



Financial Results 2025

Fiscal 2024 (Year ended March 2025)

ANA HOLDINGS INC.

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Consolidated Financial Statements

Consolidated Balance Sheet

ANA HOLDINGS INC. and its consolidated subsidiaries
As of March 31, 2025

As of March 31	Yen (Millions)		U.S. dollars (Thousands) (Note 2)
	2025	2024	2025
ASSETS			
Current assets:			
Cash and deposits (Notes 18 and 24)	¥ 454,709	¥ 600,893	\$ 3,041,124
Marketable securities (Notes 6 and 18)	761,709	656,913	5,094,361
Notes and accounts receivable (Note 18)	250,150	218,208	1,673,020
Accounts receivable from and advances to unconsolidated subsidiaries and affiliates	3,011	2,350	20,137
Lease receivables and investments in leases (Note 9)	9,565	12,219	63,971
Inventories (Notes 7, 9 and 25)	75,844	53,961	507,249
Prepaid expenses and other	139,017	156,931	929,755
Allowance for doubtful accounts	(279)	(285)	(1,865)
Total current assets	1,693,726	1,701,190	11,327,755
Property and equipment:			
Land (Note 9)	44,010	44,069	294,341
Buildings and structures (Note 9)	263,365	258,669	1,761,403
Aircraft (Note 9)	2,025,896	1,898,878	13,549,331
Machinery and equipment	106,460	100,406	712,011
Vehicles	37,129	36,330	248,321
Furniture and fixtures	60,467	60,326	404,407
Lease assets (Note 15)	7,681	9,295	51,371
Construction in progress	251,028	224,173	1,678,892
Total	2,796,036	2,632,146	18,700,080
Accumulated depreciation	(1,391,081)	(1,301,393)	(9,303,644)
Net property and equipment	1,404,955	1,330,753	9,396,435
Investments and other assets:			
Investment securities (Notes 6 and 18)	122,925	129,700	822,130
Investments in and advances to unconsolidated subsidiaries and affiliates (Note 8)	32,286	31,167	215,930
Lease and guaranty deposits	19,009	18,452	127,133
Deferred tax assets (Note 13)	190,747	213,374	1,275,728
Goodwill	13,998	15,999	93,619
Intangible assets	116,174	87,908	776,979
Other assets	26,477	40,987	177,079
Total investments and other assets	521,616	537,587	3,488,603
TOTAL (Note 21)	¥ 3,620,297	¥ 3,569,530	\$24,212,794

As of March 31	Yen (Millions)		U.S. dollars (Thousands) (Note 2)
	2025	2024	2025
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term loans (Notes 9 and 18)	¥ 76,919	¥ 84,170	\$ 514,439
Current portion of long-term debt (Notes 9 and 18)	299,398	145,828	2,002,394
Accounts payable (Note 18)	241,949	236,297	1,618,171
Accounts payable to unconsolidated subsidiaries and affiliates	1,329	1,113	8,888
Contract liabilities	526,111	444,982	3,518,666
Accrued expenses	85,713	80,417	573,254
Income taxes payable	7,471	8,015	49,966
Other current liabilities (Note 12)	37,652	34,606	251,819
Total current liabilities	1,276,542	1,035,428	8,537,600
Long-term liabilities:			
Long-term debt (Notes 9 and 18)	972,741	1,254,038	6,505,758
Liability for retirement benefits (Note 10)	153,843	160,027	1,028,912
Deferred tax liabilities (Note 13)	482	505	3,223
Asset retirement obligations (Note 12)	1,377	1,312	9,209
Other long-term liabilities	75,217	65,593	503,056
Total long-term liabilities	1,203,660	1,481,475	8,050,160
Contingent liabilities (Note 17)			
Equity (Note 16):			
Common stock:			
Authorized – 1,020,000,000 shares;			
Issued – 484,293,561 shares in 2025 and 484,293,561 shares in 2024	467,601	467,601	3,127,347
Capital surplus	394,800	404,065	2,640,449
Retained earnings	265,477	135,971	1,775,528
Treasury stock – 14,330,534 shares in 2025 and 14,224,644 shares in 2024	(56,550)	(56,512)	(378,210)
Accumulated other comprehensive income:			
Unrealized gain on securities	35,482	41,360	237,306
Deferred gain on derivatives under hedge accounting	26,324	59,782	176,056
Foreign currency translation adjustments	3,971	3,677	26,558
Defined retirement benefit plans	(6,788)	(11,436)	(45,398)
Total	1,130,317	1,044,508	7,559,637
Non-controlling interests	9,778	8,119	65,395
Total equity	1,140,095	1,052,627	7,625,033
TOTAL	¥3,620,297	¥3,569,530	\$24,212,794

See accompanying notes to consolidated financial statements.

Consolidated Financial Statements

Consolidated Statement of Income

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2025

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands) (Note 2)
	2025	2024	2025
Operating revenues (Note 21)	¥2,261,856	¥2,055,928	\$15,127,447
Cost of sales (Notes 10 and 25)	1,843,542	1,642,263	12,329,735
Gross income	418,314	413,665	2,797,712
Selling, general and administrative expenses (Notes 10 and 22)	221,675	205,754	1,482,577
Operating income (Note 21)	196,639	207,911	1,315,135
Other income (expenses):			
Interest income	3,725	1,294	24,913
Dividend income	2,295	1,311	15,349
Share of profit of entities accounted for using equity method	1,592	1,060	10,647
Foreign exchange gain, net	2,485	4,459	16,619
Gain on sales of assets	515	2,265	3,444
Gain on donation of non-current assets	1,043	367	6,975
Compensation income	19,508	14,404	130,470
Interest expenses	(23,359)	(23,324)	(156,226)
Loss on sales of assets	(180)	(50)	(1,203)
Loss on disposal of assets	(6,766)	(4,866)	(45,251)
Other, net (Note 25)	(931)	7	(6,226)
Other income (expenses), net	(73)	(3,073)	(488)
Income before income taxes	196,566	204,838	1,314,646
Income taxes (Note 13):			
Current	5,458	5,971	36,503
Deferred	37,230	40,540	248,996
Total income taxes	42,688	46,511	285,500
Net income	153,878	158,327	1,029,146
Net income attributable to non-controlling interests	851	1,230	5,691
Net income attributable to owners of the parent	¥ 153,027	¥ 157,097	\$ 1,023,455

Year Ended March 31	Yen		U.S. Dollars (Note 2)
	2025	2024	2025
Per share of common stock (Notes 3, 16 and 23):			
Basic net income	¥325.58	¥335.09	\$2.18
After adjusting for diluted shares net income per share	290.72	301.62	1.94
Cash dividends applicable to the year	60.00	50.00	0.40

See accompanying notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2025

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands) (Note 2)
	2025	2024	2025
Net income	¥153,878	¥158,327	\$1,029,146
Other comprehensive (loss) income (Note 14):			
Unrealized (loss) gain on securities	(5,763)	4,472	(38,543)
Deferred (loss) gain on derivatives under hedge accounting	(33,440)	17,279	(223,649)
Foreign currency translation adjustments	485	1,277	3,243
Defined retirement benefit plans	4,641	2,406	31,039
Share of other comprehensive (loss) income in affiliates	(139)	59	(929)
Total other comprehensive (loss) income (Note 14)	(34,216)	25,493	(228,838)
Comprehensive income	¥119,662	¥183,820	\$ 800,307
Total comprehensive income attributable to:			
Owners of the parent	¥118,633	¥182,499	\$ 793,425
Non-controlling interests	1,029	1,321	6,882

See accompanying notes to consolidated financial statements.

