

**ANA HOLDINGS reports Consolidated Financial Results  
 for the Three Months Ended June 30, 2023**

**1. Consolidated financial highlights for the three months ended June 30, 2023**

**(1) Consolidated financial and operating results**

(%: year-on-year)

	Operating revenues		Operating income (loss)		Ordinary income		Net income attributable to owners of the parent	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
Three months ended Jun 30, 2023	461,026	31.6	43,784	-	43,274	887.5	30,686	-
Three months ended Jun 30, 2022	350,419	76.2	(1,321)	-	4,382	-	1,002	-

\*Comprehensive income for the period Apr 1 - Jun 30, 2023 ¥ 58,609 million [102.3%]  
 for the period Apr 1 - Jun 30, 2022 ¥ 28,969 million [-%]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun 30, 2023	65.51	58.96
Three months ended Jun 30, 2022	2.13	1.90

**(2) Consolidated financial positions**

	Total assets	Equity	Shareholders' equity ratio	Net assets per share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Jun 30, 2023	3,465,392	921,043	26.3	1,952.28
As of Mar 31, 2023	3,366,724	870,391	25.6	1,833.64

(Reference) Shareholders' equity as of Jun 30, 2023 ¥ 912,788 million  
 as of Mar 31, 2023 ¥ 862,419 million

**2. Consolidated earnings forecast for the fiscal year ending March 31, 2024**

(%: year-on-year)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen
Entire FY2023	1,970,000	15.4	140,000	16.6	115,000	2.9	80,000	(10.6)	170.59

\*Revisions to the most recently disclosed earnings forecasts: None

### 3. Other

**(1) Changes of significant subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation):** None

	Consolidated	Equity method
Newly added	-	-
Excluded	-	-

**(2) Application of accounting methods which are exceptional for quarterly consolidated financial statements:**  
None

**(3) Changes in accounting policies, accounting estimates and restatement of corrections**

(i) Changes caused by revision of accounting standards: None

(ii) Changes other than (i): Yes

(iii) Changes in accounting estimates: None

(iv) Restatement of corrections: None

(Note) For details, please refer to "2. Financial Statements and Operating Results (4) Notes to Consolidated Financial Statements, (Changes in accounting policies)" on page 15.

**(4) Number of issued shares (Common stock)**

	Number of Shares			
	FY2023		FY2022	
Number of shares issued (including treasury stock)	As of Jun 30	484,293,561	As of Mar 31	484,293,561
Number of treasury stock	As of Jun 30	16,744,899	As of Mar 31	13,961,988
Average number of shares outstanding during the period	Three months ended Jun 30	468,415,735	Three months ended Jun 30	470,336,320

\* This report is not subject to audit procedures.

\* Explanation for appropriate use of forecasts and other notes

The earnings forecasts are forward-looking statements made on the basis of information available at the time forecasts are made and other certain assumptions deemed reasonable. Therefore, actual earnings may differ from forecast figures as a result of changes in business performance and other factors.

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## APPENDIX

### Overview of consolidated financial results for the Three Months Ended June 30, 2023

#### 1. Qualitative Information / Financial Statements, etc.

##### (1) Explanation of Consolidated Operating Results

Consolidated Operating Results	Yen (Billions)		
	Three months ended Jun 30, 2023	Three months ended Jun 30, 2022	year-on-year (%)
Operating Revenues	461.0	350.4	31.6
Air Transportation	418.5	314.2	33.2
Airline Related	67.5	55.4	21.9
Travel Services	17.7	13.9	27.0
Trade and Retail	27.5	22.4	22.7
Other	9.0	8.9	1.7
Intersegment Transactions	(79.3)	(64.5)	-
Operating Income (loss)	43.7	(1.3)	-
Air Transportation	42.3	(1.9)	-
Airline Related	3.1	1.9	59.5
Travel Services	0.1	(0.5)	-
Trade and Retail	1.1	0.5	133.4
Other	0.0	0.2	(99.6)
Intersegment Transactions	(3.1)	(1.5)	-
Ordinary income	43.2	4.3	887.5
Net income attributable to owners of the parent	30.6	1.0	-

\*See Notes 1 & 2 below.

In the first quarter of fiscal year 2023 (April 1, 2023 - June 30, 2023, hereinafter the “three months ended June 30, 2023”), the Japanese economy is gradually recovering and we are seeing an upturn in consumer spending, as corporate earnings and the employment environment continue to improve.

