ANA HOLDINGS INC. (9202)
Consolidated Financial Results
For the year ended March 31, 2021

ANA HOLDINGS reports Consolidated Financial Results for the Year Ended March 31, 2021

1. Consolidated financial highlights for the year ended March 31, 2021

(1) Consolidated financial and operating results (%: year-on-year)

	Operating revenues		Operating (loss) income		Ordinary (loss) income		Net (loss) income attributable to owners of the parent	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
FY2020 ended Mar 31, 2021	728,683	(63.1)	(464,774)	-	(451,355)	-	(404,624)	-
FY2019 ended Mar 31, 2020	1,974,216	(4.1)	60,806	(63.2)	59,358	(62.1)	27,655	(75.0)

*Comprehensive income for the period Apr 1 – Mar 31, 2021 ¥ (353,235) million [-%]
for the period Apr 1 – Mar 31, 2020 ¥ (14,742) million [-%]

	Net (loss) income per share	Return on equity	Ratio of ordinary profit to total assets	Operating income margin ratio
	Yen	%	%	%
FY2020 ended Mar 31, 2021	(1,082.04)	(39.1)	(15.7)	(63.8)
FY2019 ended Mar 31, 2020	82.66	2.6	2.3	3.1

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates
for the year ended Mar 31, 2021 ¥ (3,630) million
for the year ended Mar 31, 2020 ¥ 1,210 million

(2) Consolidated financial positions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Mar 31, 2021	3,207,883	1,012,320	31.4	2,141.49
As of Mar 31, 2020	2,560,153	1,068,870	41.4	3,171.80

(Reference) Shareholders' equity as of Mar 31, 2021 ¥ 1,007,233 million
as of Mar 31, 2020 ¥ 1,061,028 million

(3) Consolidated cash flows Yen (Millions)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
FY2020 ended Mar 31, 2021	(270,441)	(595,759)	1,098,172	370,322
FY2019 ended Mar 31, 2020	130,169	(230,218)	23,869	135,937

2. Dividends

Yen

Dividends per share	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Full fiscal year
FY2019	-	-	-	0.00	0.00
FY2020	-	-	-	0.00	0.00
FY2021 (Forecast)	-	-	-	0.00	0.00

	Total dividends Yen (Millions)	Payout ratio (Consolidated)(%)	Dividend on equity (Consolidated)(%)
FY2019	0	0.0	0.0
FY2020	0	-	0.0
FY2021 (Forecast)	-	0.0	-

3. Consolidated earnings forecast for the fiscal year ending March 31, 2022

(%: year-on-year)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of the parent		Net income (loss) per share
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen
Entire FY2021	1,380,000	89.4	28,000	-	5,000	-	3,500	-	7.44

*Forecast for the six months ending September 30, 2021 is not made.

4. Other

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

	Consolidated	Equity method
Newly added	-	-
Excluded	-	-

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

- (i) Changes caused by revision of accounting standards: None
- (ii) Changes other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement and corrections: None

(3) Number of issued shares (Common stock)

Number of Shares

	FY2020		FY2019	
Number of shares issued (including treasury stock)	As of Mar 31	484,293,561	As of Mar 31	348,498,361
Number of treasury stock	As of Mar 31	13,950,901	As of Mar 31	13,978,652
Average number of shares outstanding during the year	Apr 1-Mar 31	373,945,345	Apr 1-Mar 31	334,559,440

*For the number of common stocks used as basis for calculating consolidated net income per share, see page 32 "(Per share information)".

(Reference) Summary of non-consolidated financial results

(1) Non-consolidated financial results

Yen (Millions)

	Operating revenues		Operating income		Ordinary income		Net (loss) income	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
FY2020 ended Mar 31, 2021	233,665	(13.1)	61,260	(35.3)	41,543	(57.4)	(26,113)	-
FY2019 ended Mar 31, 2020	268,895	5.4	94,690	3.5	97,522	12.6	89,249	11.5

	Net (loss) income per share
	Yen
FY2020 ended Mar 31, 2021	(69.81)
FY2019 ended Mar 31, 2020	266.66

(2) Non-consolidated financial positions

	Total assets	Total net assets	Equity ratio	Net assets per Share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Mar 31, 2021	3,040,813	1,224,464	40.3	2,602.62
As of Mar 31, 2020	1,929,987	931,603	48.3	2,783.80

(Reference) Shareholders' equity as of Mar 31, 2021 ¥ 1,224,464 million
as of Mar 31, 2020 ¥ 931,603 million

(Reason of change in non-consolidated financial results compared to the results in the previous fiscal year)

The change in non-consolidated financial results were mainly due to decrease in dividends from subsidiaries and affiliates, and business restructuring expense recorded in the fiscal year ended March 31, 2021.

* This report is not subject to audit procedures

* Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to ANA HOLDINGS INC., hereinafter "the Company" and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons. Please refer to "1. Summary of Operating Results etc. (1) Analysis of operating results" on page 5 in the Appendix for the assumptions used and other notes.

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APPENDIX

1. Summary of Operating Results etc.

(1) Analysis of Operating Results

①Overview of the fiscal year ended March 31, 2021

Although the Japanese economy continues to struggle in the current fiscal year due to the effects of Coronavirus (COVID-19), corporate production activities and capital investment continue to revive, while weaknesses remain in terms of, for example, personal consumption.

The airline industries have faced an unprecedented worldwide severe condition, because the passenger demand dramatically decreased by immigration restrictions and stay-at-home request. Under these economic conditions, operating revenues decreased rapidly to ¥728.6 billion (down 63.1% year-on-year) due to the severe impact on all segments. ANA Group implemented cost reduction measures of ¥590.0 billion (includes the employment adjustment subsidy ¥43.4 billion) by decreasing the fixed expenses, and reducing variable expenses due to curbing the scale of operations. However, due to the extremely large reduction in operating revenues, operating loss was ¥464.7 billion (operating income ¥60.8 billion same period a year ago), ordinary loss was ¥451.3 billion(ordinary income ¥59.3 billion same period a year ago) and net loss attributable to owners of the parent was ¥404.6 billion (net income attributable to owners of the parent ¥27.6 billion same period a year ago). We recorded a special loss of ¥86.3 billion for structural business reform expenses such as impairment loss by a retirement of a large number of aircraft, including 28 aircrafts that we retired early, mainly large aircraft.

The Company has received the Gold Class distinction from the 2021 S&P Global Sustainability Awards, becoming the only company within the aviation industry of its outstanding environmental record as well as its prioritization of safety and quality across its full range of operations. Furthermore, for the fourth year in succession, the Company was chosen as a constituent of the Dow Jones Sustainability World Index, one of the world's leading indicators of socially responsible investment. Looking ahead, we will continue to aim for sustainable growth by simultaneously creating both social and economic value.

Overview by segment

◎Air Transportation

Due to COVID-19 pandemic, customer demand decreased dramatically and operating revenues have significantly decreased to ¥604.0 billion (down 65.2% year-on-year). Although passenger demand has been moving toward recovery on domestic routes, it began to decline again from December due to the increase in the number of infections. While passenger demand remains in a slump on international routes, the Group has actively worked to draw in increased demand for cargo services due to the resumption of economic activities and congestion in sea transportation. As the result of that, cargo revenue has reached record levels. In addition to reducing fuel costs and airport landing fees by constraining the scale of operations to match the decline in demand, the ANA Group also took steps to reduce personnel costs such as remuneration for directors, wages and bonuses of employee, but operating loss was ¥447.8 billion (operating income ¥49.5 billion same period a year ago).

As the impact of COVID-19 continues, the ANA Group has engaged in the creation of clean and sanitary environments in airports and aircraft cabins based on the "ANA Care Promise" initiatives to enable customers to use aircraft safely and with reassuring comfort. In recognition of its effective measures, ANA has received a 5-Star COVID-19 Airline Safety Rating from SKYTRAX. Furthermore, the Group has been recognized for its various efforts over the past decade, being named by Flight Global, a British aviation magazine, as the winner of the Decade of Airline Excellence Awards 2020 for the Asia-Pacific region.

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

In international passenger services, both passenger numbers and revenue decreased significantly year-on-year.This was due to the substantial decline in passenger demand due to the continuation of immigration restrictions in countries worldwide caused by the effects of COVID-19.

In terms of the route networks, while large-scale operation suspensions and reduced flight numbers persist, we have worked to ascertain the demand of personnel stationed overseas, personnel returning to Japan from overseas, etc., and to select which routes to continue operating and to set temporary routes.

