

ANA HOLDINGS Announces Mid-Term Corporate Strategy for FY2023-2025

- ANA HOLDINGS INC. today announces its mid-term corporate strategy to FY2025 and its new management vision, which has been revised for the first time since the holding company structure was established in 2013.
- Between FY2023-2025, with a focus on expanding profitability of our core airline business, we will strengthen our non-airline business and increase the interaction with our customers to accelerate our business transformation and lay the groundwork for further growth to 2030.
- Our financial goal is to achieve operating income of 120.0 billion yen and net income of 63.0 billion yen in FY2023, and to increase operating income to 200.0 billion yen and net income to 122.0 billion yen in FY2025.

TOKYO, Feb. 15, 2023 – ANA HOLDINGS INC. (hereinafter “ANA HD”) has unveiled its FY2023-2025 mid-term corporate strategy, a new three-year growth strategy that aims to achieve sustainable growth. With support from our customers, shareholders, and stakeholders as well as our employees, ANA HD focused on [transformative measures to a new business model](#) announced in October 2020 during the unprecedented circumstances of the COVID-19 pandemic. Now with recovery in demand becoming clear, ANA HD sets sight on a brighter future, as we position the airline business at our core and expand into new realms to strengthen the ANA ecosystem, with the aim to shift to a growth trajectory toward 2030.

“After successfully managing through the last few and challenging years with the effort of our employees, loyalty from our customers, and support from our shareholders and stakeholders, we are happy to announce our three-year strategy that positions ANA HD for the future,” said Koji Shibata, President and Chief Executive Officer. “By strengthening our core airline business and transforming the organization, we will strive to realize our new management vision for a brighter future based on sustainable growth.”

1. Elements of the Mid-Term Corporate Strategy for FY2023-2025

Together with the announcement of our mid-term strategy today, for the first time since the holding company structure was established in 2013, the management vision of ANA HD has been revised. With our mission statement “Built on a foundation of security and trust, “the wings within ourselves” help to fulfill the hopes and dreams of an interconnected world” as a basis, the new management vision reflects the future envisioned by our employees in the countless dialogues leading up to today. The new management vision expresses our desire to realize a future in which all ANA Group employees around the world can work with enthusiasm, and share joy with our customers and society.

New Management Vision

Uniting the World in Wonder

ANA inspires our employees, customers, and society to explore endless possibilities

with diverse connections that start in the sky

Exploring diverse connections that start in the sky

- Airline will serve as our core business to create new encounters and connections among people, goods, and experiences around the world.
- We will expand our business to next-generation mobility, increase offerings in daily life and create connections from reality to virtual worlds.
- Through open innovation, we will connect the knowledge and technology both inside and outside the ANA Group across various countries and companies.

Inspiring endless possibilities for employees, customers, and society

- Strengthen the well-being and growth of our employees, the ultimate source of creating values.
- Enrich the lives of our customers through the products and services of the entire ANA Group.
- Contribute to solving social issues including the protection of the environment and become a company that can truly serve society.

Under this new management vision, the ANA Group will continue to pursue new opportunities, with an appreciation for our valued customers.