Despite concerns about geopolitical risks such as the situation in Ukraine, the airline business continues to see a recovery in passenger demand due to the further relaxation of travel restrictions and disease control measures in countries around the world.

Under these social and economic conditions, all businesses, including the airline business, achieved revenue growth, resulting in operating revenue of ¥461.0 billion, operating income of ¥43.7 billion, ordinary income of ¥43.2 billion, and net income attributable to owners of the parent of ¥30.6 billion, a significant increase compared to the same period last year.

In addition, we have updated our mid-term environmental targets in light of the new trends in environmental regulations in various countries. These updates aim to achieve a real reduction of 10% or more in ANA’s CO<sub>2</sub> emissions by FY2030 (compared to FY2019) as part of the company’s climate transition strategy to achieve carbon neutrality by FY2050. Furthermore, ANA received the Minister of Land, Infrastructure, Transport and Tourism Award at the 31st Grand Prize for the Global Environment Award event in recognition of our environmentally conscious initiatives, including the operation of our specially painted “ANA Green Jet.”

An overview of the three months ended June 30, 2023 by segment follows. (Revenues for each business segment include inter-segment sales, and operating income corresponds to segment income.).

## Overview by Segment

### ◎ Air Transportation

**Operating revenues: ¥418.5 billion, up 33.2 % year-on-year**

**Operating income: ¥42.3 billion (Operating loss ¥1.9 billion same period a year ago)**

With the reclassification of COVID-19 as a Class 5 Infectious Disease, passenger demand remains strong in domestic, international, LCC services, and operating revenues have substantially exceeded those of the same period last year. In terms of expenses, variable costs mainly increased due to factors such as an expansion in the scale of the operations. However, profit-and-loss improved greatly compared to the same period last year as an operating profit was achieved to extensive cost management initiatives.

Continuing from last year, ANA was selected as the best airline in three categories, including airport services, in the UK based SKYTRAX 2023 World Airline Awards.

#### <International Passenger Service (ANA Brand)>

Category		Three months ended Jun 30, 2023	Three months ended Jun 30, 2022	year-on-year (%)
Passenger Revenues	(Billion yen)	167.3	62.2	168.9
Number of Passengers	(Passengers)	1,623,985	684,746	137.2
Available Seat Km	(Thousand km)	12,556,187	6,204,389	102.4
Revenue Passenger Km	(Thousand km)	9,698,051	4,389,105	121.0
Load Factor	(%)	77.2	70.7	6.5

\*See Notes 3, 7, 8 & 12 below

In international passenger service, ANA has seen a year-on-year increase in both the number of passengers and revenues as a result of the upturn in visitors to Japan, as well as proactive initiatives to capture business demand for departures from Japan and demand for transit connections between North America and China.

On the route network, ANA has increased flights on the North America and China routes in order to capture demand for business travel and demand for inbound tourists to Japan, which are expected to recover. On routes to China, ANA has resumed operations on the following routes for the first time in three years: Haneda-Beijing and Haneda-Shanghai (Pudong/Hongqiao) since April; and Kansai-Shanghai (Pudong) since June.

In sales and marketing services, ANA has been offering discounted fares in an attempt to stimulate demand for leisure travel abroad out of Japan. In June, ANA began operating the "Pikachu Jet NH," an aircraft with a special Pikachu-themed livery for international routes, accompanied by original merchandise, in-flight entertainment, and other special campaigns that aim to provide travel-related fun and excitement.

#### <Domestic Passenger Service (ANA Brand)>

Category		Three months ended Jun 30, 2023	Three months ended Jun 30, 2022	year-on-year (%)
Passenger Revenues	(Billion yen)	142.5	102.0	39.7
Number of Passengers	(Passengers)	9,672,943	6,569,485	47.2
Available Seat Km	(Thousand km)	13,424,781	11,084,134	21.1
Revenue Passenger Km	(Thousand km)	8,982,956	5,976,159	50.3
Load Factor	(%)	66.9	53.9	13.0

\*See Notes 3, 4, 7, 8 & 12 below.

In domestic passenger service, business demand has increased compared to the same period last year but has not returned to pre-pandemic levels, while leisure demand has recovered to pre-pandemic levels, mainly due to the shift of the new COVID-19 to category 5 Infectious Disease, among other factors. ANA has been capturing demand with initiatives that are part of the ANA 70th anniversary campaign, including a second round of bargain sales of domestic fare “anywhere for ¥7,000 one-way on weekdays or ¥10,000 on weekends” and as a result ANA has seen both passenger numbers and revenues exceed those of the same period last year.