Furthermore, since demand is expected to stay at a fixed amount for cargo transportation in particular, in December the Company started operating a Narita-Shenzhen route, as well as a Haneda-San Francisco route. As a result, the scale of operations was 21.0% compared to the same period last year.

In terms of sales and services, we have introduced our discounted fares for one-way trips flying out of Japan from August of this year for drawing in demand for personnel being stationed overseas and foreign exchange students, etc., In January, we launched a new website offering Safe Homecoming Services for passengers returning to Japan, including easy arrangement of transportation options and hotels to help returning passengers safely quarantine.

As a result of the above, the number of passengers on international services for the year decreased to 0.42 million passengers (down 95.5 % year-on-year), and revenues decreased to ¥44.7 billion (down 92.7 % year-on-year).

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

Domestic passenger services have been heavily affected by COVID-19, with passenger numbers and revenues decreasing significantly compared to the same period in the previous year. After the emergency restrictions were lifted in May, although passenger demand had steadily recovered, it began to decline again from December, changing in conjunction with trend of the number of infections.

In terms of the route network, the scale of operations for the first quarter (April – June 2020) was 26.7% year-on-year, but by increasing the number of flights in tandem with the recovery in demand, this number went up to 50.7% for the second quarter (July – September 2020), and was 61.4% in the third quarter (October - December 2020) due to the effect of the “Go To Travel” campaign. However, in the fourth quarter (January – March 2021), the scale of operations was 44.7 % due to reduction the number flight in accordance with decreasing demand.

In terms of sales and service, starting in July we began “Free and Easy Change Campaign” that would allow our customers to change flight dates and destinations without handling fees, and we expanded the functions that can be used for everything from route searching to reserving and paying for ground transportation such as railroads, buses, and taxis in our originally navigation service named “Airport Access” that supports MaaS (Mobility as a Service). In the future, we will continue to work to improve convenience by promoting seamless movement from the beginning to the end of journey.

As a result of the above, passenger numbers on domestic services for this fiscal year decreased to 12.66 million passengers (down 70.5 % year-on-year), and revenues decreased to ¥203.1 billion (down 70.1 % year-on-year).

＜**Cargo Service (ANA Brand)**＞

With respect to international cargo, the effects of COVID-19 have caused suspensions and reductions of passenger flights on a global scale, and the amount of supplied cargo space trended low. Under this situations supply and demand remained tight, as a result of increase in demand for emergency cargo transport such as masks during the first quarter (April - June 2020), recovery of demand for vehicles and vehicle components, as well as semiconductors and other electronic equipment from August and congestion in sea transportation especially in the fourth quarter (January - March this year). In these conditions, besides beginning operation of Boeing 777F large cargo aircraft on Narita-Frankfurt route in October and the Narita-Bangkok route in December, the Group has also actively worked to draw in demand by setting temporary cargo flights using freighter plane and passenger plane.

As a result of the above, although the volume of international cargo handled in the year decreased to 655 thousand tons (down 24.4 % year-on-year), revenues increased to ¥160.5 billion (up 56.3 % year-on-year), the highest revenues ever.

The ANA Group has commenced delivering Pfizer’s COVID-19 vaccine to Japan since February of this year. To do our part in realizing a society where people can live with peace of mind through the dissemination of vaccines, we will carry out transport under strict temperature control.

＜LCC＞

In LCCs, both passenger numbers and revenue decreased significantly year-on-year due to the decline in demand caused by the effects of COVID-19. Although passenger demand for domestic routes has been recovering steadily since the emergency restrictions were lifted in May, it began to decline again from December due to the increase in the number of infections.

In terms of the route network, domestic flights operated at 42.0% capacity for the first quarter (April - June 2020) compared to the same period in the previous year. However, in addition to restoring the network in response to increased passenger demand, the Company opened Narita-Kushiro and Narita-Miyazaki routes in August, New Chitose - Naha and Sendai-Naha routes in October, and Nagoya (Chubu Centrair) - New Chitose and Nagoya (Chubu Centrair) - Sendai routes in December. As a result, the scale of operations grew to 112.4% year-on-year for the second quarter (July - September 2020), and 132.2% for the third quarter Dec. 31 (October - December 2020). In the fourth quarter (January - March this year), we opened Nagoya(Chubu Centrair) - Naha and Nagoya(Chubu Centrair) - Ishigaki routes in January, and Narita - Memanbetsu and Narita - Oita routes in February, but the scale of operations was 78.9% year-on-year due to suspensions and reductions of flights in accordance with decreasing demand. The Suspensions continued on all international routes, but flights to Taipei (Taoyuan) partly resumed in October due to the easing of immigration restrictions.

In order to provide passengers with reassuring comfort, we started a service in November that allows customers to apply for a ticket reservation and an infection test for COVID-19 simultaneously on some domestic routes.

As a result of the above, passenger numbers on LCC for this fiscal year decreased to 2.08 million (down 71.4 % year-on-year), and revenues decreased to ¥22.0 billion (down 73.1 % year-on-year).

＜Others in Air Transportation＞

Other revenue in Air Transportation was ¥147.2 billion (down 34.8% year-on-year).
Other revenue in Air Transportation includes revenue from the mileage program, in-flight sales revenue, and revenue from maintenance contracts, etc.

◎ Airline Related

As a result of a decrease in contracts for ground handling services such as passenger check-in and baggage handling at all airports and a decrease in contracts related to in-flight meals service due to the impact of suspension and reduction of flights of various airlines in response to the spread of COVID-19, revenues decreased to ¥222.1 billion (down 25.8 % year-on-year), and operating income decreased to ¥3.6 billion (down 79.7 % year-on-year).

We started selling ANA international Economy Class in-flight meals on the Internet in December as the impact of COVID-19 continues. It has been well received as a product because it gives people the sense that they are traveling, and we will strive to increase sales by expanding the merchandise lineup.

◎ Travel Service

Travel services have been heavily affected by the spread of COVID-19 with respect to both domestic travel services and overseas travel services. Due to the effects of travel restrictions on overseas travel services, all tours operated by the ANA Group have been suspended. Through various factors such as the support of "Go To Travel" campaign from July, domestic travel services saw a gradual recovery in demand—turnover of the dynamic package products sold over the Internet exceeding the previous year's levels during the third quarter (October - December 2020) for example—but it began to decline again from December due to the impact of the increase in infections.

As a result of the above, operating revenues for the year from travel services were ¥45.0 billion (down 68.7% year-on-year), and operating loss were ¥5.0 billion (operating income ¥1.3 billion same period a year ago).

As the impact of COVID-19 continues, the "ANA Travelers Online Tour" service was launched to capture new demand. Additionally, in projects unique to the Group, we implemented domestic sightseeing flights using our "FLYING HONU" Airbus A380, which we launched for use on our Hawaii route, and, in March of this year, we also launched our "Restaurant on Wings HANEDA," which provides First Class and Business Class meals and services using aircraft grounded at the Haneda Airport.

◎ Trade and Retail

The spread of COVID-19 has significantly impacted our retail division, primarily centered around ANA DUTY FREE SHOP airport tax-free store, and ANA FESTA shops in airports. Although ANA FESTA is seeing a steady recovery in tandem with the recovery in domestic passenger service numbers, it began to decline again from December. Furthermore, in the lifestyle-industries business, trade in items such as in-flight food, beverages and amenities also decreased significantly.

As a result of the above, operating revenues for the year from travel services were ¥79.9 billion (down 44.8% year-on-year), and operating loss were ¥4.2 billion (operating income ¥2.9 billion same period a year ago).

◎ Other

While revenues from real estate-related businesses remained strong, due to the impacts of COVID-19, the number of contracts for reception management work decreased in tandem with lounge closures, and income from training projects such as dispatching instructors also decreased.

As a result of the above, operating revenues for the year from travel services were ¥36.6 billion (down 17.1% year-on-year), and operating loss were ¥0.0 billion (operating income ¥3.5 billion same period a year ago).

"avatarin Inc." was established in April 2020 to create new business models and we have validated services that use avatars, which are remote-controlled robots, for sightseeing and shopping. We intend to popularize and expand these services and improve the performance of avatars to create new social infrastructure.

② **Outlook for the Next Financial Year**

In terms of the future economic outlook, while the situation remains dire due to the impacts of COVID-19, it is expected to improve due to the effects of various government policies and improvements in overseas economies. However, there are also remaining concerns about the risks infection trends may pose to domestic and foreign economies.