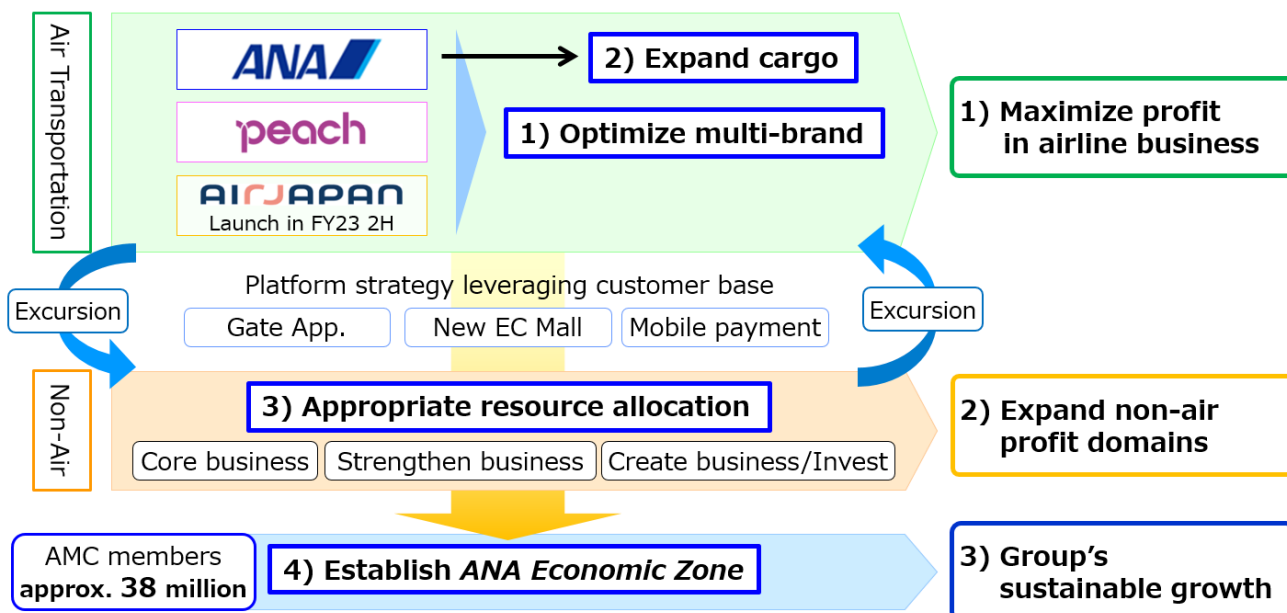
2. Overview of Corporate Strategy

The three years to FY2025 will be a phase to lay the groundwork for further growth to achieve our management vision. Highlights of the strategy will position the airline business at the core and aim to enhance profit in the non-airline business, promoting the flow and activity of our customers among both areas. With these initiatives, we will aim to recover profitability and financial performance to pre-COVID levels, and through further business expansion from FY2026 and beyond, exceed pre-COVID levels as we aim to achieve our management vision.

“Safety,” “human resources,” and “digital transformation” will be at the core of our business foundation, as we promote ESG management and strive toward sustainable growth.

Three pillars of the business strategy to FY2025:

- Maximize profit in the airline business by optimizing the ANA Group’s multiple brands and expanding the cargo business.
- Expansion of non-airline profit through a focused allocation of resources based on categorized fields of businesses.
- Expand the ANA Group’s ecosystem for sustainable growth.



3. Airline Business Strategy

Maximize profitability by optimizing the multiple brands and expanding the cargo business

- ① **Airline Business Portfolio: With the introduction of AirJapan in the second half of FY2023, cover a wide range of global demand with the three brands**
 - Aim to expand market share and profit in the airline business through the development of three brands: ANA, Peach, and AirJapan.
 - Flexibly adjust routes, schedules, and frequencies of the three brands in order to maximize profit in the airline business.
 - Increase profitability through collaborative marketing between the brands, enhanced usage of the brands by the customers, and consolidation of functions.
 - Maximize cargo business profit by leveraging strength as a “combination carrier” that utilizes both passenger aircraft and freighters.



ANA: Enhance profitability by restructuring the network, maximizing customer experience value and maintaining a robust cost structure

- Through the ANA Smart Travel initiative, deliver support and smoother experiences in all situations by integrating human and digital resources.
- Strengthen the ANA Mileage Club program and enhance customer engagement by leveraging ANA’s ecosystem to raise the lifetime value for customers.
- Establish a competitive and productive operating structure through flexible handling and digitization.
- Actively resume and increase flights on international routes to/from Haneda and Narita, and develop the domestic network with a focus on core routes.



Peach: Focus on profitability by capturing demand from leisure travel and visitors to Japan from Asia and optimizing the number of aircraft

- Deliver affordable fares, simple and user-friendly system, and easier access to travel.
- Focus on short-medium haul international routes in Asia where there is strong demand to capture leisure and inbound demand.
- Build a revenue base on routes with strong demand with Kansai and Narita as hubs for domestic routes, which enables Peach to focus on generating demand on new regional routes as well.