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2025

	Thousands						Yen (Millions)						
	Number of shares of common stock outstanding	Common stock	Capital surplus	Retained earnings (Accumulated deficit)	Treasury stock	Total shareholders' equity	Accumulated other comprehensive income						Total equity
							Unrealized gain on securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Non- controlling interests	
Balance at March 31, 2023	470,331	¥467,601	¥407,328	¥ (21,126)	¥(59,365)	¥ 794,438	¥36,824	¥ 42,496	¥2,481	¥(13,820)	¥ 67,981	¥7,972	¥ 870,391
Net income attributable to owners of the parent				157,097		157,097							157,097
Purchase of treasury stock (Note 16)	(263)				(9,510)	(9,510)							(9,510)
Disposal of treasury stock (Note 16)			(3,282)		12,362	9,080							9,080
Changes in the parent's ownership interest due to transactions with non-controlling interests			19			19							19
Change in treasury shares arising from change in equity in entities accounted for using equity method					1	1							1
Net changes in the year						—	4,536	17,286	1,196	2,384	25,402	147	25,549
Total changes during the fiscal year	(263)	—	(3,263)	157,097	2,853	156,687	4,536	17,286	1,196	2,384	25,402	147	182,236
Balance at March 31, 2024	470,068	¥467,601	¥404,065	¥135,971	¥(56,512)	¥ 951,125	¥41,360	¥ 59,782	¥3,677	¥(11,436)	¥ 93,383	¥8,119	¥1,052,627
Dividends of surplus				(23,521)		(23,521)							(23,521)
Net income attributable to owners of the parent	(105)			153,027		153,027							153,027
Purchase of treasury stock (Note 16)					(39)	(39)							(39)
Disposal of treasury stock (Note 16)			(0)		1	1							1
Changes in the parent's ownership interest due to transactions with non-controlling interests			(9,265)			(9,265)							(9,265)
Net changes in the year						—	(5,878)	(33,458)	294	4,648	(34,394)	1,659	(32,735)
Total changes during the fiscal year	(105)	—	(9,265)	129,506	(38)	120,203	(5,878)	(33,458)	294	4,648	(34,394)	1,659	87,468
Balance at March 31, 2025	469,963	¥467,601	¥394,800	¥265,477	¥(56,550)	¥1,071,328	¥35,482	¥ 26,324	¥3,971	¥ (6,788)	¥ 58,989	¥9,778	¥1,140,095

	Thousands						U.S. dollars (Thousands) (Note 2)						
	Number of shares of common stock outstanding	Common stock	Capital surplus	Retained earnings (Accumulated deficit)	Treasury stock	Total shareholders' equity	Accumulated other comprehensive income						Total equity
							Unrealized gain on securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Non- controlling interests	
Balance at March 31, 2024	470,068	\$3,127,347	\$2,702,414	\$ 909,383	\$(377,956)	\$6,361,189	\$276,618	\$ 399,826	\$24,592	\$(76,484)	\$ 624,551	\$54,300	\$7,040,041
Dividends of surplus				(157,310)		(157,310)							(157,310)
Net income attributable to owners of the parent	(105)			1,023,455		1,023,455							1,023,455
Purchase of treasury stock (Note 16)					(260)	(260)							(260)
Disposal of treasury stock (Note 16)			(0)		6	6							6
Changes in the parent's ownership interest due to transactions with non-controlling interests			(61,964)			(61,964)							(61,964)
Net changes in the year						—	(39,312)	(223,769)	1,966	31,086	(230,029)	11,095	(218,933)
Total changes during the fiscal year	(105)	—	(61,964)	866,144	(254)	803,925	(39,312)	(223,769)	1,966	31,086	(230,029)	11,095	584,991
Balance at March 31, 2025	469,963	\$3,127,347	\$2,640,449	\$1,775,528	\$(378,210)	\$7,165,115	\$237,306	\$ 176,056	\$26,558	\$(45,398)	\$ 394,522	\$65,395	\$7,625,033

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2025

Year Ended March 31	Yen (Millions)		U.S. dollars (Thousands) (Note 2)
	2025	2024	2025
Cash flows from operating activities:			
Income before income taxes	¥ 196,566	¥ 204,838	\$ 1,314,646
Adjustments for:			
Depreciation and amortization (Note 21)	148,659	142,315	994,241
Amortization of goodwill (Note 21)	2,001	2,116	13,382
Loss on disposal and sales of property and equipment	6,431	2,651	43,010
(Gain) loss on sales and valuation of investment securities	(404)	2,818	(2,701)
Increase (decrease) in allowance for doubtful accounts	3,855	(11)	25,782
Increase in liability for retirement benefits	1,062	1,554	7,102
Interest and dividend income	(6,020)	(2,605)	(40,262)
Interest expenses	23,359	23,324	156,226
Foreign exchange gain	(5,063)	(4,268)	(33,861)
Increase in notes and accounts receivable	(29,566)	(33,419)	(197,739)
Increase in other current assets	(14,403)	(25,279)	(96,328)
(Decrease) increase in notes and accounts payable	(825)	62,539	(5,517)
Increase in contract liabilities	81,129	51,437	542,596
Other, net	(10,885)	14,111	(72,799)
Subtotal	395,896	442,121	2,647,779
Interest and dividends received	5,762	3,563	38,536
Interest paid	(23,061)	(23,419)	(154,233)
Proceeds from subsidy income	—	15	—
Income taxes paid	(5,563)	(1,658)	(37,205)
Net cash provided by operating activities	373,034	420,622	2,494,876
Cash flows from investing activities:			
Purchases of marketable securities	(1,392,578)	(528,209)	(9,313,657)
Proceeds from redemption of marketable securities	1,294,172	343,158	8,655,510
Purchases of property and equipment	(216,859)	(202,066)	(1,450,367)
Proceeds from sales of property and equipment	17,555	29,171	117,409
Purchases of intangible assets	(39,071)	(38,403)	(261,309)
Purchases of investment securities	(2,167)	(2,534)	(14,493)
Proceeds from sales of investment securities	487	—	3,257
Proceeds from withdrawal of investments in securities	1,327	1,153	8,875
Loan advances	(5,603)	—	(37,473)
Other, net	(919)	(1,795)	(6,146)
Net cash used in provided by investing activities	(343,656)	(399,525)	(2,298,394)
Cash flows from financing activities:			
Decrease in short-term loans, net	(7,251)	(8,000)	(48,495)
Proceeds from long-term loans	15,786	—	105,577
Repayment of long-term loans	(74,295)	(84,633)	(496,890)
Redemption of bonds	(70,000)	(30,000)	(468,164)
Repayment of finance lease obligations	(2,207)	(2,947)	(14,760)
Payment for purchases of investments in subsidiaries with no changes in scope of consolidation	(11,363)	—	(75,996)
Proceeds from share issuance to non-controlling shareholders	3,708	—	24,799
Net increase of treasury stock	(38)	(9,339)	(254)
Payment for dividends	(23,521)	—	(157,310)
Other, net	(973)	(1,126)	(6,507)
Net cash used in provided by financing activities	(170,154)	(136,045)	(1,138,001)
Effect of exchange rate changes on cash and cash equivalents	982	3,979	6,567
Net decrease in cash and cash equivalents	(139,794)	(110,969)	(934,951)
Cash and cash equivalents at beginning of year	1,002,512	1,113,481	6,704,868
Cash and cash equivalents at end of year (Note 24)	¥ 862,718	¥1,002,512	\$ 5,769,917

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

ANA HOLDINGS INC. and its consolidated subsidiaries
Year Ended March 31, 2025

1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of ANA HOLDINGS INC. (hereinafter referred to as the “Company”) and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (“IFRS”).