The prolongation of the stay-at home request and immigration restrictions in various countries due to the spread of infection in metropolitan areas has had a major impact on our business performance, and we believe it is inevitable that impacts from the previous fiscal year will continue. On the other hand, vaccination started in Japan in February of this year. If vaccination progresses smoothly as it has in foreign countries where vaccination had already been in progress, the spread of infection can be expected to subside, which would allow aviation demand to recover rapidly.

Based on the “ANA HOLDINGS Announcement of Transformative Measures to a New Business Model” that the Company group announced on October 27, 2020 amidst these circumstances, we will steadily implement business structure reform plans in response to the behavioral changes brought about by COVID-19 and to reemerge as a stronger corporate group able to withstand the recurrence of infectious diseases. After promoting a significant reduction in fixed costs by temporarily reducing the scale of the aviation business centered on the ANA brand, we will pursue an optimal aviation business portfolio with an eye on future growth returns, and set our sights on creating new profit opportunities by establishing platform businesses that utilize customer data. In terms of funding, although we had sufficient liquidity on hand as of the end of March 2021 via loans from financial institutions in the form of subordinated syndicated loans, etc. and public offerings intended to accelerate business structure reforms and strengthen our financial base, etc., to improve our cash balance going forward, we will continue to scrutinize and curb capital investments in aircraft, etc., and to review the timing of their implementation.

Although we will continue, for the time being, to reduce the number of flights for international and domestic passenger services under the ANA brand while paying close attention to infection status and immigration regulations in each country, we will flexibly resume flights and actively capture demand during the demand recovery phase. As passenger flights continue to be suspended or reduced globally, we will continue to aggressively capture demand for international cargo, like we did last fiscal year, since we expect supply and demand constraints to continue due to the boom in cargo against the backdrop of economic recovery. For the time being, LCCs will continue to adjust the scale of their operations in line with declining demand, meanwhile, we not only plan to open new domestic routes and increase flights on some routes, we also intend to actively expand our network during the demand recovery phase.

In April of this year, we transferred ANA Sales Co., Ltd.’s travel business to ANA X Co., Ltd., which is in charge of platform businesses that utilize customer data. Under the new company, we will work to strengthen sales in the digital domain and to enhance merchandise lineups for hotels and restaurants, etc. After the situation is resolved, we will take appropriate measures to recover, strengthen and expand business in our aviation-related and trading company businesses.

<Fleet Plan>

The Fleet Plan is scheduled to introduce and retire the following aircraft.

Aircraft to be introduced	
Model	No. of Aircraft
Airbus A380	1
Boeing 787-10	1
Boeing 787-9	8
Airbus A321neoLR	1
Airbus A321neo	5
Airbus A320neo	4
Total	20

Aircraft to be retired	
Model	No. of Aircraft
Boeing 777-300	10
Boeing 777-200	4
Boeing 767-300	3
Boeing 737-700	5
Airbus A320-200	10
Total	32

At present, the forecast for consolidate results for the fiscal year ending March 31, 2022 is as follows: operating revenues ¥1,380.0 billion (up 89.4% year-on-year); operating income ¥28.0 billion (operating loss ¥464.7 billion for the current fiscal year); ordinary income ¥5.0 billion (ordinary loss ¥451.3 billion for the current fiscal year); and net income attributable to owners of the parent was ¥3.5 billion (net loss attributable to owners of the parent ¥404.6 billion for the current fiscal year). These calculations were made based on the assumptions that the exchange rate is ¥105 to one US dollar and indices for fuel costs as follows; the market price for crude oil on the Dubai market is US$60 per barrel, while Singapore kerosene costs are US$65 per barrel.

Consolidated Earnings Forecast

Yen (Billions)

Category	FY2020 ended Mar.31, 2021	FY2021 ending Mar.31, 2022 (Estimate)
Operating revenues	728.6	1,380.0
Operating expenses	1,193.4	1,352.0
Operating income	(464.7)	28.0
Ordinary income	(451.3)	5.0
Net income attributable to owners of the parent	(404.6)	3.5

(2) Analysis of the Financial Position

① Consolidated Balance Sheet

Assets: Total assets increased by ¥647.7 billion compared to the balance as of the end of FY2019, to ¥3,207.8 billion due to secure liquidity on hand by raising funds.

Liabilities: Total liabilities increased by ¥704.2 billion compared to the balance as of the end of FY2019, to ¥2,195.5 billion. Interest-bearing debt increased by ¥812.5 billion, whereas advance ticket sales decreased by ¥67.1 billion compared to the balance as of the end of FY2019.

Net assets: Despite increase Shareholders' equity by ¥297.6 billion through a public offering, recording of net loss attributable to owners of the parent, net assets decreased by ¥56.5 billion compared to the balance as of the end of FY2019, to ¥1,012.3 billion. As a result, shareholders' equity ratio was 31.4%.

② Consolidated Statement of Cash Flows

Operating activities: Net loss before income taxes and non-controlling interests for the current period was ¥545.3 billion. After adjustments on non-cash items such as subtraction of accounts receivable and payable for operating activities, cash flows from operating activities (outflow) was ¥270.4 billion.

Investment activities: Despite control capital investments, due to secure liquidity on hand, cash flows from investing activities (outflow) was ¥595.7 billion. As a result, free cash flow (outflow) was ¥866.2 billion.

Financial activities: Due to increase financing such as borrowing and public offerings, cash flows from financing activities (inflow) was ¥1,098.1 billion.

As a result of the above, cash and cash equivalents at the end of the current period increased by ¥234.3 billion compared to the balance as of the end of FY2019, to ¥370.3 billion.

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Shareholders' equity ratio (%)	39.7	38.6	40.9	41.4	31.4
Shareholders' equity ratio based on market prices (%)	51.4	53.8	50.5	34.5	37.7
Debt repayment period (years)	3.1	2.5	2.7	6.5	-
Interest coverage ratio	23.9	36.1	41.3	20.4	-

* Shareholders' equity ratio: Shareholders' equity / Total assets
Shareholders' equity ratio based on market prices: Total market value of shares / Total assets
Debt repayment period: Interest bearing debt / Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities / Interest payments

Notes:
1. Each indicator is calculated based on consolidated financial figures.
2. The total market value of shares is calculated by multiplying the closing stock price at fiscal year-end and the total number of shares issued as of the end of the fiscal year (less treasury stock).
3. The cash flows from operating activities in the consolidated statements of cash flows is used as the cash flows from operating activities. Interest-bearing debt is all the liabilities recorded on the consolidated balance sheet for which interests are being paid.
4. We don't describe the debt repayment period and interest coverage ratio because the cash flows from operating activities are minor.

(3) Dividend Policy and Dividends for the Current and Next Fiscal Periods

While the Company recognizes that shareholder returns are a key management issue, the Company will not be paying any dividends for this period as the impact of COVID-19 has led to a significant deterioration in the Group's performance. Furthermore, in this unprecedentedly difficult business environment, our task at hand is the strengthening of our financial base while securing liquidity on hand to cope with future uncertainties. Therefore, we regretfully announce that we do not plan to pay dividends for the next fiscal year as well. The Company would like to apologize most sincerely to shareholders and ask for their continued support as the ANA Group works on structural business reforms to improve earnings, so that dividend payouts can be resumed as soon as possible.

(4) Operating Risks

The following risks could significantly affect the judgment of investors in the ANA Group. These forward-looking statements are being made at the determination of the ANA Group as of the end of the fiscal year under review.

① Risks related to the international situation

ANA Group's international route network currently covers North America, Europe, China and other parts of Asia. Should any political instability, international conflict, or large-scale terrorist attack occur in any of the regions the Group covers or maintains offices in, or should there be a worsening of diplomatic relations with countries where ANA Group operates, ANA Group's performance could be adversely affected, as there might be an accompanying decline in demand for travel to the affected region.

② Risks related to statutory regulations

As an airline operator, the Group undertakes operations based on statutory regulations relating to airline operations. The Group is also required to conduct passenger operations and cargo operations on international routes in accordance with international agreements, including treaties, bilateral agreements, and the decisions of the International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO). The Group's fares, airspace, operating schedule and safety management are subject to a variety of constraints due to these regulations. Furthermore, the Group's operations are constrained by the Japanese Anti-monopoly Act and similar laws and regulations in other countries with regard to the pricing of fares and charges.

③ Risks related to environmental regulations

As part of efforts to protect the global environment, numerous domestic and international regulations have been introduced or strengthened in recent years. These have addressed such issues as aircraft emission of noise and greenhouse gases (CO2 etc.), the usage and treatment of environmental pollutants, and energy use at major business operations. Compliance with such statutory regulations imposes a considerable cost burden on ANA Group and business activities may be constrained or significant additional expenses incurred if new regulations are introduced, such as common global environmental taxes under emission trading and reduction schemes for curbing greenhouse gases in international air transportation that have been determined to be implemented from 2021.