AirJapan: Capture overseas demand to Japan and achieve business efficiency with plan to launch service in the second half of FY2023

- Deliver fares that can compete with LCCs, services that cater to personal preferences, and unprecedented comfort.
- Capture inbound demand from overseas by launching flights to major cities in Southeast Asia, where the market opportunity is large and growing.
- Establish a competitive advantage by leveraging the ANA Group's LCC knowledge to achieve high business efficiencies along with quality.

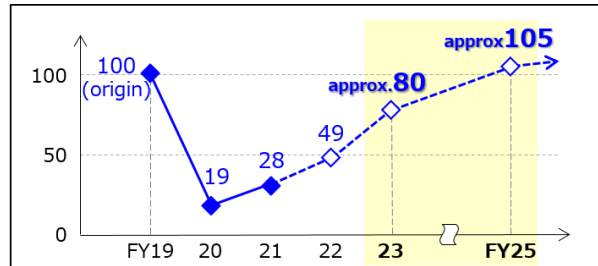
② **International Passenger Business: Achieve a growth trajectory over the mid-to-long term**

- Reorganize and strengthen the ANA Group network to increase capacity to approximately 105% in FY2025 compared to FY2019 levels.
- Through the development of three brands, capture various travel demand trends based on target customers of business, leisure and foreign inbound visitors to Japan.

1. Strategy points

- 1) Put International business on mid-to-long term growth trajectory**
 - Recover ASK steadily by reorganizing group network
 - Contribute group growth by improving profitability
- 2) Cover post-COVID needs with 3 brands**
 - Expand coverage of business, leisure, and inbound
 - Build a robust network leveraging alliance

2. ASK (Index : FY2019 ASK=100) ※Group TTL



3. Target area by brand



: Regions covered by leveraging alliance (Joint ventures, code-sharing with other airlines, etc.)



- 1) Resume and increase flights, mainly trunk routes from **Haneda & Narita**
- 2) Restore our global route network, including connection functions
- 3) Strengthen product & service quality and pursue high yield



- 1) Specialize in short/mid-range routes based from **Kansai & Narita**
- 2) Improve profitability by enhancing aircraft and crew utilization



- 1) Launch mid-range routes from **Narita** to establish a new revenue source

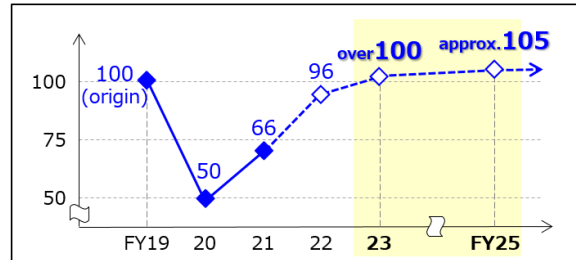
③ Domestic Passenger Business: Building a stable foundation

- ANA and Peach will jointly develop flight schedules and flexibly adjust routes and flights in response to passenger demand.
- Increase capacity for ANA and Peach combined to approximately 105% in FY2025 compared to FY2019 levels.

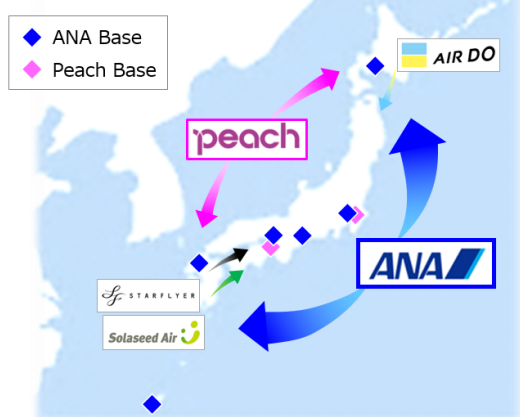
1. Strategy point

- 1) Build stable business base for the group**
 - Continue joint schedule between ANA and Peach, adjust routes, number of flights, etc., Response to passenger trends flexibly
- 2) Recovery ASK volume to pre-COVID level**
 - Pursue profitable network by optimizing supply to demand, sharing role, area, airport, flight schedule, between ANA & Peach