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the consolidated financial statements of the previous fiscal year to conform to the classifications used in the current fiscal year.

2. Translation of financial statements

The consolidated financial statements presented herein are expressed in Japanese yen and, solely for the convenience of readers outside of Japan, have been translated into U.S. dollars at the rate of ¥149.52 = US\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2025. This translation should not be construed as a representation that the amounts shown could be converted into U.S. dollars at that or any other rate. Translations of U.S. dollars are rounded down to the nearest thousand and, therefore, the totals shown in tables do not necessarily agree with the sums of the individual amounts.

3. Summary of significant accounting policies

(1) Consolidation

The consolidated financial statements as of March 31, 2025 include the accounts of the Company and its 57 (55 in 2024) consolidated subsidiaries (collectively, the “Group”).

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in 13 (13 in 2024) unconsolidated subsidiaries and affiliates are accounted for by the equity method.

The difference between the cost and the underlying net assets at the date of acquisition of consolidated subsidiaries and companies accounted for by the equity method is amortized using the straight-line method over a period of 10 to 15 years.

Investments in 107 (104 in 2024) subsidiaries and affiliates which are not consolidated or accounted for by the equity method are stated at cost.

If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

Certain subsidiaries have fiscal years ended December 31, necessary adjustments for significant transactions, if any, are made in consolidation. In addition, as for OCS Hong Kong Co., Ltd., one of the consolidated subsidiaries, whose fiscal year end was March 31, the 9-month period from April 1, 2024 to December 31, 2024 was consolidated in the current fiscal year due to change of the fiscal year end to December 31.

(2) Foreign currency translation

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, except for payables and receivables hedged by qualified forward exchange contracts, and differences arising from the translation are included in the consolidated statement of income.

The balance sheet accounts of consolidated foreign subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except for the components of equity excluding non-controlling interests, which are translated at their historical exchange rates. Revenue and expense accounts are translated at the average rate of exchange in effect during the year. Differences arising from the translation are presented as foreign currency translation adjustments in equity.

(3) Marketable securities and investment securities

Marketable securities and investment securities are classified into three categories: trading, held-to-maturity or available-for-sale. Under the accounting standard, trading securities are carried at fair value and held-to-maturity securities are carried at amortized cost. Marketable securities classified as available-for-sale securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in equity. Non-marketable securities classified as available-for-sale securities are carried at cost, determined by the moving-average method. See Note 6 “Marketable securities and investment securities” for additional information.

(4) Allowance for doubtful accounts

The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the Group’s past credit loss experience and an evaluation of potential losses in the receivables outstanding.

(5) Inventories

Inventories include aircraft spare parts, supplies and stock in trade of consolidated subsidiaries, and are stated at cost, principally determined by the moving-average method. The net book value of inventories in the consolidated balance sheet is written down when their net realizable value is less than book value. See Note 7 “Inventories” and Note 25 “Supplementary information for the consolidated statement of income” for additional information.

(6) Property and equipment (excluding leased assets)

Property and equipment, excluding leased assets, are stated at cost less accumulated depreciation. Depreciation of property and equipment is computed based on the estimated useful lives. Major assets are depreciated by the following method:

Buildings	Straight-line method
Aircraft	Straight-line method

The Company and certain subsidiaries employ principally the following useful lives for major property and equipment, based upon the Company’s estimate of durability:

Buildings	3–50 years
Aircraft	9–25 years

Major additions and improvements are capitalized at cost. Maintenance and repairs, including minor remodels and improvements, are charged to income as incurred.

(7) Intangible assets and amortization (excluding leased assets)

Intangible assets are amortized principally by the straight-line method. Cost of software purchased for internal use is amortized by the straight-line method over five years, which is the estimated useful life of purchased software.

(8) Retirement benefits

The retirement benefit plans of the Group cover substantially all employees other than directors and corporate auditors. Under the terms of this plan, eligible employees are entitled, upon mandatory retirement or earlier voluntary severance, to lump-sum payments or annuity payments based on their compensation at the time of leaving and years of service with the Company and subsidiaries.

The Company and certain significant domestic subsidiaries have trustee employee pension funds to provide coverage for part of the lump-sum benefits or annuity payments.

The Company and certain consolidated subsidiaries sponsor defined contribution pension plans as well as defined benefit pension plans.

The Company accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and are recognized in profit or loss over the average remaining service years of employees.

(9) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences. See Note 13 “Income taxes” for additional information.

(10) Leases

Leased assets arising from transactions under finance lease contracts are depreciated to a residual value of zero by the straight-line method using the term of the contract as the useful life.

(11) Derivatives

The Group uses derivatives, such as forward foreign currency exchange contracts, interest rate swaps, and commodity options and swaps to limit its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Group does not use derivatives for trading purposes.

Derivative financial instruments are carried at fair value with changes in unrealized gains or losses charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which an unrealized gain or loss is deferred. Receivables and payables hedged by qualified forward exchange contracts are translated at the corresponding foreign exchange contract rates. Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expenses.

Notes to Consolidated Financial Statements

(12) Revenue recognition

The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring promised goods or services (i.e., an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. The Group recognizes as revenue the amount expected to be received upon Air Transportation, Airline Related, Travel Services, Trade and Retail, and Others.

The Group recognize revenue based on the five-step approach

STEP 1: Identify the contract with the customer

STEP 2: Identify the performance obligations

STEP 3: Determine the transaction price

STEP 4: Allocate the transaction price to the performance obligations

STEP 5: Recognize revenue when the performance obligations are satisfied

The details of the main performance obligations and the normal points of time for recognizing revenue in major services are as follows:

(i) Air Transportation	Passenger revenue Revenue is earned mainly from passenger transportation services by air. The Group is obliged to provide international and domestic air transportation services to customers based on the terms of carriage, etc., and revenue is recognized when the transportation services are provided. As the Group may carry out sales discounts and pay rebates according to sales performance, the consideration for the transaction is subject to change. In addition, transaction consideration is usually received prior to the fulfillment of performance obligations.
	Cargo and Mail revenue Revenue is earned mainly from cargo and mail transportation services. The Group is obliged to provide cargo and mail transportation services for international and domestic flights based on the conditions of carriage, etc., and revenue is recognized when the transportation services are provided. For sales and rebates, the Group pays a rebate according to the sales performance. Therefore, the consideration for the transaction may fluctuate. In addition, the consideration for the transaction is received after the completion of the air transportation service of cargo and mail.
	Others The Group operates the membership program “ANA Mileage Club.” This program awards points (miles, sky-coin, etc.) to member customers depending on the use of our flights and the services of partner companies, and the miles awarded can be redeemed for goods and services provided by the Group or partner companies. The main element of points is miles, which is separately identify performance obligations as an option to purchase additional goods or services in the future. As a result, the transaction price allocated to the miles is recognized as a contract liability at the time the miles are granted, and the revenue is recognized when the goods or services exchanged for the miles are used or when the miles expire. The transaction price is allocated based on the proportion of the independent selling price for each performance obligation included in the contract, and the independent selling price of miles is estimated by taking is into account the composition ratio of goods and services that the customers select when using miles and the expected to expire.
(ii) Airline Related	The Group is obliged to provide services such as airport ground support services, aircraft maintenance and system development that accompany air transportation based on contracts with air carriers. Revenue is recognized mainly over a certain period of time as the service is provided.
(iii) Travel Services	Revenue is earned from planning and sales of domestic and overseas travel. The Group plans travel products based on standard travel agency agreements, and has an itinerary management obligation to arrange for travelers to receive transportation, accommodation and other travel services. Revenue is recognized over a certain period of time as the service is provided. Transaction consideration is primarily received prior to fulfilling performance obligations.
(iv) Trade and Retail	Revenue is earned from import/export of aviation-related materials, shops and mail-order, etc. Revenue is recognized when the Group fulfills performance obligations primarily by delivery of goods to customers.
(v) Others	Revenue is earned from building management dispatching, personnel training business, etc. Revenue is recognized over a period of time as the service is provided.

(13) Bond issuance cost

Bond issuance cost is amortized by the straight-line method over the redemption period of the corporate bonds.

(14) Cash equivalents

Cash equivalents are short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value.

Cash equivalents include time deposits and negotiable certificates of deposit, all of which mature or become due within three months of the date of acquisition. See Note 24 “Supplementary cash flow information” for additional information.

(15) Per share information

Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Diluted net income per share is not presented as the effect of including potential common shares is anti-dilutive.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

(16) Share remuneration plan for directors

The Company has transactions for delivery of the Company’s treasury stock through a trust as a share remuneration plan (the “Trust for Delivery of Shares to Directors”) in order to improve its operating performance, increase its corporate value, and raise the directors’ awareness of shareholder-oriented management.

(i) Transaction outline

Trust for Delivery of Shares to Directors is a system in which funds are contributed by the Company, and shares acquired are distributed to the Company’s directors in accordance with the Company’s operating performance, etc.

(ii) The Company’s treasury stock remaining in the trust

The Company’s treasury stock remaining in the trust is recorded at book value (excluding associated expenses) of the trust and is reflected as treasury stock in equity. The book value was ¥1,135 million (\$7,590 thousand) for the current fiscal year and ¥1,135 million for the previous fiscal year. The number of shares was 367 thousand shares for the current fiscal year and 367 thousand shares for the previous fiscal year.

4. Change in accounting policies

Application of Accounting Standard for Current Income Taxes, etc.

The Group has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc., since the beginning of the fiscal year ended March 31, 2025.

With respect to the revision concerning the classification of current income taxes (taxes on other comprehensive income), the Group has applied the transitional treatments stipulated in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Guidance 2022”). This change in accounting policy has no impact on the consolidated financial statements.

In addition, the Group has adopted Revised Guidance 2022 since the beginning of the fiscal year ended March 31, 2025, regarding the revision related to the treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries and other securities among consolidated companies. The effect of this change in accounting policy on the consolidated financial statements is not material.

5. Significant accounting estimates

(1) Recoverability of deferred tax assets

(i) Amount recorded in the consolidated financial statements

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Deferred tax assets	¥190,747	¥213,374	\$1,275,728

(ii) Other information of accounting estimates

The Group recorded tax loss carryforwards in FY2020 and FY2021 due to a decrease in demand for airline passengers associated with the spread of the novel coronavirus (COVID-19). In the current consolidated fiscal year, deferred tax assets of ¥190,747 million related to tax loss carryforwards etc. are recorded.

The Company and certain domestic consolidated subsidiaries apply the group tax sharing system. The corporations subject to the group tax sharing system make judgments on the recoverability based on the future taxable income, etc. of the entire tax sharing group with regard to corporate taxes (national taxes), and make judgments on the recoverability of deferred tax assets based on the future taxable income, etc. of each corporation with regard to local taxes. With respect to tax loss carryforwards, based on the estimated future taxable income, the Company schedule the expected year and amount to be deducted from tax loss carryforwards, and record the amount expected to be recovered as deferred tax assets.

Regarding the judgment on the recoverability of deferred tax assets for the entire tax sharing group, the estimate of future taxable income is based on the “Consolidated Earnings Forecast” for the fiscal year ending March 31, 2026 and the “FY2023–2025 ANA Group Mid-term Corporate Strategy.”

Changes in assumptions due to changes in the business environment and other factors may have a material impact on the consolidated financial statements in the following fiscal year and thereafter.

Notes to Consolidated Financial Statements

(2) Goodwill impairment related to the Air Transportation Business

Amount recognized in the consolidated financial statements

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Goodwill related to the Air Transportation Business	¥—	¥15,999	\$—

Note: The amount recorded for the consolidated fiscal year under review is not presented as it has not material impact.

(3) Revenue Recognition of the Company's point program

(i) Amounts recorded in consolidated financial statements

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Contract liability	¥167,708	¥147,909	\$1,121,642

(ii) Other information of accounting estimates

The Group operates the membership program “ANA Mileage Club.” This program awards points (miles and sky-coin, etc.) to member customers depending on the use of our flights and the services of partner companies.

These awards points are individually identified as performance obligations as an option for future purchase of additional goods or services provided by the Group or partner companies. The transaction price allocated to these points is recognized as a contract liability at the time the miles and sky-coin, etc., are granted, and the revenue is recognized when the goods or services exchanged for these points are used or when these points expire. The transaction price is allocated based on the proportion of the independent selling price for each performance obligation included in the contract, and the independent selling price of these points are estimated by considering the composition ratio of goods and services that the customers select when using the points and the expected expiration of points. This assumption is highly uncertain, and if the composition ratio of goods and services that customers select and the expected expiration amount are changed, it may have a significant impact on the consolidated financial statements for the following fiscal year or thereafter.

6. Marketable securities and investment securities

Marketable and investment securities at March 31, 2025 and 2024 are summarized as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Current:			
Negotiable certificates of deposits	¥741,709	¥656,913	\$4,960,600
Other	—	—	—
Total	¥741,709	¥656,913	\$4,960,600
Non-current:			
Marketable equity securities	¥ 97,619	¥104,806	\$ 652,882
Other	25,399	24,894	169,870
Total	¥123,018	¥129,700	\$ 822,752

The costs and aggregate fair values of marketable and investment securities at March 31, 2025 and 2024 were as follows:

As of March 31, 2025	Yen (Millions)			
	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale:				
Negotiable certificates of deposit	¥741,709	¥ —	¥ —	¥741,709
Marketable equity securities	49,675	48,720	(776)	97,619
Held-to-maturity	21,910	—	(96)	21,814
As of March 31, 2024	Yen (Millions)			
	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale:				
Negotiable certificates of deposit	¥656,913	¥ —	¥ —	¥656,913
Marketable equity securities	49,416	57,160	(1,770)	104,806
Held-to-maturity	1,910	—	(187)	1,723

As of March 31, 2025	U.S. dollars (Thousands)			
	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale:				
Negotiable certificates of deposit	\$4,960,600	\$ —	\$ —	\$4,960,600
Marketable equity securities	332,229	325,842	(5,189)	652,882
Held-to-maturity	146,535	—	(640)	145,895