In terms of the route networks, ANA has been proactive in capturing leisure demand by introducing the use of large aircraft on high-demand routes and extra flights during Golden Week holiday, etc.

In sales and marketing services, ANA has operated special flights into and out of Narita Airport to commemorate 40 years of service of the Boeing 767, and ANA has also collaborated with TULLY’S COFFEE to enhance in-flight services.

<Cargo Service (ANA Brand)>

Category		Three months ended Jun 30, 2023	Three months ended Jun 30, 2022	year-on-year (%)
International Cargo Revenues	(Billion yen)	38.1	94.7	(59.7)
Available Cargo Capacity	(Thousand ton-km)	1,580,245	1,644,020	(3.9)
Cargo Volume	(Tons)	171,859	215,925	(20.4)
Cargo Traffic Volume	(Thousand ton-km)	864,088	1,125,861	(23.3)
Mail Revenues	(Billion yen)	1.2	1.3	(9.2)
Mail Volume	(Tons)	3,598	3,652	(1.5)
Mail Traffic Volume	(Thousand ton-km)	18,117	18,328	(1.2)
Cargo and Mail Load Factor	(%)	55.8	69.6	(13.8)
Domestic Cargo Revenues	(Billion yen)	5.2	5.9	(10.4)
Available Cargo Capacity	(Thousand ton-km)	412,578	299,745	37.6
Cargo volume	(Tons)	58,071	59,486	(2.4)
Cargo Traffic Volume	(Thousand ton-km)	65,868	67,830	(2.9)
Mail Revenues	(Billion yen)	0.6	0.7	(3.5)
Mail Volume	(Tons)	5,968	6,135	(2.7)
Mail Traffic Volume	(Thousand ton-km)	6,020	6,140	(2.0)
Cargo and Mail Load Factor	(%)	17.4	24.7	(7.3)

\*See Notes 3, 5, 6, 9, 10, 11 & 12 below.

In international cargo, ANA has worked to capture demand for cargo transport between North America and Asia/China, but both freight volume and revenues has declined year-on-year due to factors such as the downturn in market demand in key industries including semiconductors, electronic equipment, and automobile-related sectors

In terms of the route networks, ANA has worked to ensure profitability by reviewing trends in demand for each route and each day of the week and then adjusting the supply of cargo-only aircraft as required.

To expand our transport services and improve quality, ANA became the first Japanese airline to be issued “CEIV Fresh”, an international certification determined by the International Air Transport Association (IATA) to recognize quality in transportation services for perishable products.

<LCC>

Category		Three months ended Jun 30, 2023	Three months ended Jun 30, 2022	year-on-year (%)
LCC Revenues	(Billion yen)	27.7	15.5	78.2
Number of Passengers	(Passengers)	2,158,435	1,702,650	26.8
Available Seat Km	(Thousand km)	3,180,411	2,894,211	9.9
Revenue Passenger Km	(Thousand km)	2,671,146	1,938,871	37.8
Load Factor	(%)	84.0	67.0	17.0

\*See Notes 7, 8, 12 & 13 below.

ANA's Group LCC, Peach passenger numbers and revenues have both exceeded those of the same period last year as a result of ongoing strong leisure demand for domestic travel, primarily during Golden Week holiday, and proactive efforts to capture inbound demand to Japan on international routes.

In terms of the route networks, in May, Peach resumed operations on the Kansai-Shanghai (Pudong) and the Haneda-Shanghai (Pudong) for the first time in three years, in an effort to capture inbound demand to Japan.

In sales and marketing services, cumulative number of passengers since Peach launched on March 1, 2012 has exceeded 50 million. Peach held commemorative events and sales, and also worked to stimulate demand from new customers through collaboration campaigns with the "Precure" anime and the music group "back number."

<Others in Air Transportation>

Other revenue in Air Transportation was ¥35.5 billion (¥31.6 billion, up 12.2% year-on-year). Other revenue in Air Transportation includes revenue from the mileage program, in-flight sales revenue, and revenue from aircraft maintenance contracts, etc.

◎ **Airline Related**

**Operating revenues: ¥67.5 billion, up 21.9 % year-on-year**

**Operating income: ¥3.1 billion, up 59.5 % year-on-year**

Operating revenues and income have increased year-on-year due to an increase in airport ground support services such as passenger check-in reception and baggage handling, etc., outsourced to us by foreign airlines, as well as an increase in the in-flight meal business that has accompanied by the recovery in passenger travel demand.