④ Risks related to the airline industry

Within Japan, material changes in the current competitive and operating environment could occur as a result of changes in aviation policy or regional policy, or changes in the status of competitors due to mergers or capital alliances brought about by business collapse or other factors. These changes could affect the Group's profitability.

1) Risks related to arrival/departure slots

Although demand is continuing to decline due to the impact of COVID-19, future recovery in demand may affect the achievement of the Group's management plan, including the number of arrival/departure slots allocated at Haneda Airport.

2) Risks related to public sector fees

Public-sector fees include jet fuel taxes, landing fees, and fees for the use of navigational facilities. The Japanese government is currently implementing temporary measures to mitigate jet fuel taxes, landing fees and fees for the use of navigational facilities but reduction or termination of these measures in the future could adversely affect the Group's performance.

⑤ Risks accompanying delay in economic recovery

The airline industry is susceptible to the effects of economic trends, and if domestic and overseas economies are sluggish, this may cause reduced demand for air transportation due to deterioration in personal consumption and corporate profits. Our international passenger and cargo businesses depend greatly on overseas markets, particularly those in China and other Asian regions, as well as North America; as a result, economic conditions in these regions could lead to a decrease in the number of passengers and volume of cargo and a fall in the unit price.

⑥ Risks related to crude oil price fluctuations

Jet fuel is derived from crude oil and therefore its price is linked with the price of crude oil. Variance that exceeds the Group's estimates due to factors such as political instability in Mideast oil-producing countries, Shale oil production in the United States, increased demand for crude oil due to rapid economic growth in emerging countries, reductions in oil stockpiles or deposits, speculative investment in crude oil, or natural disasters may affect the Group's performance as follows.

1) Risks associated with an increase in the price of crude oil

If the price of crude oil increases, the price of jet fuel will also increase, placing a significant burden on the Group. Accordingly, ANA Group engages in hedging transactions using crude oil and jet fuel commodity derivatives in a systematic, ongoing basis for specific periods of time to control the risk of fluctuations in the price of jet fuel and to stabilize operating income. In the event that crude oil prices rise over a short period, there are limitations to the Group's ability to offset sharp increases in crude oil prices through efforts at cost reductions and passing on in fares and other charges. For these reasons, the Group may be unable to avoid the impact of a sharp increase in crude oil prices completely, depending on its hedge position.

2) Risks associated with a sharp drop in the price of crude oil

The Group hedges against fluctuations in the price of crude oil. Therefore, a sudden decrease in oil prices in the short term may not only result in a decrease in or elimination of fuel surcharge income but also, depending on the status of the hedge position, preclude the Group's ability to reap the benefits of the decline in prices.

⑦ Risks related to fluctuations in foreign exchange rates

The Group's expenditures in foreign currencies are greater than its revenues in foreign currencies. Consequently, the impact of a depreciation of the yen on the Group's balance of income and expenditures would be significant. Accordingly, foreign currency taken in as revenue is appropriated to pay for expenses denominated in the same foreign currency to limit the impact on income and expenditures from the risk of fluctuations in foreign exchange rates, to the greatest extent possible. The Group also uses forward exchange agreements and currency options for a portion of the foreign currency needed for its purchases of aircraft and jet fuel to stabilize and control payment amounts. However, there are limits to the resulting increase in costs the Group can cover through efforts to reduce costs and pass on in fares and charges if the yen depreciates rapidly on the foreign exchange market over a short period of time. This could affect Group income and expenditures, depending on hedge positions and other factors. Conversely, if the yen should appreciate on the foreign exchange market over a short period of time, this may preclude immediate reflection in lower jet fuel costs and the Group's ability to reap the benefits from appreciation of the yen.

⑧ Competitive risks

The possibility of future increases in costs related to the Group's operations due to such factors as jet fuel expenses, financing costs, and response to environmental regulations cannot be ruled out. If such costs increase, it will be necessary for the Group to cut costs through such means as reducing indirect fixed costs and passing on costs through higher fares and charges to secure income. However, because the Group is in competition with other airlines and LCCs in Japan and overseas as well as with alternative forms of transportation, such as the Shinkansen, on certain routes, passing on costs could diminish competitiveness. Furthermore, price competition with competitors could greatly restrict the passing on of costs, and this could affect the Group's performance.

⑨ Risks related to novel infectious diseases

An increase in the number of people affected by outbreaks and epidemics of serious contagious diseases, could drastically decrease demand not only for international services but also for the Group's entire operations. Rumor could reduce the public interest in travel, the spread of infection or increase in the seriousness of illness, and Various countries' immigration restrictions and requests to refrain from travel within Japan that were implemented during the global spread of the Coronavirus could lead to a sudden decrease in the number of international and domestic passengers, and could affect ANA Group's performance.

Furthermore, the spread of new highly infectious strains of influenza affecting a higher than expected number of employees and outsourced personnel, or virulence becoming stronger due to mutation, could affect the continuity of business for the Group.

⑩ Risks of disaster

If airports are closed for prolonged periods or there are restrictions on routes due to earthquakes, tsunami, flooding, typhoons, snowfall, volcanic eruptions, infectious disease, strikes, or riots, this may have an adverse effect on the Group' s profitability due to the impact on flights using such airports and routes, and demand for air travel declining significantly.

The ANA Group' s data center is located in the metropolitan area, operational control of all domestic and international flights is handled at Haneda Airport, and the majority of the Group' s passengers use the metropolitan airports, so a major disaster such as an earthquake or typhoon, a fire, or strike at the above-mentioned facilities resulting in closure of the airport or access thereto, could lead to a long-term shutdown of the Group' s systems, operational control functions, or actual flight operations that could significantly affect Group performance.

⑪ Risks related to corporate strategies

1) Risks related to fleet strategy

In air transportation operations, ANA Group is pursuing a fleet strategy centered on the introduction of highly economical aircraft; the integration of models; and increased matching of supply and demand. In line with this strategy, orders have been placed for aircraft with the Boeing Company, Airbus, De Havilland Aircraft of Canada Limited., and Mitsubishi Aircraft Corporation, but any delays in delivery due to financial or other factors at any of these companies could impair ANA Group's operations. Further, this fleet strategy could prove ineffective due to the factors given below, significantly diminishing expected benefits.

(i) Dependence on the Boeing Company

The majority of the aircraft that are planned to be introduced under the fleet strategy above have been ordered from the Boeing Company. If, due to financial or other factors, Boeing were unable to fulfill its agreements with the ANA Group or a company performing maintenance on Boeing products, ANA Group would be unable to acquire or maintain aircraft according to this fleet strategy; and such circumstances could significantly affect the Group's operations.

(ii) Delay of Aircraft Development Plan by Mitsubishi Aircraft Corporation

The Company decided to introduce into our operations the Mitsubishi SpaceJet that is currently being developed by Mitsubishi Aircraft Corporation. However, it has been announced that development activities would be temporarily suspended, which may adversely affect the Group's business, depending on future development policies.

2) Risks Related to Business Structure

In addition to the airline business and the airline-related business, which account for most of the consolidated operating revenues, the Group's business structure is heavily dependent on the airline business, as the travel and trading businesses are closely linked to the airline business. In the event of a situation that affects the airline business as a whole, the Group may not be able to supplement its earnings with earnings from other business segments, which could have a serious impact on the Group's operations.

3) Risks Related to Strategic Investments

ANA Group may enter new businesses and invest in or acquire other companies to further expand its business in growth areas. These investments and other initiatives may not produce the intended results. Moreover, if the interests of equity investors in a joint venture do not align, the Group may not be able to operate the joint venture in the manner it considers appropriate, and if management of the joint venture deteriorates, the Group may be exposed to an economic cost burden. In addition, equity investors other than the Group may experience poor financial results or withdraw from the business. The Group may also have difficulty in achieving desired results in investment in business in foreign countries or in businesses with little relevance to the airline business.

⑫ Risks associated with ineffective strategic alliances

ANA Group is a member of the Star Alliance. With antitrust immunity (ATI) approval, joint venture operations were introduced in collaboration with United Airlines in the network between Asia and the Americas, and

Lufthansa German Airlines and Lufthansa Group companies Swiss International Airlines, Austrian Airlines and Lufthansa Cargo AG in the network between Japan and Europe. The Group has also entered into individual alliances in Asia and elsewhere that surpass the framework of these alliances. Should the alliance be dismantled due to anti-monopoly laws in various countries, or should an alliance partner withdraw from the Star Alliance or change its business policies or another alliance group become more competitive, or if there were a dissolution of a bilateral partnership, a downturn in performance, restructuring or a decline in the creditworthiness of an alliance partner, or other external factor leading to stricter regulations governing the partnerships, these could reduce the effectiveness of the partnerships and in turn affect the management of the Group.