The breakdown of securities for which fair value cannot be reliably determined at March 31, 2025 and 2024 is as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Available-for-sale	¥23,489	¥23,142	\$157,096

The redemption schedule of available-for-sale securities with maturities and held-to-maturity securities at March 31, 2025 and 2024 is summarized as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Bonds:			
Within 1 year	¥ 20,000	¥ —	\$ 133,761
Over 1 year to 5 years	—	—	—
Over 5 years to 10 years	—	—	—
Over 10 years	1,910	1,910	12,774
Other securities with maturities:			
Within 1 year	741,796	660,316	4,961,182
Over 1 year to 5 years	5,971	4,062	39,934
Over 5 years to 10 years	2,857	2,184	19,107
Over 10 years	—	—	—
Total:			
Within 1 year	¥761,796	¥660,316	\$5,094,943
Over 1 year to 5 years	5,971	4,062	39,934
Over 5 years to 10 years	2,857	2,184	19,107
Over 10 years	1,910	1,910	12,774

7. Inventories

Inventories at March 31, 2025 and 2024 consisted of the following:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Inventories (Merchandise)	¥14,519	¥11,743	\$ 97,104
Inventories (Supplies)	61,325	42,218	410,145
Total	¥75,844	¥53,961	\$507,249

8. Investments in and advances to unconsolidated subsidiaries and affiliates

Investments in and advances to unconsolidated subsidiaries and affiliates at March 31, 2025 and 2024 consisted of the following:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Investments in capital stock	¥27,201	¥26,040	\$181,922
Advances	5,085	5,127	34,008
Total	¥32,286	¥31,167	\$215,930

Notes to Consolidated Financial Statements

9. Short-term loans and long-term debt

Short-term loans and current portion of long-term debt at March 31, 2025 and 2024 consisted of the following:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Short-term loans	¥ 76,919	¥ 84,170	\$ 514,439
Current portion of long-term loans	267,166	73,777	1,786,824
Current portion of bonds	30,000	—	200,642
Current portion of convertible bonds	—	70,000	—
Current portion of finance lease obligations	2,232	2,051	14,927
Total	¥376,317	¥229,998	\$2,516,833

The weighted-average interest rates on the above short-term loans were 0.041% and 0.001% per annum in 2025 and 2024, respectively.

Long-term debt at March 31, 2025 and 2024 consisted of the following:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Bonds:			
1.20% notes due 2026	¥ 15,000	¥ 15,000	\$ 100,321
0.99% notes due 2036	20,000	20,000	133,761
0.88% notes due 2037	10,000	10,000	66,880
Convertible bonds with stock acquisition rights due 2024	—	70,000	—
0.82% notes due 2038	10,000	10,000	66,880
0.47% notes due 2028	10,000	10,000	66,880
0.27% notes due 2026	5,000	5,000	33,440
0.84% notes due 2039	15,000	15,000	100,321
0.27% notes due 2025	30,000	30,000	200,642
0.28% notes due 2029	10,000	10,000	66,880
0.69% notes due 2039	10,000	10,000	66,880
0.48% notes due 2026	20,000	20,000	133,761
Convertible bonds with stock acquisition rights due 2031	150,000	150,000	1,003,210
	305,000	375,000	2,039,860
Long term debt principally from banks:			
The weighted-average interest rates were 4.24% and 2.36% per annum in 2025 and 2024, maturing in installments through 2057	959,076	1,017,585	6,617,302
Finance lease obligations:			
Finance lease agreements expiring through 2044	8,063	7,281	53,925
	1,272,139	1,399,866	8,508,152
Less current portion	299,398	145,828	2,002,394
Total	¥ 972,741	¥1,254,038	\$6,505,758

The details of the convertible bonds with stock acquisition rights are as follows:

	Zero coupon convertible bonds due 2031
Class of shares to be issued	Common stock
Total issue price of stock acquisition rights	Zero
Initial conversion price	¥2,883 (\$23.55) per share
Total issue price	¥150,000 million (\$1,225,590 thousand)
Total issue price of shares issued upon the exercise of stock acquisition rights	—
Percentage of stock acquisition rights granted	100.0%
Exercise period	December 24, 2021 through November 26, 2031

If all of these outstanding warrants had been exercised at March 31, 2025, 56,368,608 shares of common stock would have been issued.

The conversion price of the convertible bonds is subject to adjustments to reflect stock splits and certain other events.

As is customary in Japan, short-term and long-term bank loans are made under general agreements, which provide that security and guarantees for future and present indebtedness will be given upon request of the bank, and that the bank shall have the right, as the obligation becomes due or in the event of default and certain other specified events, to offset cash deposits against such obligations due to the bank.

The following assets were pledged as collateral for short-term and long-term debt at March 31, 2025 and 2024:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Assets at net book value:			
Aircraft (including aircraft spare parts included in inventories)	¥597,606	¥621,689	\$3,996,829
Land and buildings	1,567	1,690	10,480
Lease receivables and investments in leases	5,839	7,300	39,051
Others	9,984	9,884	66,773
Total	¥614,999	¥640,566	\$4,113,155

The aggregate annual maturities of long-term debt after March 31, 2025 are as follows:

Years ending March 31	Yen (Millions)	U.S. dollars (Thousands)
2026	¥ 299,398	\$2,002,394
2027	103,435	691,780
2028	61,734	412,881
2029	69,095	462,112
2030	63,527	424,872
Thereafter	674,950	4,514,111
Total	¥1,272,139	\$8,508,152

10. Retirement benefit plans

The Company and certain consolidated subsidiaries provide defined contribution pension plans as well as defined benefit pension plans, i.e., defined benefit corporate pension plans and lump-sum payment plans for the benefit of employees. Premium severance pay may be paid at the time of retirement of eligible employees in certain cases.

Certain consolidated subsidiaries adopting defined benefit corporate pension plans and lump-sum payment plans use a simplified method for calculating retirement benefit expenses and liabilities.

(1) The changes in the defined benefit obligation for the years ended March 31, 2025 and 2024 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Balance at the beginning of the fiscal year	¥215,433	¥217,079	\$1,440,830
Service cost	10,169	10,295	68,010
Interest cost	1,742	1,695	11,650
Actuarial (gains) losses	(4,946)	1,770	(33,079)
Benefits paid	(15,320)	(15,486)	(102,461)
Accrued past service cost	—	11	—
Decrease due to transition to defined contribution pension plan	(1,104)	—	(7,383)
Other	63	69	421
Balance at the end of the fiscal year	¥206,037	¥215,433	\$1,377,989

(2) The changes in plan assets for the years ended March 31, 2025 and 2024 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Balance at the beginning of the fiscal year	¥58,604	¥57,568	\$391,947
Expected return on plan assets	689	810	4,608
Actuarial (gains) losses	(901)	2,301	(6,025)
Employer contributions	2,733	2,442	18,278
Benefits paid	(4,239)	(4,517)	(28,350)
Decrease due to transition to defined contribution pension plan	(826)	—	(5,524)
Balance at the end of the fiscal year	¥56,060	¥58,604	\$374,933