2. ASK (Index : FY2019 ASK=100) ※Group TTL



3. Target area by brand



ANA

- 1) Capture wide range customer including business demand, centered on trunk routes
- 2) Cover all of Japan by partnership with partner carriers
- 3) Increase use of "ANA Smart Travel"
 - Expand and personalize self-service to **improve service**
 - Simplify and smarten airports to **enhance employee productivity**

peach

- 1) Concentrate resource on high-profit routes, mainly from/to **Kansai & Narita**
- 2) Adjust ASK flexibly on domestic routes in response to recovery on international routes

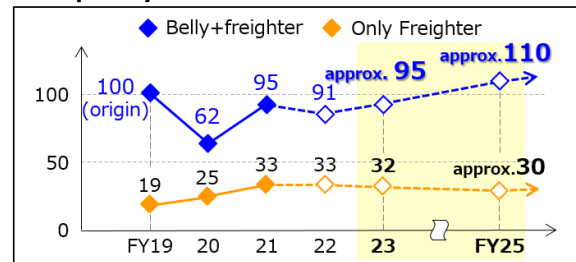
④ Cargo Business: Maximize earnings as a combination carrier

- Manage operations based on demand trends as a "combination carrier" that utilizes both passenger aircraft and freighters.
- With growing demand between Asia and North America, and the utilization of large freighters, increase capacity to 110% in FY2025 compared to FY2019 levels.

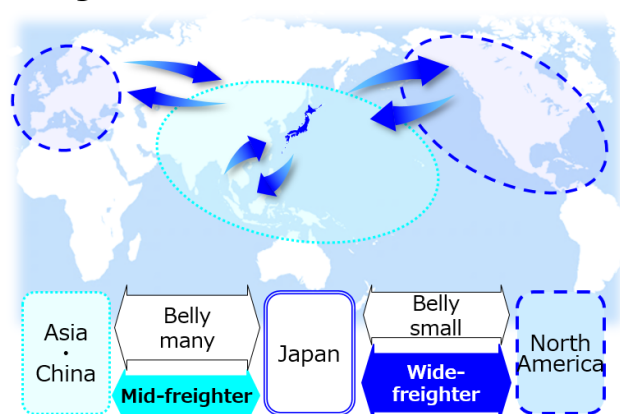
1. Strategy point

- 1) Pursue structure reform to create profits**
 - Maximize cargo revenue by capturing growing Asia=North America/Europe transportation demand and utilizing freighters to handle oversize cargo etc.
- 2) Leverage strength of combination career**
 - Optimize network balance between belly & freighter
 - Expand profitability by adjusting supply according to demand trends

2. Capacity (Index : FY2019 ATK=100)



3. Target area



ANA

- 1) Consolidate freighter routes from/to **Narita**
- 2) Maximize capacity using freighters
 - Capture oversize and special cargo
- 3) Engage in profit stabilization & improving operational efficiencies
 - Conclude contract with large customer/multi-year
 - Consolidate cargo sheds and unification of handling systems

Assign roles of belly and freighter

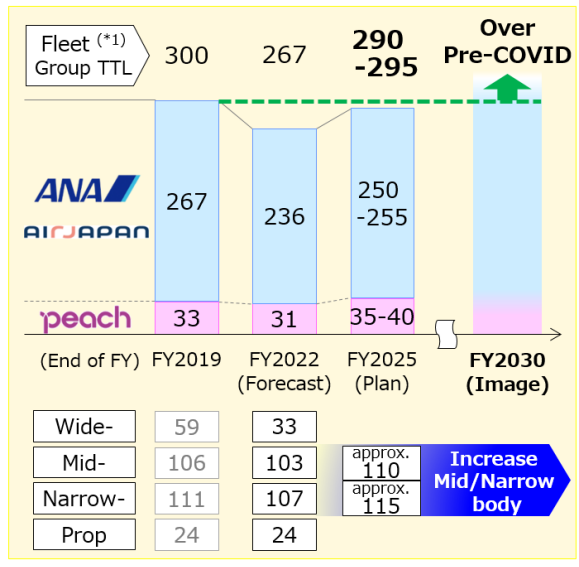
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| Belly | - Frequency flight in small-mid markets
- Fresh Food, Pharmaceuticals, Small item |
| Freighter | - Supplement belly in mid-large market
- Oversize and Special Cargo |

⑤ **Fleet Overview: Expand the fleet to exceed pre-COVID levels by FY2030**

- By FY2030, establish a fleet of 100 Boeing 787s with an increase of small and medium-sized aircraft.
- Together with the recovery in demand, expand the fleet for international routes as well as the proportion of fuel-efficient aircraft.