◎ **Travel Service**

**Operating revenues: ¥17.7 billion, up 27.0 % year-on-year**

**Operating income: ¥0.1 billion (Operating loss ¥0.5 billion same period a year ago)**

In terms of domestic travel, there has been a recovery in demand (primarily during Golden Week holiday), which has been helped by the government's ongoing Nationwide Travel Support Program since last fiscal year, and dynamic package products to all destinations, as well as "ANA Travelers Hotel" products, have performed well. Demand for overseas travel primarily products to Hawaii was up significantly compared to last year, and we have also started to see a recovery for personal travel, etc., to Asian destinations and the mainland USA. As a result of the above, operating revenues exceeded those of the previous year and an operating profit was achieved.

In addition, the mobile payment service "ANA Pay" was renewed in May, and working more user-friendly by making it possible to charge from one mile as well as significantly increasing the number of stores where it can be used, among other initiatives.

◎ **Trade and Retail**

**Operating revenues: ¥27.5 billion, up 22.7 % year-on-year**

**Operating income: ¥1.1 billion, up 133.4 % year-on-year**

Year-on-year operating revenues and income have increased due to increased sales from the airport retail outlet "ANA FESTA," the airport outlet "ANA DUTY FREE SHOP," and the tourist souvenir wholesaler "FUJISEY" that have accompanied by the recovery in passenger demand, as well as the increased transaction volumes in the electronics business due to the strong demand for semiconductors.

◎ **Other**

**Operating revenues: ¥9.0 billion, up 1.7 % year-on-year**

**Operating income: ¥0.0 billion, down 99.6 % year-on-year**

In the real estate-related business and the airport facilities maintenance and management business, operating revenues increased year-on-year due to an increase in business volume and other factors, but despite this, profit-and-loss was down year-on-year due to preparation expenses for re-opening of international facilities at Haneda Airport Terminal 2.



Notes:

1. The breakdowns within segments are the categories used for internal management.
2. The revenues for each segment include internal inter-segment revenues; operating income/loss is the income/loss for the segment.
3. Non-scheduled flights have been excluded from both domestic and international routes.
4. The results for passenger travel on domestic routes include results from code share flights with IBEX Airlines Co.,Ltd., AIRDO Co.,Ltd., Solaseed Air Inc., Star Flyer Inc. and some of code share flights with ORIENTAL AIR BRIDGE CO.,LTD. Also, includes code-shared flights with Peach Aviation Limited from August 27, 2021 to October 29, 2022. From October 30, 2022 includes some code-share flights with Amakusa Airline Co.,Ltd. and JAPAN AIR COMMUTER CO.,LTD.
5. The results for international cargo and mail include the results for code share flights, results for airline charter flights, flights with block space agreements, and land transport results.
6. Domestic cargo and mail results include results for code share flights with Peach Aviation Limited, AIRDO Co., Ltd., Solaseed Air Inc., ORIENTAL AIR BRIDGE CO., LTD, and Star Flyer Inc., results for airline charter flights, and land transport results.
7. Available Seat-Kilometers represent the total figure calculated by multiplying the available number of seats on each segment of each route (seats) by the distance for each segment (km).
8. Revenue Passenger-Kilometers represent the total figure calculated by multiplying the number of passengers (people) on each segment of each route by the distance for each segment (km).
9. Available Cargo Capacity is the total calculated by multiplying the available cargo space (tons) on each segment of each route by the distance for each segment (km). Please note that for passenger aircraft, the available cargo space in the hold (belly) of the aircraft is multiplied by the distance traveled for each segment. Moreover, the available cargo space in the belly includes the available space for checked luggage of passengers on the flight in addition to cargo, mail, etc.
10. Cargo Traffic Volume and Mail Traffic Volume is the total calculated by multiplying the volume of cargo transported on each segment of each route (tons) by the distance for each segment (km).
11. The Cargo and Mail Load Factor is the figure arrived at by dividing the sum of the cargo traffic volume and the mail traffic volume by the available cargo capacity.
12. Percentage point difference for Passenger load factor and cargo and mail load factor between previous year and FY2023 is indicated in field of year-on-year.
13. The results for LCC are results from Peach Aviation Limited.