Notes to Consolidated Financial Statements

(3) A reconciliation between the liability recorded in the consolidated balance sheet and the balances of the defined benefit obligation and plan assets at March 31, 2025 and 2024 is as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Funded defined benefit obligation	¥ 57,051	¥ 64,094	\$ 381,560
Plan assets at fair value	(56,060)	(58,604)	(374,933)
	991	5,490	6,627
Unfunded defined benefit obligation	148,986	151,339	996,428
Net liability arising from defined benefit obligation in the consolidated balance sheet	¥149,977	¥156,829	\$1,003,056
Liability for retirement benefits	¥153,843	¥160,027	\$1,028,912
Asset for defined benefits	(3,866)	(3,198)	(25,856)
Net liability arising from defined benefit obligation in the consolidated balance sheet	¥149,977	¥156,829	\$1,003,056

(4) The components of net periodic benefit costs for the years ended March 31, 2025 and 2024 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Service cost	¥10,169	¥10,295	\$68,010
Interest cost	1,742	1,695	11,650
Expected return on plan assets	(689)	(810)	(4,608)
Recognized actuarial losses	1,937	2,218	12,954
Amortization of past service cost	905	881	6,052
Net periodic benefit costs	¥14,064	¥14,279	\$94,060
Gains associated with transition to defined contribution pension plan*1	(218)	—	(1,457)

*1 Gains associated with transition to defined contribution pension plan are recorded as other income

(5) Amounts recognized in other comprehensive income (before income tax effect) related to the defined retirement benefit plans for the years ended March 31, 2025 and 2024 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Past service cost	¥ 857	¥ 870	\$ 5,731
Actuarial gains	5,939	2,749	39,720
Total	¥6,796	¥3,619	\$45,452

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) related to the defined retirement benefit plans at March 31, 2025 and 2024 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Unrecognized actuarial losses	¥(5,482)	¥(11,422)	\$(36,663)
Unrecognized past service cost	(3,949)	(4,805)	(26,411)
Total	¥(9,431)	¥(16,227)	\$(63,075)

(7) Plan assets

(i) Components of plan assets

Plan assets at March 31, 2025 and 2024 consisted of the following:

	2025	2024
Bonds	38%	32%
General accounts	15	15
Stocks	13	15
Cash and deposits	8	9
Other	26	29
Total	100%	100%

(ii) Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets has been estimated based on the anticipated allocation to each plan asset class and the expected long-term returns on plan assets held in each category.

(8) Assumptions used for the years ended March 31, 2025 and 2024 are set forth as follows:

	2025	2024
Discount rates	0.4 – 2.4%	0.1 – 1.6%
Expected rates of return on plan assets	1.0 – 2.5%	1.0 – 2.5%

(i) Defined contribution pension plans

The contributions to defined contribution pension plans of the Company and certain consolidated subsidiaries were ¥5,430 million (\$36,316 thousand) and ¥4,825 million for the years ended March 31, 2025 and 2024, respectively.

11. Stock options

Consolidated subsidiary: avatarin Inc.

Compensation expense for employee stock options are recognized based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services in accordance with ASBJ Statement No. 8, "Accounting Standard for Share-based Payment."

(1) Items and amounts of related expenses presented in the consolidated accounts

There are no applicable items.

(2) Amount recorded as profit due to expiration of non-exercise of rights

There are no applicable items.

(3) Description of stock options, movement of stock options and status of related changes

(i) Description of stock options

1st subscription rights to share	
Category and number of people eligible to be granted stock options	Executive officers in the consolidated subsidiary: 2 people
Number of stock options granted by type of stock	Common shares: 27,500 shares ^(*)
Granted date	February 1, 2022
Vesting conditions	Listing of the consolidated subsidiary on domestic or overseas financial instruments exchanges, etc.
Vesting period	No relevant service period has been established.
Exercise period	From February 1, 2022 to December 28, 2036
2nd subscription rights to share	
Category and number of people eligible to be granted stock options	Employee in the consolidated subsidiary: 27 people
Number of stock options granted by type of stock	Common shares: 20,235 shares ^(*)
Granted date	February 1, 2022
Vesting conditions	Listing of the consolidated subsidiary on domestic or overseas financial instruments exchanges, etc.
Vesting period	No relevant service period has been established.
Exercise period	From February 1, 2022 to December 28, 2031
3rd subscription rights to share	
Category and number of people eligible to be granted stock options	Employee in the consolidated subsidiary: 5 people
Number of stock options granted by type of stock	Common shares: 5,100 shares ^(*)
Granted date	July 1, 2023
Vesting conditions	Listing of the consolidated subsidiary on domestic or overseas financial instruments exchanges, etc.
Vesting period	No relevant service period has been established.
Exercise period	From July 1, 2023 to December 28, 2031

Notes to Consolidated Financial Statements

		4th subscription rights to share
Category and number of people eligible to be granted stock options	Executive officers in the consolidated subsidiary: 2 people and Employee in the consolidated subsidiary: 19 people	
Number of stock options granted by type of stock	Common shares: 40,700 shares ^(*)	
Granted date	October 1, 2024	
Vesting conditions	Listing of the consolidated subsidiary on domestic or overseas financial instruments exchanges, etc.	
Vesting period	No relevant service period has been established.	
Exercise period	From October 1, 2024 to December 28, 2031	

(*) Options are presented after conversion to the number of the consolidated subsidiary shares.

(ii) Movement of stock options and status of related changes

With respect to stock options existing during the fiscal year ended March 31, 2025, the number of stock options is converted into the number of shares:

(a) Number of stock options

	1st subscription rights to share	2nd subscription rights to share	3rd subscription rights to share	4th subscription rights to share
Share subscription rights which are not yet vested				
Outstanding as of March 31, 2024	¥27,500	¥15,250	¥5,100	¥40,700
Granted	—	—	—	—
Canceled	—	275	—	—
Vested	—	—	—	—
Unvested balance	27,500	14,975	5,100	40,700

(b) Price information

	1st subscription rights to share	2nd subscription rights to share	3rd subscription rights to share	4th subscription rights to share
Exercise price (yen)	¥11,150	¥11,150	¥15,000	¥30,000
Weighted average exercise price (yen)	—	—	—	—
Fair value at the granted date (yen)	—	—	—	—

	1st subscription rights to share	2nd subscription rights to share	3rd subscription rights to share	4th subscription rights to share
Exercise price (U.S. dollars)	\$74.57	\$74.57	\$100.32	\$200.64
Weighted average exercise price (U.S. dollars)	—	—	—	—
Fair value at the granted date (U.S. dollars)	—	—	—	—

(4) Method of estimating the fair value of stock options

At the time of granting the 1st, 2nd, 3rd, and 4th subscription rights to share, the consolidated subsidiary was a private company. It depends on the method of estimating intrinsic value per unit of stock options, instead of the method of estimating the fair valuation unit price of stock options. In addition, the valuation method for the company's stock, which is the basis for calculating the intrinsic value per unit, uses the price calculated by using both the Discounted cash flow method and the transaction case method.

(5) Method of estimating the number of vested stock option rights

As reasonable estimation of the number of rights to be canceled in the future is difficult, the method that reflects only the actual number of rights canceled is used.