1. Number of Aircraft

- 1) Expand the number of fleet with business scale
 2) Pursue economic & social value in fleet strategy
 - Secure resource for growth
 - Update fleet
 - Consider for environment

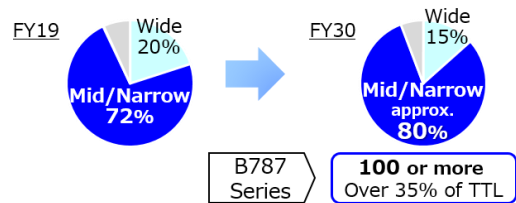


*1 : Not including aircraft retired and aircraft awaiting sale while monitoring
 *2 : ANA Group(of Jet Aircraft) : Boeing777, 787, 737-800/-700/-8, Airbus A320neo, A321neo

2. Direction of Fleet Strategy

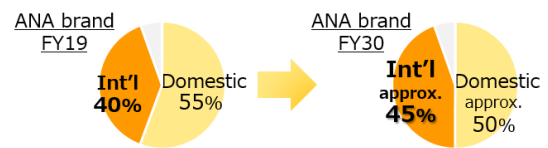
1) Increase mid/narrow body

Improve Load Factor & Yield



2) Increase fleet for international business

Allocate to growth area



3) Increase share of fuel-efficient aircraft (*2)

Accelerate response for environment



4. Non-Airline Business Strategy

Expand revenue from non-airline businesses by allocating resources based on categorized fields of businesses

Strengthen the non-airline business to achieve annual revenue of 400.0 billion yen and operating income of 24.0 billion yen in FY2025 from the core units*

(*All Nippon Airways Trading, ANAX, OCS, ANA Akindo, ANA Facilities, ANA Business Solutions, ANA Sky Building Service)

- Optimize resource allocation based on evaluation of each business based on investment profitability.
- Create new businesses in response to changes in society, and develop a framework to support the new initiatives.