⑬ Risks related to flight operations

1) Aircraft accidents, etc.

An aircraft accident involving a flight operated by the Group or a code-share partner could cause a decline in customer confidence and the Group’s reputation, creating a downturn in demand that could adversely affect the Group’s performance immediately and over the medium to long term. A major accident suffered by a competitor could similarly lead to a reduction in air transportation demand that could affect the Group’s performance. An accident would give rise to significant expenses including compensation for damages and the repair or replacement of aircraft. Aviation insurance would not necessarily cover all such direct expenses, however.

2) Violation of the Civil Aeronautics Act, etc.

The Company's business is required to comply with the Civil Aeronautics Act and notices from the relevant authorities, etc. Serious violations of the Civil Aeronautics Act etc. may result in adverse dispositions under the Civil Aeronautics Act (administrative penalties or administrative guidance), and in the past we have received business improvement orders for violation of notices such as inadequate maintenance and alcohol consumption by flight crew. In addition, such adverse dispositions impact on the Group’s credibility in terms of operational safety, and depending on the severity of the violation or its recurrence, the Group may be subject to suspension of operations or revocation of its business license, which could have a serious impact on the Group's business.

3) Technical circular directives, etc. on airworthiness

If unexpected problems arise in the design of new models that become the core of the ANA Group’s air craft, MLIT will issue a technical circular directive, by law. In some cases, all aircraft of the same model might be grounded until the measures to improve the airworthiness of the aircraft and equipment have been implemented as directed. Even when the law does not require a directive to be issued, operation of the same model might be voluntarily suspended and inspections and other maintenance carried out in some cases, when safety cannot be confirmed from a technical perspective. Any such situation may have an adverse impact on confidence in the safety of the Group’s aircraft and on profitability. Of particular note, the Group has been introducing new models such as the Boeing 787. In the event of a design flaw or technical issue with new aircraft upon which the Group relies, there may be a significant adverse impact on the profitability of the Group.

⑭ Risks related to leaked customer information

The Group holds an enormous amount of customer information, including personal data on approximately 37.44 million ANA Mileage Club members (as of March 31, 2021), and is required to manage this personal information appropriately, pursuant to the Act on the Protection of Personal Information and other similar foreign laws and regulations. The Group has stated its privacy policy, apprised customers of the policy, and established foreseeable measures to ensure information security, including in its IT systems. Despite ongoing precautions taken to improve operating procedures and upgrade the system to prevent gaps in security, a major leak of personal information caused by unauthorized access, negligent operation, or some other unforeseen factor could still occur and carry significant cost, in terms of both compensation and loss of public confidence, which could significantly affect ANA Group’s performance.

⑮ Risks related to IT systems

The Group is highly dependent on information systems for such critical functions as customer service and operational management. A major disruption of one of those systems or of telecommunications networks caused by natural disasters, accidents, computer viruses or unauthorized access, power supply constraints or large-scale power outages would make it difficult to maintain customer service and operations and would result in a loss of public confidence, which could affect the Group’s performance. Further, the Group’s information systems are also used by its strategic partners, so there is a possibility that the impact of systems failure would not be limited to the Group.

⑯ Risks related to personnel and labor

Many of the Group’s employees belong to labor unions and the operation of the Group’s aircraft may be adversely affected if the Group’s employees conduct a collective strike or engage in other actions.

⑰ Risks related to securing human resources

Although demand is continuing to decline due to the impact of COVID-19, it is expected to increase demand for flight crew because of the expansion of the scale of LCC operations, etc. when demand recovers in the future. A certain period of training is required to train them, if the Group be unable to secure the necessary number of qualified flight crew in a timely fashion, the Group’s performance may be adversely affected.

Moreover, fluctuations in the balance of supply and demand in the labor market such as a lack of human resources for airport handling or a steep rise in wage levels could occur.

⑱ Risks associated with profit/loss structure

Fixed costs such as aircraft costs and expenses largely determined by the aircraft and not the passenger load factor, such as fuel costs and airport usage fees, account for a significant share of ANA Group’s expenses, preventing it from rapidly adjusting the scale of operations to meet a given financial situation. Consequently, any decrease in the number of passengers or in cargo volume could have a significant impact on the Group’s profits and losses.

Moreover, because the Group tends to have increased sales during the summer in its passenger services, a significant decrease in demand during this period may adversely affect the Group’s performance for that business year.

⑲ Risks associated with finance

1) Increase in the cost of procuring funds

The Group acquires aircraft by procuring funds mainly through bank loans and bond issuances. Any future deterioration of the business environment in the airline industry, disruption in financial markets, changes to taxation, government interest policies, government financial institutions’ guarantee systems, or downgrading of ANA Group’s credit rating may make it difficult or even impossible to raise funds on terms advantageous to the Group, increasing the cost of such fund-raising. Such circumstances could significantly affect ANA Group’s performance. The procurement of large interest-bearing liabilities can have an adverse effect on securing working capital and investment capital due to the need to pay interest and make repayments.

2) Risks related to asset impairment

Due to the nature of its business, the ANA Group holds many fixed assets, and if the profitability of various operations deteriorates, or it decides to sell off the assets, ANA Group may be required to recognize impairment losses on fixed assets and investment securities or losses on the sale of fixed assets in the future.

3) Risks Related to Deferred Tax Assets

If the estimated amount of future taxable income decreases due to deterioration in the business's earnings, there is a possibility that deferred tax assets will be eroded and a loss will be recorded.

⑳ Risks related to litigation

The Group may become involved in various lawsuits in relation to its business activities, which could affect the Group's performance.

(5) Important factors related to going concern status

The ANA group has been heavily affected by the impact of the spread of COVID-19.

Under these unprecedented conditions, the ANA group implemented cost reduction measures, cutting variable costs by limiting the scale of its operations and reducing personnel costs and other fixed costs. We also scrutinized and limited capital investments, and reviewed the timing of implementation.

We secured total loans of approximately ¥935.0 billion from commercial banks and the Development Bank of Japan, and raised ¥297.6 billion through a public offering. Also we signed commitment line contracts of credit line. Based on the above efforts, we consider that there are no important uncertainties in the company's status as a going concern.

2. Basic rationale for selection of accounting standard

While the Company aims to increase corporate value with further globalization and expansion of business domains, the Company is considering applying International Financial Reporting Standards (IFRS) at our discretion to improve international comparability of financial information in capital markets.

3 Financial Statements and Operating Results

(1) Consolidated Balance Sheet

Yen (Millions)

Assets	FY2020 as of Mar 31, 2021	FY2019 as of Mar 31, 2020
Current assets:		
Cash and deposits	464,739	109,447
Notes and accounts receivable	103,939	98,845
Lease receivables	19,112	22,823
Marketable securities	500,980	129,200
Inventories (Merchandise)	11,625	13,490
Inventories (Supplies)	27,230	53,822
Other current assets	98,908	144,073
Allowance for doubtful accounts	(231)	(538)
Total current assets	1,226,302	571,162
Fixed assets		
Property and equipment:		
Buildings and structures	116,032	127,983
Aircraft	1,026,210	1,157,585
Machinery, equipment and vehicles	33,180	33,219
Furniture and fixtures	18,957	21,751
Land	48,748	53,886
Lease assets	4,791	5,897
Construction in progress	198,389	180,005
Total property and equipment	1,446,307	1,580,326
Intangible assets:		
Goodwill	22,346	24,461
Other intangible assets	87,839	101,062
Total intangible assets	110,185	125,523
Investments and other assets:		
Investment securities	159,276	145,664
Long-term receivables	6,080	5,269
Deferred tax assets	219,618	99,824
Net defined benefit assets	769	815
Other assets	39,526	32,799
Allowance for doubtful accounts	(2,237)	(2,029)
Total investments and other assets	423,032	282,342
Total fixed assets	1,979,524	1,988,191
Deferred assets	2,057	800
TOTAL	3,207,883	2,560,153

Yen (Millions)