(6) Total intrinsic value at the end of the current consolidated fiscal year when calculated based on the intrinsic value per unit of stock options and total intrinsic value of stock options exercised in the current consolidated fiscal year on the exercise date

(i) Total intrinsic value at the end of the current consolidated fiscal year (million yen)	—
(ii) Intrinsic value of stock options exercised in the current consolidated fiscal year on the exercise date (million yen)	—

12. Asset retirement obligations

(1) Asset retirement obligations recorded on the consolidated balance sheet

(i) Overview of asset retirement obligations

The Company and its domestic subsidiaries enter into agreements with national government entities that allow for the use of Japanese government property and have entered into real estate lease contracts with such entities for the Head Office, sales branches, airport branches, and certain other offices. As the Company and its domestic subsidiaries have restoration obligations for such properties at the end of each lease period, related legal obligations required by law and the contracts are recorded on the consolidated balance sheet as asset retirement obligations.

(ii) Calculation of asset retirement obligations

The Group estimates the expected periods of use as 1 to 30 years and calculates the amount of asset retirement obligations with discount rates of 0.00% to 2.27%.

The following table indicates the changes in asset retirement obligations for the years ended March 31, 2025 and 2024:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Balance at the beginning of the fiscal year	¥2,225	¥2,802	\$14,880
Liabilities incurred due to the acquisition of property and equipment	49	—	327
Accretion expense	16	14	107
Liabilities settled	(620)	(592)	(4,146)
Other	(202)	1	(1,350)
Balance at the end of the fiscal year	¥1,468	¥2,225	\$9,818

(2) Asset retirement obligations not recorded on the consolidated balance sheet

The Company and its domestic subsidiaries enter into agreements with national government entities that allow for the use of Japanese government property, and have entered into real estate lease contracts with such entities for land and offices at airport facilities, including Tokyo International Airport, Narita International Airport, New Chitose Airport, Chubu Centrair International Airport, Osaka International Airport, Kansai International Airport, Fukuoka Airport, and Naha Airport, etc. The Company and its domestic subsidiaries have restoration obligations when they vacate and clear such facilities. However, as the above airports are considered to be critical infrastructure, it is beyond the control of the Company alone to determine when to vacate and clear such facilities, and it is also impossible to make reasonable estimates as there are currently no relocation plans for the above properties. Therefore, the Company and its domestic subsidiaries do not record asset retirement obligations for the related liabilities.

Notes to Consolidated Financial Statements

13. Income taxes

The Company and certain of its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of 30.62% for the years ended March 31, 2025 and 2024.

The Group files a tax return under the group tax sharing system, which allows companies to base tax payments on the combined profits or losses of the parent company and certain of its domestic subsidiaries.

(1) The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2025 and 2024 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Deferred tax assets:			
Tax loss carryforwards ^{(*)2}	¥ 57,611	¥128,789	\$ 385,306
Contract liabilities of the Company's point program	51,732	44,388	345,987
Liability for retirement benefits	48,840	49,541	326,645
Accrued bonuses to employees	19,269	17,636	128,872
Other provisions	16,134	2,628	107,905
Long-term unearned revenue	6,322	5,951	42,281
Loss on investment in subsidiaries	3,525	2,842	23,575
Unrealized gain on inventories and property and equipment	3,378	4,078	22,592
Loss on valuation of assets	3,148	3,172	21,054
Prepaid expenses	2,791	2,938	18,666
Impairment loss	356	450	2,380
Other	34,826	37,051	232,918
Total gross deferred tax assets	247,932	299,464	1,658,186
Valuation allowance for tax loss carryforwards ^{(*)2}	(15,426)	(21,033)	(103,170)
Valuation allowance for the sum of deductible temporary differences, etc.	(12,436)	(18,493)	(83,172)
Subtotal of valuation allowances ^{(*)1}	(27,862)	(39,526)	(186,342)
Total net deferred tax assets	220,070	259,938	1,471,843
Deferred tax liabilities:			
Unrealized gain on securities	(14,916)	(17,294)	(99,759)
Deferred gain on hedging instruments	(11,951)	(26,164)	(79,929)
Retained earnings of subsidiaries and affiliates	(2,277)	(1,677)	(15,228)
Other	(661)	(1,934)	(4,420)
Total gross deferred tax liabilities	(29,805)	(47,069)	(199,337)
Net deferred income taxes	¥190,265	¥212,869	\$1,272,505

(*)1 Valuation allowances decreased by ¥11,664 million (\$78,009 thousand).
The main reason for the decrease in valuation allowances is a decrease ¥5,607 million (\$37,500 thousand) in the valuation allowance for tax loss carryforwards and a decrease ¥6,057 million (\$40,509 thousand) in the valuation allowance for the sum of deductible temporary differences, etc.

(*)2 Tax loss carryforwards and associated deferred tax assets by the expiration date of tax loss carryforwards:

As of March 31, 2025

	Yen (Millions)						
	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Tax loss carryforwards ^{(*)1}	¥—	¥—	¥—	¥28	¥—	¥ 57,583	¥ 57,611
Valuation allowance	—	—	—	—	—	(15,426)	(15,426)
Deferred tax assets ^{(*)2}	¥—	¥—	¥—	¥28	¥—	¥ 42,157	¥ 42,185

(*)1 Tax loss carryforwards reflect the amounts resulting from multiplying the statutory tax rate.

(*)2 The Group recorded deferred tax assets of ¥42,185 million related to tax loss carryforwards due to a significant decrease in demand for airline passengers associated with COVID-19, etc.

The Company and certain domestic consolidated subsidiaries apply the group tax sharing system. The corporations subject to the group tax sharing system make judgements on the recoverability based on the future taxable income, etc. of the entire tax sharing group with regard to corporate taxes (national taxes), and make judgements on the recoverability of deferred tax assets based on the future taxable income, etc. of each corporation with regard to local taxes. With respect to tax loss carryforwards, based on the estimated future taxable income, the Company schedule the expected year and amount to be deducted from tax loss carryforwards, and record the amount expected to be recovered as deferred tax assets.

Regarding the judgment on the recoverability of deferred tax assets for the entire tax sharing group, the estimate of future taxable income is based on the “Consolidated Earnings Forecast” for the fiscal year ending March 31, 2026 and the “FY2023-FY2025 ANA Group Mid-Term Corporate Strategy.”

Changes in assumptions due to changes in the business environment and other factors may have a material impact on the consolidated financial statements in the following fiscal year and thereafter.

As of March 31, 2024

	Yen (Millions)						
	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Tax loss carryforwards ^{(*)1}	¥—	¥—	¥—	¥—	¥ 43	¥128,746	¥128,789
Valuation allowance	—	—	—	—	(43)	(20,990)	(21,033)
Deferred tax assets ^{(*)2}	¥—	¥—	¥—	¥—	¥ —	¥107,756	¥107,756

(*)1 Tax loss carryforwards reflect the amounts resulting from multiplying the statutory tax rate.

(*)2 The Group recorded deferred tax assets of ¥107,756 million related to tax loss carryforwards due to a significant decrease in demand for airline passengers associated with COVID-19, etc.

The Company and certain domestic consolidated subsidiaries apply the group tax sharing system. The corporations subject to the group tax sharing system make judgements on the recoverability based on the future taxable income, etc. of the entire tax sharing group with regard to corporate taxes (national taxes), and make judgements on the recoverability of deferred tax assets based on the future taxable income, etc. of each corporation with regard to local taxes. With respect to tax loss carryforwards, based on the estimated future taxable income, the Company schedule the expected year and amount to be deducted from tax loss carryforwards, and record the amount expected to be recovered as deferred tax assets.