## (2) Information Regarding Consolidated Financial Conditions

(i) Financial conditions as of June 30, 2023

**Assets:** Due to an increase in cash and deposit, etc., total assets increased by ¥98.6 billion compared to the balance as of the end of FY2022 to ¥3,465.3 billion.

**Liabilities:** As a result of the increase in contract liabilities due to an increase in the number of reservations and issuance of airline tickets, etc., total liabilities increased by ¥48.0 billion compared to the balance as of the end of FY2022 to ¥2,544.3 billion. Interest-bearing debt (including Zero Coupon Convertible Bonds with Stock Acquisition Rights) decreased by ¥34.9 billion compared to the balance as of the end of FY2022 to ¥1,572.9 billion.

**Equity:** In addition to recording net income attributable to owners of the parent, and due to an increase deferred gain on derivatives under hedge accounting, etc., total equity increased by ¥50.6 billion compared to the balance as of the end of FY2022 to ¥921.0 billion. For details, please refer to “2. Financial Statements and Operating Results (1) Consolidated Balance Sheet” on page 11.

(ii) Cash Flows for three months ended June 30, 2023

**Operating activities:** Income before income taxes and non-controlling interests for the current period was ¥43.2 billion. After adjustments on non-cash items such as depreciation and amortization and addition and subtraction of accounts receivable and payable for operating activities, cash flows from operating activities (inflow) was ¥139.4 billion.

**Investment activities:** Due to spend on capital investment, etc., cash flows from investing activities (outflow) was ¥69.2 billion. As a result, free cash flow (inflow) was ¥70.1 billion.

**Financial activities:** Due to repay debt, etc., cash flow from financing activities (outflow) was ¥43.2 billion. As a result of the above, cash and cash equivalents at the end of the current period increased by ¥29.8 billion compared to the balance from the beginning at the period, to ¥1,143.3 billion. For details, please refer to “2. Financial Statements and Operating Results (3) Consolidated Statement of Cash Flows-Summary” on page 14.

## (3) Explanation of Forecast of Consolidated Financial Results

The Group has not changed the forecast of consolidated financial results announced on April 27, 2023.

## 2. Financial Statements and Operating Results

### (1) Consolidated Balance Sheet

	Yen (Millions)	
<b>Assets</b>	FY2023 as of Jun 30, 2023	FY2022 as of Mar 31, 2023
<b>Current assets:</b>		
Cash and deposits	642,841	603,686
Notes and accounts receivable	184,011	186,085
Lease receivables and investments in leases	14,123	14,724
Marketable securities	610,954	580,037
Inventories (Merchandise)	10,443	8,958
Inventories (Supplies)	37,633	35,697
Other current assets	156,200	121,891
Allowance for doubtful accounts	(282)	(258)
<b>Total current assets</b>	<b>1,655,923</b>	<b>1,550,820</b>
<b>Fixed assets:</b>		
<b>Property and equipment:</b>		
Buildings and structures	89,945	92,156
Aircraft	882,215	904,339
Machinery, equipment and vehicles	27,212	27,423
Furniture and fixtures	11,705	12,600
Land	44,062	44,045
Lease assets	3,859	3,782
Construction in progress	203,475	186,967
<b>Total property and equipment</b>	<b>1,262,473</b>	<b>1,271,312</b>
<b>Intangible assets:</b>		
Goodwill	17,586	18,115
Other intangible assets	72,246	69,705
<b>Total intangible assets</b>	<b>89,832</b>	<b>87,820</b>
<b>Investments and other assets:</b>		
Investment securities	158,976	149,952
Long-term receivables	6,668	6,635
Deferred tax assets	242,771	263,303
Asset for defined benefits	1,638	1,618
Other assets	49,796	37,753
Allowance for doubtful accounts	(3,524)	(3,486)
<b>Total investments and other assets</b>	<b>456,325</b>	<b>455,775</b>
<b>Total fixed assets</b>	<b>1,808,630</b>	<b>1,814,907</b>
<b>Deferred assets</b>	<b>839</b>	<b>997</b>
<b>TOTAL</b>	<b>3,465,392</b>	<b>3,366,724</b>

