	+95.4
Passenger load factor (%)	27.0	19.6	+7.4pt

2. Domestic Passenger Service (ANA)

- 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 2021. 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.
- Demand declined again in the fourth quarter due to the spread of new COVID-19 variants and quasi-emergency measures that were in effect. However, demand began to recover strongly from mid-March of this year, as the quasi-emergency measures were expected to be lifted. As a result, the number of passengers carried and revenue both increased compared to the same period during the previous year.
- 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 2021 to proactively capture the recovering demand.

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

Domestic Passenger Service	FY2021	FY2020	% Comparison
Revenue (billion yen)	279.8	203.1	+37.8
Number of passengers (thousand)	17,959	12,660	+41.9
Available seat km (million)	34,288	26,896	+27.5
Revenue passenger km (million)	16,382	11,567	+41.6
Passenger load factor (%)	47.8	43.0	+4.8pt

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 - Los Angeles route in April 2021, Tokyo Narita - Hong Kong and Tokyo Narita - Taipei route in October 2021, as well as on the Tokyo - Qingdao route in November 2021. 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.
- As a result, ANA recorded the highest ever international cargo revenue for the fiscal year.

(Except for % comparison, figures are rounded down)

Cargo Service		FY2021	FY2020	% Comparison
International	Revenue (billion yen)	328.7	160.5	+104.8
	Freight carried (thousand tons)	976	655	+49.1
	Cargo Traffic Volume (million ton-km)	5,186	3,251	+59.5
Domestic	Revenue (billion yen)	24.9	20.8	+19.4
	Freight carried (thousand tons)	251	218	+15.3
	Cargo Traffic Volume (million ton-km)	281	240	+17.3

4. LCC (Peach Aviation)

- Domestic passenger volume and revenue for the third quarter (October-December) as well as March 2022 exceeded pre-COVID levels behind strong demand and Peach Aviation's expanded operations.
- Peach introduced new routes, Osaka Kansai - Memanbetsu in July 2021, and Fukuoka - Ishigaki in October 2021. 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	FY2021	FY2020	% Comparison
Revenue (billion yen)	37.8	22.0	+71.3
Number of passengers (thousand)	4,267	2,080	+105.1
Available seat km (million)	7,863	4,932	+59.4
Revenue passenger km (million)	4,846	2,403	+101.7
Passenger load factor (%)	61.6	48.7	+12.9pt

5. Others

- Other revenue from the Air Transportation business was 135.4 billion yen (down 8.0% year-on-year from 147.2 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

- As a result of lower handling volumes for systems development due to reduced investment within the ANA Group due to COVID-19, revenue decreased to 206.8 billion yen (down 6.9% year-on-year), and operating loss was 0.6 billion yen (operating income of 3.6 billion yen during the same period a year ago).
- In November, the popular online sales of in-flight meal products were expanded with the introduction of ANA international business class in-flight meals.

2. Travel Services

- For travel services, all overseas tours operated by the ANA Group were 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 offered. 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.
- As a result, operating revenue for the fiscal year from travel services were 46.2 billion yen (up 2.7% year-on-year), and operating loss was 2.1 billion yen (operating loss of 5.0 billion yen during the same period a year ago).
- In April 2021, the ANA Group transferred ANA Sales Co., Ltd.'s travel business to ANA X Inc., which is responsible for platform businesses that utilize customer data assets with the aim to enhance sales in the digital field. ANA Sales Co., Ltd. changed its name to ANA Akindo Co., Ltd, with its focus on revitalizing regions in Japan. 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

- As aviation demand gradually recovered, sales increased at ANA FESTA shops in airports and the handling volume of semiconductors for electronics businesses increased. However, accompanying the change in accounting standards, operating revenue decreased.
- As a result, operating revenue for the fiscal year from trade and retail were 81.6 billion yen (up 2.2% year-on-year), and operating income was 0.5 billion yen (operating loss of 4.2 billion yen during the same period a year ago).

4. Others

- While demand for buildings and facilities maintenance decreased due to the impact of COVID-19, increased transactions for the real estate business led to improved revenue.

- As a result, operating revenue was 38.1 billion yen (up 4.1% year-on-year), and operating income was 1.3 billion yen (operating loss of 0.0 billion yen during the same period a year ago).

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

	FY2021 As of March 31, 2022	FY2020 As of March 31, 2021	Difference
Total assets (billion yen)	3,218.4	3,207.8	+10.5
Net assets (billion yen)	803.4	1,012.3	-208.9
Shareholder's equity (billion yen)*1	797.2	1,007.2	-209.9
Equity ratio (%)	24.8	31.4	-6.6pt
Interest-bearing debt (billion yen)	1,750.1	1,655.4	+94.6
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)

	FY2021	FY2020
Cash flows from operating activities	-76.4	-270.4
Cash flows from investing activities	230.0	-595.7
Cash flows from financing activities	93.6	1,098.1
Cash flows and cash equivalents at the end of the period	621.0	370.3
Depreciation and amortization	157.5	176.3

Outlook for FY2022 (April 2022 – March 2023)

- ANA Group expects the impact of COVID-19 to remain significant on our business performance. However, further signs of recovery in airline demand are visible, with quasi-emergency measures in Japan lifted in March, as well as eased entry restrictions in various countries.
- For the airline business, the ANA Group will aim to maximize revenue by capturing recovering passenger demand by flexibly adjusting the scale of operations and by further strengthening marketing for the cargo business, where demand remains strong.
- On the cost side, the ANA Group will sustain the effects of fixed cost reductions implemented in the previous fiscal year to lower the break-even point and improve profitability. In addition, we will strive to achieve profitability by controlling costs that will increase due to rising fuel prices and inflation by constantly reviewing our cost structure and business model.

Consolidated financial forecast for the fiscal year ending March 31, 2023 is as follows. It is with great regret that we must announce that ANA HD will be making no dividend payments for fiscal year 2021, and plans no payment of dividends for the next fiscal year as ANA HD recorded a significant loss for the last two years under the unprecedentedly challenging business environment. ANA HD recognizes that the immediate task at hand is to strengthen our financial base while ensuring that we have the liquidity on hand to manage future uncertainties.

Consolidated Financial Forecast Unit: billion yen (rounded down)

	Forecast for FY2022	FY2021	Difference
Operating revenue	1,660.0	1,020.3	+639.6
Operating income	50.0	-173.1	+223.1
Ordinary income	30.0	-184.9	+214.9
Net income attributable to owners of the parent	21.0	-143.6	+164.6



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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 2022 S&P Global Sustainability Awards and ANA HD has been selected as a member of the Dow Jones Sustainability World Index list for the fifth consecutive year and the Dow Jones Sustainability Asia Pacific Index list for the sixth consecutive year.

For more information, please refer to the following link.

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