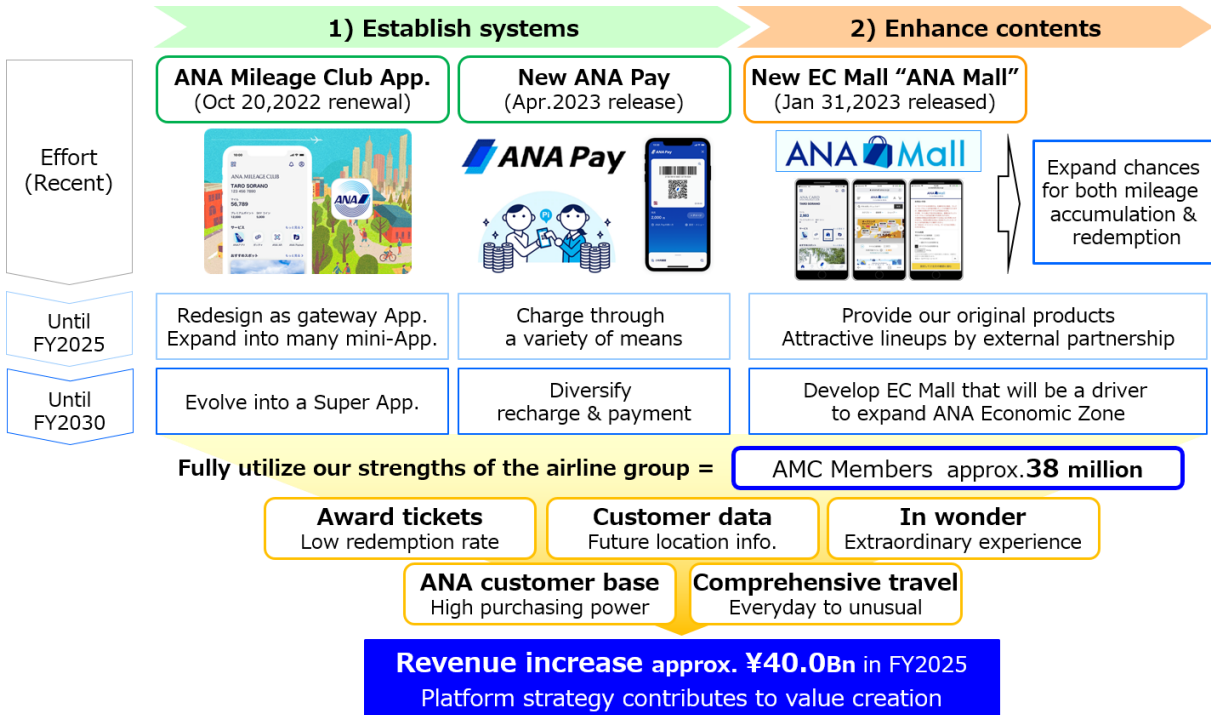
	1) Core business	2) Strengthen business	3) Creation, Investment, etc.
Business	Travel, Trading, Logistics, ANA Economic Zone	Regional Revitalization, Real Estate, Training, Building Facilities, etc.	Commercialized: Metaverse, Avatar; Considering: Air Mobility, Drone, Space
Non-airline companies	ANAX・ANA Trading・OCS	ANA Akindo・ANA Facilities, ANA Business Solutions, ANA Sky Building Service	avatarin・ANA NEO, ANAHD (air mobility・drone・space)
Direction	Business expansion, Driver of revenue	Generate stable profit, Promote structure reform	Promote investment and commercialization

5. Creating a “World Where People Can Live on Miles”

Pursuing sustainable growth by expanding the ANA ecosystem

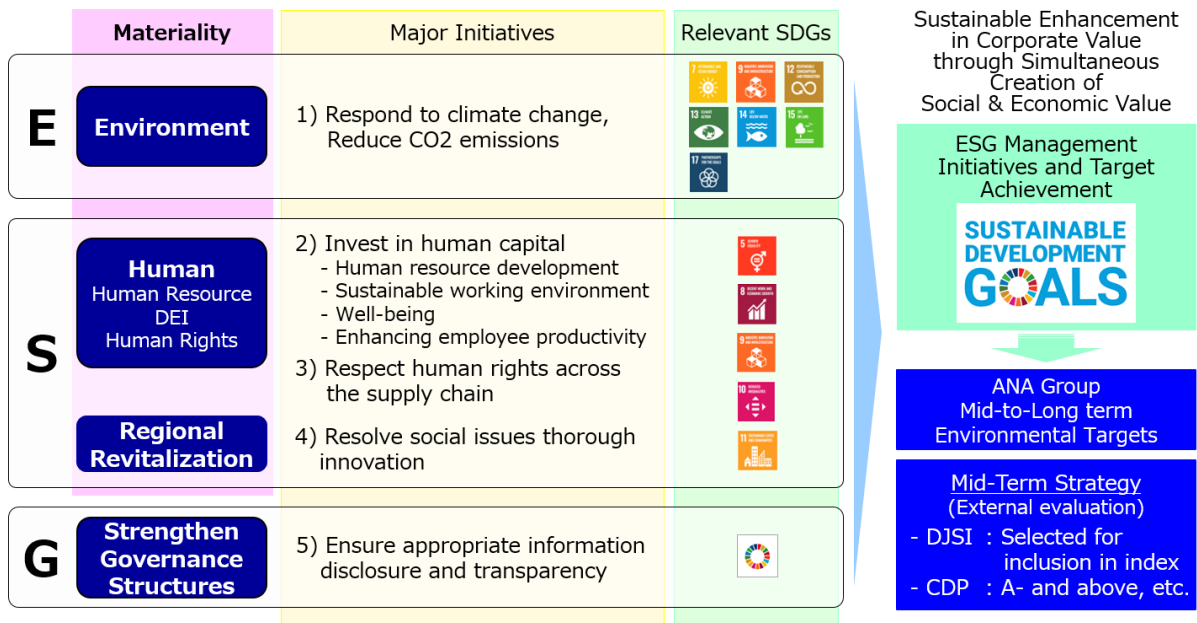
By FY2025, generate an additional 40.0 billion yen per year, contributing to a 200 billion yen ecosystem