Liabilities and Net assets	FY2020 as of Mar 31, 2021	FY2019 as of Mar 31, 2020
Liabilities		
Current liabilities:		
Accounts payable	161,507	185,897
Short-term loans	100,070	429
Current portion of long-term debt	69,443	84,057
Current portion of bonds	-	20,000
Finance lease obligations	3,523	3,821
Income taxes payable	10,696	8,441
Advance ticket sales	44,718	111,827
Accrued bonuses to employees	4,805	21,158
Other provisions	12,738	5,958
Other current liabilities	95,905	88,958
Total current liabilities	503,405	530,546
Long-term liabilities:		
Bonds	165,000	165,000
Convertible bonds with stock acquisition rights	140,000	140,000
Long-term debt	1,168,252	416,900
Finance lease obligations	9,164	12,655
Deferred tax liabilities	222	112
Accrued corporate executive officers' retirement benefits	766	959
Net defined benefit liabilities	160,885	163,384
Other provisions	15,319	15,765
Asset retirement obligations	1,153	1,224
Other long-term liabilities	31,397	44,738
Total long-term liabilities	1,692,158	960,737
Total liabilities	2,195,563	1,491,283
Net assets		
Shareholders' equity:		
Common stock	467,601	318,789
Capital surplus	407,329	258,470
Retained earnings	145,101	550,839
Treasury stock	(59,335)	(59,435)
Total shareholders' equity	960,696	1,068,663
Accumulated other comprehensive income:		
Unrealized gain on securities	38,468	22,120
Deferred gain (loss) on derivatives under hedge accounting	21,652	(14,595)
Foreign currency translation adjustments	2,666	2,668
Defined retirement benefit plans	(16,249)	(17,828)
Total	46,537	(7,635)
Non-controlling interests	5,087	7,842
Total net assets	1,012,320	1,068,870
TOTAL	3,207,883	2,560,153

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

Consolidated Statement of Income

Yen (Millions)

	FY2020 Apr 1-Mar 31	FY2019 Apr 1-Mar 31
Operating revenues	728,683	1,974,216
Cost of sales	1,000,000	1,583,434
Gross (loss) profit	(271,317)	390,782
Selling, general and administrative expenses		
Commissions	39,125	103,495
Advertising	5,943	11,830
Employees' salaries and bonuses	31,299	39,446
Provision of allowance for doubtful accounts	47	46
Provision for accrued bonuses to employees	1,098	3,879
Retirement benefit expenses	2,866	3,329
Depreciation	26,968	27,616
Other	86,111	140,335
Total selling, general and administrative expenses	193,457	329,976
Operating (loss) income	(464,774)	60,806
Other income:		
Interest income	663	958
Dividend income	1,446	2,073
Equity in earnings of unconsolidated subsidiaries and affiliates	-	1,210
Foreign exchange gain, net	4,143	473
Gain on sales of assets	3,422	6,746
Gain on donation of non-current assets	2,405	3,553
Subsidies for employment adjustment	43,470	-
Other	5,151	3,644
Total other income	60,700	18,657
Other expenses:		
Interest expenses	16,689	6,291
Equity in loss of unconsolidated subsidiaries and affiliates	3,630	-
Loss on sales of assets	2,825	302
Loss on disposal of assets	5,609	7,133
Commission fee	7,742	20
Loss on valuation of derivatives	8,044	603
Other	2,742	5,756
Total other expenses	47,281	20,105
Ordinary (loss) income	(451,355)	59,358

	FY2020 Apr 1-Mar 31	FY2019 Apr 1-Mar 31
		Yen (Millions)
Special gain		
Gain on sales of investment securities	328	1,122
Compensation payments received	1,770	17,897
Gain on sales of property and equipment	2,834	-
Other	288	235
Total special gain	5,220	19,254
Special loss		
Loss on valuation of investments in unconsolidated subsidiaries and affiliates	8,384	853
Loss on sales of shares of subsidiaries and affiliates	-	7
Impairment loss	4,231	25,159
Business restructuring expense	86,350	-
Other	272	1,092
Total special loss	99,237	27,111
(Loss) income before income taxes	(545,372)	51,501
Current	3,990	24,407
Deferred	(141,672)	1,175
Total income taxes	(137,682)	25,582
Net (loss) income	(407,690)	25,919
Net (loss) attributable to non-controlling interests	(3,066)	(1,736)
Net (loss) income attributable to owners of the parent	(404,624)	27,655

Consolidated Statement of Comprehensive Income

Yen (Millions)

	FY2020 Apr 1-Mar 31	FY2019 Apr 1-Mar 31
Net (loss) income	(407,690)	25,919
Other comprehensive income:		
Unrealized gain (loss) on securities	16,253	(15,369)
Deferred gain (loss) on derivatives under hedge accounting	36,242	(25,227)
Foreign currency translation adjustments	31	(221)
Defined retirement benefit plans	1,606	539
Share of other comprehensive income (loss) in affiliates	323	(383)
Total other comprehensive income (loss)	54,455	(40,661)
Comprehensive loss	(353,235)	(14,742)
Total comprehensive loss attributable to:		
Owners of the parent	(350,452)	(12,749)
Non-controlling interests	(2,783)	(1,993)

(3) Consolidated Statements of Changes in Net Assets

<FY2020 Apr 1-Mar 31> Yen (Millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the year	318,789	258,470	550,839	(59,435)	1,068,663
Changes during the fiscal year					
Issuance of new shares	148,812	148,812			297,624
Net loss attributable to owners of the parent			(404,624)		(404,624)
Purchase of treasury stock				(13)	(13)
Disposal of treasury stock		(1)		113	112
Change in the parent's ownership interest due to transactions with non-controlling interests		48			48
Change in scope of consolidation			(660)		(660)
Change in scope of equity method			(454)		(454)
Net changes in the year					-
Total changes during the fiscal year	148,812	148,859	(405,738)	100	(107,967)
Balance at end of the year	467,601	407,329	145,101	(59,335)	960,696

Yen (Millions)

	Accumulated other comprehensive income						
	Unrealized gain on securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Non-controlling interests	Total net assets
Balance at the beginning of the year	22,120	(14,595)	2,668	(17,828)	(7,635)	7,842	1,068,870
Changes during the fiscal year							
Issuance of new shares							297,624
Net loss attributable to owners of the parent							(404,624)
Purchase of treasury stock							(13)
Disposal of treasury stock							112
Change in the parent's ownership interest due to transactions with non-controlling interests							48
Change in scope of consolidation							(660)
Change in scope of equity method							(454)
Net changes in the year	16,348	36,247	(2)	1,579	54,172	(2,755)	51,417
Total changes during the fiscal year	16,348	36,247	(2)	1,579	54,172	(2,755)	(56,550)
Balance at end of the year	38,468	21,652	2,666	(16,249)	46,537	5,087	1,012,320

<FY2019 Apr 1-Mar 31> Yen (Millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the year	318,789	258,448	548,439	(59,032)	1,066,644
Changes during the fiscal year					
Cash dividends			(25,105)		(25,105)
Net income attributable to owners of the parent			27,655		27,655
Purchase of treasury stock				(453)	(453)
Disposal of treasury stock				50	50
Change in the parent's ownership interest due to transactions with non-controlling interests		22			22
Change in scope of consolidation			(150)		(150)
Net changes in the year					-
Total changes during the fiscal year	-	22	2,400	(403)	2,019
Balance at end of the year	318,789	258,470	550,839	(59,435)	1,068,663

Yen (Millions)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gain on securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total		
Balance at the beginning of the year	37,622	10,636	2,873	(18,362)	32,769	9,900	1,109,313
Changes during the fiscal year							
Cash dividends							(25,105)
Net income attributable to owners of the parent							27,655
Purchase of treasury stock							(453)
Disposal of treasury stock							50
Change in the parent's ownership interest due to transactions with non-controlling interests							22
Change in scope of consolidation							(150)
Net changes in the year	(15,502)	(25,231)	(205)	534	(40,404)	(2,058)	(42,462)
Total changes during the fiscal year	(15,502)	(25,231)	(205)	534	(40,404)	(2,058)	(40,443)
Balance at end of the year	22,120	(14,595)	2,668	(17,828)	(7,635)	7,842	1,068,870

(4) Consolidated Statement of Cash Flows

Yen (Millions)