	Yen (Millions)	
<b>Liabilities and Equity</b>	FY2023 as of Jun 30, 2023	FY2022 as of Mar 31, 2023
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	172,724	162,969
Short-term loans	84,170	92,170
Current portion of long-term debt	83,985	84,633
Current portion of bonds	30,000	30,000
Finance lease obligations	2,765	3,047
Income taxes payable	3,199	6,910
Contract liabilities	463,504	393,545
Accrued bonuses to employees	30,331	33,686
Other provisions	20,073	19,629
Other current liabilities	61,275	56,812
<b>Total current liabilities</b>	<b>952,026</b>	<b>883,401</b>
<b>Long-term liabilities:</b>		
Bonds	155,000	155,000
Convertible bonds with stock acquisition rights	220,000	220,000
Long-term debt	992,001	1,017,585
Finance lease obligations	5,068	5,483
Deferred tax liabilities	701	206
Accrued bonuses to employees	222	-
Accrued corporate executive officers' retirement benefits	600	586
Liability for retirement benefits	160,237	161,129
Other provisions	25,677	23,112
Asset retirement obligations	1,541	1,537
Other long-term liabilities	31,276	28,294
<b>Total long-term liabilities</b>	<b>1,592,323</b>	<b>1,612,932</b>
<b>Total liabilities</b>	<b>2,544,349</b>	<b>2,496,333</b>
<b>Equity</b>		
<b>Shareholders' equity:</b>		
Common stock	467,601	467,601
Capital surplus	407,328	407,328
Retained earnings	9,560	(21,126)
Treasury stock	(67,314)	(59,365)
<b>Total shareholders' equity</b>	<b>817,175</b>	<b>794,438</b>
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on securities	42,749	36,824
Deferred gain on derivatives under hedge accounting	62,899	42,496
Foreign currency translation adjustments	3,244	2,481
Defined retirement benefit plans	(13,279)	(13,820)
<b>Total</b>	<b>95,613</b>	<b>67,981</b>
<b>Non-controlling interests</b>	<b>8,255</b>	<b>7,972</b>
<b>Total equity</b>	<b>921,043</b>	<b>870,391</b>
<b>TOTAL</b>	<b>3,465,392</b>	<b>3,366,724</b>

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**

## Consolidated Statement of Income

Yen (Millions)

	Three months ended Jun 30, 2023	Three months ended Jun 30, 2022
<b>Operating revenues</b>	461,026	350,419
<b>Cost of sales</b>	370,086	311,732
<b>Gross income</b>	90,940	38,687
<b>Selling, general and administrative expenses</b>		
Commissions	12,549	8,884
Advertising	1,349	362
Employees' salaries and bonuses	7,341	8,069
Provision of allowance for doubtful accounts	9	(2)
Provision for accrued bonuses to employees	1,806	1,652
Retirement benefit expenses	670	753
Depreciation	4,794	5,798
Outsourcing expenses	6,277	5,147
Other	12,361	9,345
<b>Total selling, general and administrative expenses</b>	47,156	40,008
<b>Operating income (loss)</b>	43,784	(1,321)
<b>Other income:</b>		
Interest income	148	63
Dividend income	302	303
Share of profit of entities accounted for using equity method	269	-
Foreign exchange gain, net	1,850	4,372
Gain on sales of assets	155	1,994
Gain on donation of non-current assets	134	14
Subsidies for employment adjustment	-	3,325
Other	3,366	6,268
<b>Total other income</b>	6,224	16,339
<b>Other expenses:</b>		
Interest expenses	5,979	6,279
Share of loss of entities accounted for using equity method	-	392
Loss on sales of assets	19	6
Loss on disposal of assets	285	518
Grounded aircraft expense	-	2,953
Other	451	488
<b>Total other expenses</b>	6,734	10,636
<b>Ordinary income</b>	43,274	4,382
<b>Special loss:</b>		
Loss on valuation of investments securities	-	25
<b>Total special loss</b>	-	25
<b>Income before income taxes</b>	43,274	4,357
<b>Income taxes</b>	12,356	3,219
<b>Net income</b>	30,918	1,138
<b>Net income attributable to non-controlling interests</b>	232	136
<b>Net income attributable to owners of the parent</b>	30,686	1,002

Consolidated Statement of Comprehensive Income

Yen (Millions)

	Three months ended Jun 30, 2023	Three months ended Jun 30, 2022
<b>Net income</b>	30,918	1,138
<b>Other comprehensive income:</b>		
Unrealized gain (loss) on securities	5,892	(6,027)
Deferred gain on derivatives under hedge accounting	20,403	32,078
Foreign currency translation adjustments	823	1,114
Defined retirement benefit plans	539	532
Share of other comprehensive income in affiliates	34	134
<b>Total other comprehensive income</b>	27,691	27,831
<b>Comprehensive income</b>	58,609	28,969
Total comprehensive income attributable to:		
Owners of the parent	58,318	28,691
Non-controlling interests	291	278