- Establish the ANA ecosystem by enhancing three core functions: “ANA Mileage Club App,” “ANA Mall,” and “ANA Pay”.
- Generate customer flow between the airline and non-airline businesses by expanding contents and utilizing data.



6. ESG Management Initiatives

- Create sustainable value by strengthening the ANA Group's commitment to "environment," "people," "regional revitalization," and "corporate governance" as a company that serves society by pursuing solutions to social issues through its businesses.
- To highlight the value and strength brought forth by our employees, newly establish "human resources" as a key component of our ESG management.



We plan to update our [climate transition strategies to achieve carbon neutrality](#) in FY2023 based on changes in the CORSIA baseline emissions, determined at the 41st ICAO Assembly (Oct.2022)

7. Human Resources Strategy

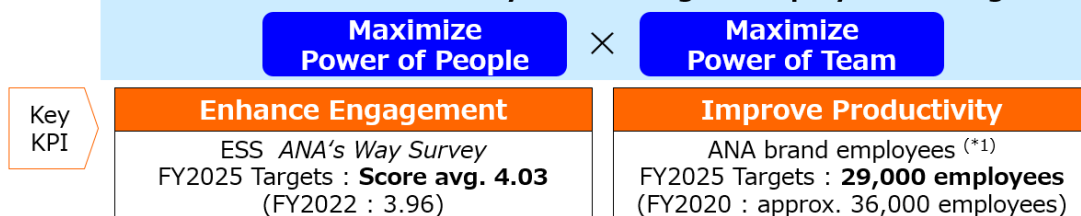
- By maximizing the value of diversity among people and organizations, the source of ANA Group's value and strength, elevate the company's value and enrich the lives of employees and families.
- By further investing in human resources, pursue a management structure where every person can fully demonstrate their strengths.

Key Issues based on our Corporate Strategy
1) Cultivate human resources capable of achieving change (airline/non-air) 2) Strengthen organizational capabilities to respond quickly to change 3) Improve human-based productivity

Strengthen investment in human capital

1) Development of working base	2) Evolve ANA's culture	3) Skill-up & HR portfolio
a) Engage health management b) Expand flexible work style c) Restore wages of employees	a) Promote DEI b) Listen to opinion from front line, young & overseas employees c) Encourage Middle-management	a) Encourage challenge & growth b) Use experience of secondments c) Cultivate HR for non-air business