	FY2020 Apr 1 - Mar 31	FY2019 Apr 1 - Mar 31
I. Cash flows from operating activities		
(Loss) income before income taxes	(545,372)	51,501
Depreciation and amortization	176,352	175,739
Impairment loss	75,575	25,159
Amortization of goodwill	2,115	4,006
Loss on disposal and sales of property and equipment	10,759	689
Loss (gain) on sales and valuation of investment securities	8,058	(269)
Loss on sales of shares of subsidiaries and affiliates	-	7
(Decrease) increase in allowance for doubtful accounts	(251)	419
(Decrease) increase in liability for retirement benefits	(44)	5,503
Interest and dividend income	(2,109)	(3,031)
Interest expenses	16,689	6,291
Subsidies for employment adjustment	(43,470)	-
Foreign exchange (gain) loss	(2,454)	273
(Increase) decrease in notes and accounts receivable	(5,107)	82,312
Decrease (increase) in other current assets	52,880	(9,284)
(Decrease) in notes and accounts payable	(25,160)	(38,045)
(Decrease) in advance ticket sales	(67,109)	(107,123)
Other, net	49,496	(14,510)
Subtotal	(299,152)	179,637
Interest and dividends received	2,427	3,831
Interest paid	(12,466)	(6,371)
Proceeds from subsidy income	38,001	-
Income taxes refund (paid)	749	(46,928)
Net cash provided by operating activities	(270,441)	130,169
II. Cash flows from investing activities		
Increase in time deposits	(372,626)	(55,819)
Proceeds from withdrawal of time deposits	162,300	50,789
Purchases of marketable securities	(437,280)	(175,070)
Proceeds from redemption of marketable securities	154,870	159,200
Purchases of property and equipment	(134,174)	(317,604)
Proceeds from sales of property and equipment	54,415	151,652
Purchases of intangible assets	(22,536)	(33,757)
Purchases of investment securities	(7,168)	(8,339)
Proceeds from sales of investment securities	1,207	1,424
Proceeds from withdrawal of investments in securities	2,527	-
Other, net	2,706	(2,694)
Net cash used in investing activities	(595,759)	(230,218)

	FY2020 Apr 1 - Mar 31	FY2019 Apr 1 - Mar 31
		Yen (Millions)
III. Cash flows from financing activities		
Increase in short-term loans, net	97,747	98
Proceeds from long-term loans	827,988	96,684
Repayment of long-term loans	(98,949)	(82,035)
Proceeds from issuance of bonds	-	69,586
Repayment of bonds	(20,000)	(30,000)
Repayment of finance lease obligations	(4,668)	(4,609)
Payment for purchases of investments in subsidiaries with no changes in scope of consolidation	-	(96)
Proceeds from issuance of shares	296,098	-
Proceeds from share issuance to non-controlling shareholders	318	-
Net decrease (increase) of treasury stock	99	(405)
Payment for dividends	-	(25,105)
Other, net	(461)	(249)
Net cash used in financing activities	1,098,172	23,869
IV. Effect of exchange rate changes on cash and cash equivalents	2,649	(274)
V. Net increase (decrease) in cash and cash equivalents	234,621	(76,454)
VI. Cash and cash equivalents at beginning of year	135,937	211,838
VII. Net (decrease) increase resulting from changes in scope of consolidation	(236)	553
VIII. Cash and cash equivalents at end of year	370,322	135,937

(5) Notes to Consolidated Financial Statements

(Going concern assumption)

None

(Basis of presenting consolidated financial statements)

(1) Number of subsidiaries: 56
Included: 1
avatartin Inc.

Excluded: 7
Vanilla Air Inc.
Pan Am International Flight Academy,Inc. and 5 other companies

(2) Number of equity method affiliates: 14
Excluded: 2
CHITOSE AIRPORT FUELLING FACILITIES CO., LTD.
A&S Takashimaya Duty Free Co., Ltd.

(Changes in accounting policies)

None

(Notes Regarding Consolidated Statement of Income)

The main components of business restructuring expenses include an impairment loss of ¥71,344 million related to the early retirement of aircraft implemented as part of the business restructuring, a loss on sales of fixed assets of ¥8,578 million, and other items such as buyout payment.

(Consolidated statements of cash flows)

Relationship between the balance of cash and cash equivalents at end of year and the amount of subjects that are in the consolidated balance sheet

Yen (Millions)

	FY2020 Apr 1-Mar 31 Balance at end of year	FY2019 Apr 1-Mar 31 Balance at end of year
Cash and deposits	464,739	109,447
Marketable securities	500,980	129,200
Time deposits with maturities of more than three months	(241,397)	(31,120)
Marketable securities with maturities of more than three months	(354,000)	(71,590)
Cash and cash equivalents	370,322	135,937

(Segment information)

1. Summary of reporting segment

The reportable segments of the Company and its consolidated subsidiaries are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decisions about resource allocation and to assess performance.

The Group's reportable segments are categorized under "Air Transportation", "Airline Related", "Travel Services" and "Trade and Retail".

The "Air Transportation" segment conducts domestic and international passenger operations, cargo and mail operations and other transportation services. The "Airline Related" segment conducts air transportation related operations, such as airport passenger and ground handling services and maintenance services. The "Travel Services" segment conducts operations centering on the development and sales of travel plans. It also conducts planning and sales of branded travel packages using air transportation. The "Trade and Retail" segment conducts mainly import and export operations of goods related to air transportation and is involved in in-store and non-store retailing.

2. Method of calculating the amount of operating revenues, profit or loss, assets, liabilities and others by reporting segment

The accounting policies of the segments are substantially the same as those described in above "(Basis of presenting consolidated financial statements)".

Segment performance is evaluated based on operating income or loss. Intragroup sales and transfers are recorded at the same prices used in transactions with third parties.

3. Information on amount of operating revenues, profit or loss, assets, liabilities and others by reporting segment

<FY2020 Apr 1-Mar 31> Yen (Millions)

	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	571,709	36,162	39,453	68,883	716,207
Intersegment revenues and transfers	32,305	185,977	5,597	11,075	234,954
Total	604,014	222,139	45,050	79,958	951,161
Segment profit	(447,894)	3,691	(5,084)	(4,282)	(453,569)
Segment assets	2,935,753	141,530	31,681	52,548	3,161,512
Other items					
Depreciation and amortization	168,952	5,073	516	1,367	175,908
Amortization of goodwill	2,001	-	-	114	2,115
Increase in tangible and intangible fixed assets	151,196	1,564	134	1,202	154,096

	Others (*1)	Total	Adjustments (*2)	Consolidated(*3)
Operating revenues from external customers	12,476	728,683	-	728,683
Intersegment revenues and transfers	24,167	259,121	(259,121)	-
Total	36,643	987,804	(259,121)	728,683
Segment profit	(34)	(453,603)	(11,171)	(464,774)
Segment assets	24,930	3,186,442	21,441	3,207,883
Other items				
Depreciation and amortization	444	176,352	-	176,352
Amortization of goodwill	-	2,115	-	2,115
Increase in tangible and Intangible assets	974	155,070	1,640	156,710

*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 intersegment transactions and expenses of all group companies. Adjustments of segment assets include assets of all group companies in the amount of ¥175,565 million and the main asset is the long-term investments (investment securities) in the consolidated companies.

*3. Segment profit is reconciled with operating income on the consolidated financial statements.

＜FY2019 Apr 1-Mar 31> Yen (Millions)

	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	1,658,763	49,804	134,759	115,269	1,958,595
Intersegment revenues and transfers	78,974	249,629	9,237	29,481	367,321
Total	1,737,737	299,433	143,996	144,750	2,325,916
Segment profit	49,550	18,144	1,393	2,909	71,996
Segment assets	2,305,293	147,275	42,405	57,219	2,552,192
Other items					
Depreciation and amortization	168,296	5,323	553	1,305	175,477
Amortization of goodwill	3,889	3	-	114	4,006
Increase in tangible and intangible fixed assets	343,476	6,200	258	2,250	352,184

	Others (*1)	Total	Adjustments (*2)	Consolidated(*3)
Operating revenues from external customers	15,621	1,974,216	-	1,974,216
Intersegment revenues and transfers	28,602	395,923	(395,923)	-
Total	44,223	2,370,139	(395,923)	1,974,216
Segment profit	3,526	75,522	(14,716)	60,806
Segment assets	25,276	2,577,468	(17,315)	2,560,153
Other items				
Depreciation and amortization	262	175,739	-	175,739
Amortization of goodwill	-	4,006	-	4,006
Increase in tangible and Intangible assets	141	352,325	(964)	351,361

*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 intersegment transactions and expenses of all group companies. Adjustments of segment assets include assets of all group companies in the amount of ¥157,553 million and the main asset is the long-term investments (investment securities) in the consolidated companies.

*3. Segment profit is reconciled with operating income on the consolidated financial statements.