**(3) Consolidated Statement of Cash Flows-Summary**

Yen (Millions)

	Three months ended Jun 30, 2023	Three months ended Jun 30, 2022
<b>I. Cash flows from operating activities</b>		
Net cash provided by operating activities (Note 1)	139,446	118,957
<b>II. Cash flows from investing activities</b>		
Net cash used in investing activities (Note 2)	(69,268)	(41,415)
<b>III. Cash flows from financing activities</b>		
Net cash used in financing activities	(43,254)	(23,672)
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	2,932	6,118
<b>V. Net increase in cash and cash equivalents</b>	29,856	59,988
<b>VI. Cash and cash equivalents at beginning of period</b>	1,113,481	882,329
<b>VII. Cash and cash equivalents at end of period</b>	1,143,337	942,317
Note 1 including, Depreciation and amortization	35,367	37,643
Note 2 including, Investment in capital expenditures	(43,517)	(28,771)

**(4) Notes to Consolidated Financial Statements**

(Notes Regarding Going Concern Assumption)

Not applicable.

(Notes in the Event of Significant Changes in Shareholders' Capital)

Not applicable.

(Changes in accounting policies)

(Change in scope of funds in consolidated statements of cash flows)

Previously, time deposits with deposit terms exceeding three months were not included in the scope of funds, but from three months ended Jun 30, 2023, time deposits with deposit terms of six months or less are included. This is because the Group reviewed its internal rules for time deposits with deposit terms of more than three months but less than six months in line with the reality of cash management, and determined that including these time deposits in the scope of funds would more appropriately present the status of cash flows.

The change in accounting policy has been applied retrospectively, and the amounts for three months ended Jun 30, 2022 have been retrospectively applied. As a result of this change, compared with the figures before retrospective application, Cash flows from investing activities in three months ended Jun 30, 2022 increased by ¥57,726 million, Net increase in cash and cash equivalents in three months ended Jun 30, 2022 increased by ¥57,741 million, and Cash and cash equivalents at end of period in three months ended Jun 30, 2022 increased by ¥319,033 million, respectively.

(Segment Information)

I. Three months ended Jun 30, 2023

1. Information on amount of operating revenues, profit or loss by reporting segment

	Reportable Segments				Yen (Millions)
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	408,845	10,762	14,035	24,046	457,688
Intersegment revenues and transfers	9,723	56,754	3,690	3,478	73,645
Total	418,568	67,516	17,725	27,524	531,333
Segment profit	42,382	3,163	170	1,188	46,903

  

	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	3,338	461,026	-	461,026
Intersegment revenues and transfers	5,737	79,382	(79,382)	-
Total	9,075	540,408	(79,382)	461,026
Segment profit	1	46,904	(3,120)	43,784

(\*1) "Others" represents all business segments that are not included in reportable segments, such as facility management, business support and other operations.

(\*2) "Adjustments" of "Segment profit" represent the elimination of corporate expenses.

(\*3) "Segment profit" is reconciled with operating income on the consolidated statement of income for the current period.

2. Information regarding impairment loss on fixed assets or goodwill by reportable segment

Not applicable.

3. Matters about changes of reportable segment

Not applicable.



II. Three months ended Jun 30, 2022

1. Information on amount of operating revenues, profit or loss by reporting segment

	Reportable Segments				Yen (Millions)
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	305,600	10,442	10,678	20,211	346,931
Intersegment revenues and transfers	8,664	44,963	3,283	2,228	59,138
Total	314,264	55,405	13,961	22,439	406,069
Segment profit (loss)	(1,937)	1,983	(549)	509	6

  

	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	3,488	350,419	-	350,419
Intersegment revenues and transfers	5,434	64,572	(64,572)	-
Total	8,922	414,991	(64,572)	350,419
Segment profit (loss)	249	255	(1,576)	(1,321)

(\*1) "Others" represents all business segments that are not included in reportable segments, such as facility management, business support and other operations.

(\*2) "Adjustments" of "Segment profit (loss)" represent the elimination of corporate expenses.

(\*3) "Segment profit (loss)" is reconciled with operating loss on the consolidated statement of operations for the previous period.

2. Information regarding impairment loss on fixed assets or goodwill by reportable segment

Not applicable.

3. Matters about changes of reportable segment, etc.

Not applicable.