Pursue transformation by maximizing all employee's strengths

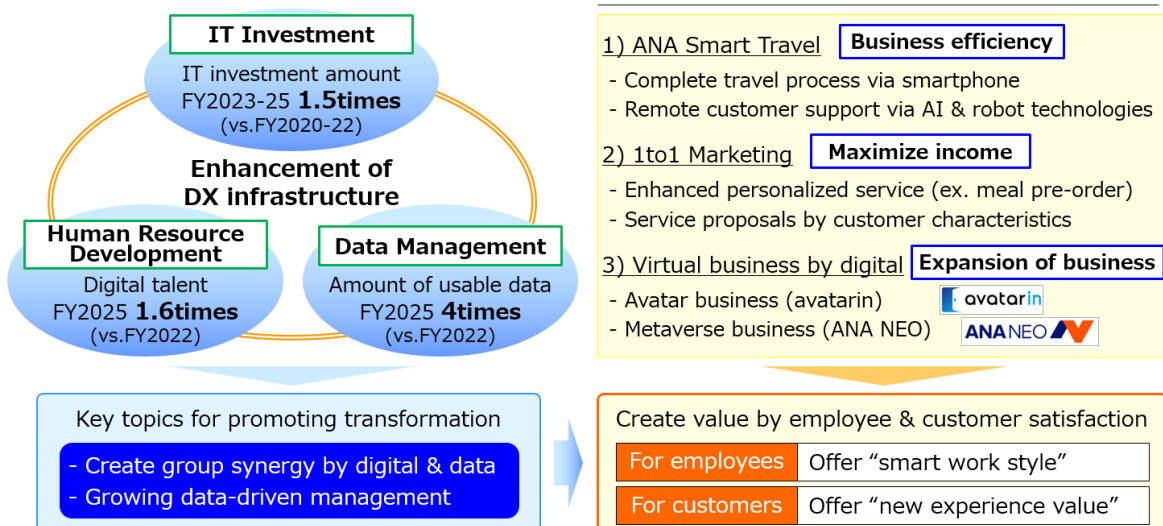


*1 : Operating basis

8. Digitization Strategy

- Accelerate business transformation through digitization and leveraging digital data across the ANA Group.
- By enriching our foundation for digitization, deliver new value for our customers and raise productivity.

Transformation Process by DX & Initiatives



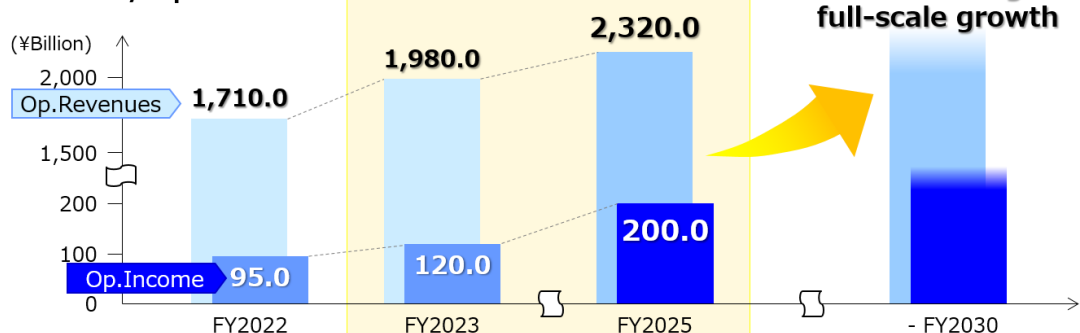
9. Targets for Creating Financial Value

- We will focus on a recovery centered around our core airline business and in FY2025, target revenue of 2.32 trillion yen, operating income of 200.0 billion yen, and net income of 122.0 billion yen.
- At the same time, we will work to recover our financial base and by FY2025, aim to reduce interest-bearing debt to 1.10 trillion yen and to achieve an equity ratio of 37%.
- Further, we will aim to recover employee's wage levels, and to achieve a surplus in our consolidated retained earnings while aiming to resume dividend payments during the period of this mid-term corporate strategy.

Value Creation Goals

	FY2022	FY2023	FY2025	FY2030 Target level
Op.Revenues	¥1,710.0Bn	¥1,980.0Bn	¥2,320.0Bn	Achieve profitability and financial strength as a global top-tier
Op.Income	¥95.0Bn	¥120.0Bn	¥200.0Bn	
Net Income	¥60.0Bn	¥63.0Bn	¥122.0Bn	
Op.Margin	5.6%	6.1%	8.6%	Over 10%
ROA	3.0%	3.8%	6-7%	Over 8%
ROE	7.4%	7.4%	11-12%	Over 12%
EBITDA	¥240.5Bn	¥270.0Bn	¥357.0Bn	
EPS	¥127.57	approx.¥134	approx.¥260	Above pre-COVID level

Op.Revenues / Op.Income



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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), established in 2013, is the largest airline group holding company in Japan 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 been recognized with SKYTRAX's 5-Star rating every year since 2013, with ANA being the only Japanese airline to win this prestigious designation for 10 consecutive years. ANA 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 2022, ANA received first place in the Global airline and Asia Pacific categories at the CIRIUM On-Time Performance Awards, marking the second consecutive year ANA was recognized as the most on-time airline in the world. 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 sixth consecutive year and the Dow Jones Sustainability Asia Pacific Index list for the seventh consecutive year.

For more information, please refer to the following link:
<https://www.ana.co.jp/group/en/>