(Per share information)

Yen

	FY2020 <Apr 1 - Mar 31>	FY2019 <Apr 1 - Mar 31>
Net assets per share	2,141.49	3,171.80
Net (loss) income per share	(1,082.04)	82.66

Notes:

1. Since no residual securities with dilutive effect exist, net income per share after residual securities adjustments is omitted.
2. The basis for calculating net income per share is as follows:

Yen (Millions)

	FY2020 <Apr 1 - Mar 31>	FY2019 <Apr 1 - Mar 31>
Net (loss) income attributable to owners of the parent	(404,624)	27,655
Amount not attributable to common shareholders	-	-
Net (loss) income in accordance with the common stock	(404,624)	27,655
Average number of shares outstanding during the fiscal year (in thousands)	373,945	334,559
Overview of potential shares that were not included in the calculation of net income per share (diluted) because they have no dilutive effect	Zero Coupon Convertible Bonds due 2022 (bonds with stock acquisition rights) 13,513 thousand shares issued by the Company Zero Coupon Convertible Bonds due 2024 (bonds with stock acquisition rights) 13,725 thousand shares issued by the Company	Zero Coupon Convertible Bonds due 2022 (bonds with stock acquisition rights) 13,513 thousand shares issued by the Company Zero Coupon Convertible Bonds due 2024 (bonds with stock acquisition rights) 13,725 thousand shares issued by the Company

3. The basis for calculating net assets per share is as follows:

Yen (Millions)

	FY2020 <Apr 1 - Mar 31>	FY2019 <Apr 1 - Mar 31>
Net assets	1,012,320	1,068,870
Amounts deducted from total net assets	5,087	7,842
(incl. Non-controlling Interests)	(5,087)	(7,842)
Net assets attributable to common stock at the end of the fiscal year	1,007,233	1,061,028
Number of shares of common stock at the end of the fiscal year used to determine net assets per share (in thousands)	470,342	334,519

4. The Company shares held by the trust for Delivery of Shares to Directors (FY2020: 183, FY2019: 173 (Thousand shares)) are deducted from “Average number of shares outstanding during the year”.

   The Trust for Delivery of Shares to Directors (FY2020:178, FY2019: 209 (Thousand shares)) are deducted from “The year-end number of common stocks used to determine net assets per share”.

(Important post-balance sheet events)

None

4. Breakdown of Operating Revenues and Overview of Airline Operating Results (Consolidated)

(1) Breakdown of Operating Revenues

Yen (Millions)

	FY2020 Apr 1- Mar 31	FY2019 Apr 1- Mar 31	Difference
Air Transportation			
International routes			
Passenger	44.726	613,908	(569,182)
Cargo	160,503	102,697	57,806
Mail	2,948	4,764	(1,816)
Subtotal	208,177	721,369	(513,192)
Domestic routes			
Passenger	203,119	679,962	(476,843)
Cargo	20,881	25,533	(4,652)
Mail	2,550	3,136	(586)
Subtotal	226,550	708,631	(482,081)
Revenues from Air Transportation	434,727	1,430,000	(995,273)
LCC revenues	22,071	81,953	(59,882)
Others in Air Transportation	147,216	225,784	(78,568)
Subtotal of Air Transportation	604,014	1,737,737	(1,133,723)
Airline Related			
Revenues from Airline Related	222,139	299,433	(77,294)
Subtotal of Airline Related	222,139	299,433	(77,294)
Travel Services			
Package tours (Domestic)	38,530	112,711	(74,181)
Package tours (International)	492	20,925	(20,433)
Other revenues	6,028	10,360	(4,332)
Subtotal of Travel Services	45,050	143,996	(98,946)
Trade and Retail			
Revenues from Trade and Retail	79,958	144,750	(64,792)
Subtotal of Trade and Retail	79,958	144,750	(64,792)
Subtotal of Segments	951,161	2,325,916	(1,374,755)
Other			
Other revenues	36,643	44,223	(7,580)
Subtotal of Other	36,643	44,223	(7,580)
Total operating revenues	987,804	2,370,139	(1,382,335)
Intercompany eliminations	(259,121)	(395,923)	136,802
Operating revenues (Consolidated)	728,683	1,974,216	(1,245,533)

Notes:

1. Segment breakdown is based on classifications employed for internal management.
2. Segment operating revenues include inter-segment transactions.
3. The results for passenger travel on domestic routes for Peach Aviation Limited and Vanilla Air Inc. are included in “LCC”. Pease note that the results of Vanilla Air Inc. are included only in previous same period due to the integration of Peach Aviation Limited and Vanilla Air Inc.
4. Consumption tax is not included in the above figures.

(2) Overview of Airline Operating Results

＜ANA＞

	FY2020 Apr 1- Mar 31	FY2019 Apr 1- Mar 31	Year on Year (%)
International routes			
Number of Passengers (Passengers)	427,392	9,416,415	(95.5)
Available Seat Km (Thousand km)	14,465,583	68,885,746	(79.0)
Revenue Passenger Km (Thousand km)	2,840,451	50,219,355	(94.3)
Passenger Load Factor (%)	19.6	72.9	(53.3)
Available Cargo Capacity (Thousand ton km)	4,588,226	7,354,438	(37.6)
Cargo Volume (Tons)	655,019	866,821	(24.4)
Cargo Traffic Volume (Thousand ton km)	3,251,280	4,222,117	(23.0)
Mail Volume (Tons)	13,686	22,065	(38.0)
Mail Traffic Volume (Thousand ton km)	71,766	120,449	(40.4)
Cargo and Mail Load Factor (%)	72.4	59.0	13.4
Domestic routes			
Number of Passengers (Passengers)	12,660,650	42,916,334	(70.5)
Available Seat Km (Thousand km)	26,896,624	58,552,753	(54.1)
Revenue Passenger Km (Thousand km)	11,567,744	39,502,036	(70.7)
Passenger Load Factor (%)	43.0	67.5	(24.5)
Available Cargo Capacity (Thousand ton km)	708,266	1,705,379	(58.5)
Cargo Volume (Tons)	218,032	373,176	(41.6)
Cargo Traffic Volume (Thousand ton km)	240,422	387,038	(37.9)
Mail Volume (Tons)	23,458	29,308	(20.0)
Mail Traffic Volume (Thousand ton km)	23,203	29,030	(20.1)
Cargo and Mail Load Factor (%)	37.2	24.4	12.8
Total			
Number of Passengers (Passengers)	13,088,042	52,332,749	(75.0)
Available Seat Km (Thousand km)	41,362,207	127,438,500	(67.5)
Revenue Passenger Km (Thousand km)	14,408,195	89,721,391	(83.9)
Passenger Load Factor (%)	34.8	70.4	(35.6)
Available Cargo Capacity (Thousand ton km)	5,296,492	9,059,818	(41.5)
Cargo Volume (Tons)	873,052	1,239,997	(29.6)
Cargo Traffic Volume (Thousand ton km)	3,491,703	4,609,156	(24.2)
Mail Volume (Tons)	37,144	51,373	(27.7)
Mail Traffic Volume (Thousand ton km)	94,969	149,480	(36.5)
Cargo and Mail Load Factor (%)	67.7	52.5	15.2

Notes:

1. 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.
2. Non scheduled flights have been excluded from both domestic and international routes.
3. 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.
4. Domestic cargo and mail results include results for code share flights with AIRDO Co., Ltd., Solaseed Air Inc., Oriental Air Bridge Co., Ltd. and Star Flyer Inc., results for airline charter flights, and land transport results. Results for some of code share flights with Peach Aviation Limited are included from November 01, 2020.
5. 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).
6. 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).
7. 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.

8. 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).
9. 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.
10. Percentage point difference for Passenger load factor and cargo and mail load factor between previous year and FY2019 is indicated in field of year-on-year.

＜LCC＞

Category		FY2020 Apr 1- Mar 31	FY2019 Apr 1- Mar 31	Year-on-Year (%)
Number of Passengers	(Passengers)	2,080,931	7,288,641	(71.4)
Available Seat Km	(Thousand km)	4,932,786	11,076,179	(55.5)
Revenue Passenger Km	(Thousand km)	2,403,357	9,202,033	(73.9)
Passenger Load Factor	(%)	48.7	83.1	(34.4)

Notes:

1. 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).
2. 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).
3. Airline Operating Results for LCC includes Peach Aviation Limited and Vanilla Air Inc. Pease note that the results of Vanilla Air Inc. are included only in previous same period due to the integration of Peach Aviation Limited and Vanilla Air Inc.
4. Percentage point difference for Passenger load factor between previous year and FY2019 is indicated in field of year-on-year.