(Subsequent Events)

(Wholly Owned Subsidiary through Simplified Share Exchange)

The Company that at the meeting of its Board of Directors held July 10, 2023, it resolved to implement a share exchange (the "Share Exchange") in which the Company will become a wholly owning parent company resulting from the Share Exchange and Nippon Cargo Airlines Co., Ltd ("NCA") will become a wholly owned subsidiary resulting from the Share Exchange, effective as of October 1, 2023, subject to the approvals of the relevant authorities, and that the Company has entered into an agreement for the Share Exchange (the "Share Exchange Agreement") with NCA as of same day.

1. Overview of the Share Exchange

(i) Wholly Owned Subsidiary Resulting from the Share Exchange of name and Business

Wholly Owned Subsidiary Resulting from the Share Exchange of name	Nippon Cargo Airlines Co., Ltd.
Business	Air cargo transportation business, etc.

(ii) Purpose of the Share Exchange

We believe that the best way to increase the Group's profitability and accelerate our growth strategy is to make NCA a wholly owned subsidiary through a stock swap. The future integration and restructuring of ANA Group's cargo business, which utilizes Japan's largest international passenger flight network, and NCA's large cargo aircraft, will make it possible to provide high-quality and competitive air cargo transportation services that can respond to the increasing sophistication of the supply chain, and the Company will aim to contribute to society by providing value in the world of logistics, not least in air transportation.

(iii) Effective Date of the Share Exchange

October 1, 2023 (scheduled)

(iv) Method of the Share Exchange

This is a share exchange in which the Company will become the wholly owning parent company and NCA will become the wholly owned subsidiary. The Company plans to implement the Share Exchange, which will take effect as of October 1, 2023, through simplified share exchange procedures without obtaining approval by resolution at a general meeting of shareholders, pursuant to the main clause of Article 796, Paragraph 2 of the Companies Act, and NCA plans to implement the same after obtaining the approval for the Share Exchange Agreement at the extraordinary meeting of shareholders to be held by the middle of September, 2023.

2. Allotment of Shares in the Share Exchange and Method of Calculation of the share exchange ratio

(i) Allotment of Shares in the Share Exchange

	Company (Wholly Owing Parent Company Resulting from the Share Exchange)	NCA (Wholly Owned Subsidiary Resulting from the Share Exchange)
Allotment Ratio in the Share Exchange	1	0.009815
Number of Shares to Be Delivered in the Share Exchange	3,926,000 shares of common stock of the Company(scheduled)	

Notes:

1. Allotment Ratio of Shares:

0.009815 shares of common stock of the Company will be allotted to 1 share of Class II stock of NCA (provided, however, that if all Class II stock are changed into common stock by the day immediately preceding the effective date of Share Exchange, 1 share of common stock of NCA will be allotted).

2. Number of Shares of the Company to Be Delivered in the Share Exchange:

The Company will allot and deliver 3,926,000 shares of common stock of the Company in the share Exchange. With respect to the share to be delivered the Company plans to appropriate 3,926,000 shares of treasury stock held by it, and does not plan to issue new shares.

3. Number of Outstanding Shares of NCA:

Outstanding shares of NCA consist of 400,000,000 shares of Class II stock and 790,973,000 shares of class stock that are all subject to call option (all class stock subject to call option are treasury stock). NCA plans to cancel all of its treasury stock by resolution of a meeting of the Board of Directors to be held by the day immediately preceding the effective date of the Share Exchange.

(ii) Method of Calculation of the share exchange ratio

In order to ensure the fairness and appropriateness of the calculation of the share exchange ratio to be used in the Share Exchange, the Company requested KPMG FAS Co., Ltd. ("KPMG"), a third-party valuator independent of the Company and NCA, to calculate the share value of the Company and NCA and the exchange ratio. With reference to the results of the calculations of the share value and share exchange ratio (the "Share Exchange Ratio") submitted by KPMG, and after comprehensively considering factors such as NCA's financial conditions, asset conditions, and future prospects, the Company determined that the valuation amount of NCA was appropriate. After the Company and NCA have repeatedly discussed and examined the share exchange ratio between them after comprehensively considering factors such as their respective financial condition, asset condition, and future prospects, with reference to the calculation results of the share value and the share

exchange ratio submitted by their respective third-party valuator. As a result, the Share Exchange Ratio is appropriate for each shareholder and will not harm the interests of shareholders. Therefore, the Company decided to implement the Share Exchange at the Share Exchange Ratio.

### **3. Other**

Not applicable.