Regarding the judgment on the recoverability of deferred tax assets for the entire tax sharing group, the estimate of future taxable income is based on the “Consolidated Earnings Forecast” for the fiscal year ending March 31, 2025 and the “FY2023–2025 ANA Group Mid-term Corporate Strategy.”

Changes in assumptions due to changes in the business environment and other factors may have a material impact on the consolidated financial statements in the following fiscal year and thereafter.

As of March 31, 2025

	U.S. dollars (Thousands)						
	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Tax loss carryforwards ^{(*)1}	\$—	\$—	\$—	\$187	\$—	\$ 385,119	\$ 385,306
Valuation allowance	—	—	—	—	—	(103,170)	(103,170)
Deferred tax assets ^{(*)2}	\$—	\$—	\$—	\$187	\$—	\$ 281,948	\$ 282,136

(*)1 Tax loss carryforwards reflect the amounts resulting from multiplying the statutory tax rate.

(*)2 The Group recorded deferred tax assets of \$282,136 thousand related to tax loss carryforwards due to a significant decrease in demand for airline passengers associated with COVID-19, etc.

The Company and certain domestic consolidated subsidiaries apply the group tax sharing system. The corporations subject to the group tax sharing system make judgements on the recoverability based on the future taxable income, etc. of the entire tax sharing group with regard to corporate taxes (national taxes), and make judgements on the recoverability of deferred tax assets based on the future taxable income, etc. of each corporation with regard to local taxes. With respect to tax loss carryforwards, based on the estimated future taxable income, the Company schedule the expected year and amount to be deducted from tax loss carryforwards, and record the amount expected to be recovered as deferred tax assets.

Regarding the judgment on the recoverability of deferred tax assets for the entire tax sharing group, the estimate of future taxable income is based on the “Consolidated Earnings Forecast” for the fiscal year ending March 31, 2026 and the “FY2023-2025 ANA Group Mid-term Corporate Strategy.”

Changes in assumptions due to changes in the business environment and other factors may have a material impact on the consolidated financial statements in the following fiscal year and thereafter.

(2) Reconciliation of the difference between the normal effective statutory tax rate and the actual effective income tax rate for the years ended March 31, 2025 and 2024 is as follows:

	2025	2024
Normal effective statutory tax rate	30.62%	30.62%
Reconciliation:		
Changes in valuation allowance	(6.19)	(7.35)
Tax effect amount due to tax rate change	(1.90)	—
Amortization of goodwill	0.31	0.32
Expenses not deductible for income tax purposes	0.26	0.28
Other, net	(1.38)	(1.16)
Actual effective income tax rate	21.72%	22.71%

(3) Revision of the amount of deferred tax assets and deferred tax liabilities due to a change in the tax rate for income taxes is as follows:

Following the enactment on March 31, 2025 of the “Act on Partial Revision of the Income Tax Act, etc. (Act No. 13 of 2025),” the “Defense Special Corporation Tax” will be imposed from the current consolidated fiscal year beginning on or after April 1, 2026.

In accordance with this change, the statutory effective tax rate was changed from 30.62% to 31.52% for the calculation of deferred tax assets and deferred tax liabilities related to temporary differences, etc. expected to be eliminated in or after the current consolidated fiscal year beginning on April 1, 2026.

As a result of this change in tax rate, the amount of deferred tax assets (after deducting deferred tax liabilities) for the current consolidated fiscal year increased by ¥2,848 million, while income taxes-deferred decreased by ¥3,369 million and unrealized gain on securities, etc. decreased by ¥521 million.

Notes to Consolidated Financial Statements

14. Other comprehensive income

The following table presents reclassification and tax effects allocated to each component of other comprehensive income for the years ended March 31, 2025 and 2024:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Valuation difference on available-for-sale securities:			
Amount arising during the fiscal year	¥ (6,850)	¥ 5,747	\$ (45,813)
Reclassification adjustments to profit or loss	(404)	—	(2,701)
Amount of valuation difference on available-for-sale securities before tax effect	(7,254)	5,747	(48,515)
Tax effect	1,491	(1,275)	9,971
Total	(5,763)	4,472	(38,543)
Deferred gain (loss) on derivatives under hedge accounting:			
Amount arising during the fiscal year	9,111	120,943	60,934
Reclassification adjustments to profit or loss	(56,977)	(96,537)	(381,066)
Amount of deferred gain (loss) on derivatives under hedge accounting before tax effect	(47,866)	24,405	(320,131)
Tax effect	14,426	(7,126)	96,482
Total	(33,440)	17,279	(223,649)
Foreign currency translation adjustments:			
Amount arising during the fiscal year	485	1,277	3,243
Reclassification adjustments to profit or loss	—	—	—
Total	485	1,277	3,243
Defined retirement benefit plans:			
Amount arising during the fiscal year	4,045	520	27,053
Reclassification adjustments to profit or loss	2,753	3,099	18,412
Amount of defined retirement benefit plans before tax effect	6,798	3,619	45,465
Tax effect	(2,157)	(1,213)	(14,426)
Total	4,641	2,406	31,039
Share of other comprehensive income in affiliates:			
Amount arising during the fiscal year	(140)	57	(936)
Reclassification adjustments to profit or loss	1	1	6
Total	(139)	59	(929)
Total other comprehensive (loss) income	¥(34,216)	¥25,493	\$ (228,838)

15. Leases

(1) As lessee

(i) Finance leases

Finance lease transactions are capitalized by recognizing lease assets and lease obligations in the consolidated balance sheet.

Tangible fixed lease assets include mainly aircraft, flight equipment, host computers, and peripheral equipment. Intangible lease assets include software. The depreciation method for leased assets is described in Note 3 (10) “Leases.”

(ii) Operating leases

The amount of outstanding future lease payments under non-cancelable operating leases are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Current portion of operating lease obligations	¥ 75,121	¥ 76,153	\$ 502,414
Long-term operating lease obligations	240,645	283,529	1,609,450
Total	¥315,767	¥359,682	\$2,111,871

(2) As lessor

(i) Operating leases

The amount of outstanding future lease receivables under non-cancelable operating leases are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Current portion of operating lease receivables	¥2,167	¥ 2,304	\$14,493
Long-term operating lease receivables	7,525	10,371	50,327
Total	¥9,692	¥12,675	\$64,820

16. Supplementary information for the consolidated statement of changes in equity

Supplementary information for the consolidated statement of changes in equity for the year ended March 31, 2025 consisted of the following:

(1) Dividends

Under the Companies Act of Japan (the “Companies Act”), the appropriation of unappropriated retained earnings of the Company with respect to a financial period is made by resolution of the Company’s shareholders at a general meeting to be held subsequent to the close of the financial period and the accounts for that period do not therefore reflect such appropriation.

(i) Dividends paid to shareholders

There are no applicable items.

(ii) Dividends with a shareholders’ cut-off date within the current fiscal year but an effective date within the subsequent fiscal year

The following items will be resolved at the 80th Ordinary General Meeting of Shareholders held on June 27, 2025

Date of approval	Resolution approved by	Type of shares	Yen (Millions)	U.S. dollars (Thousands)	Paid from	Yen	U.S. dollars	Shareholders’ cut-off date	Effective date
			Amount	Amount		Dividends per share	Dividends per share		
June 27, 2025	Ordinary General Meeting of Shareholders	Common stock	¥28,227	\$188,788	Retained earnings	¥60.00	\$0.40	March 31, 2025	June 30, 2025

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

(2) Type and number of outstanding shares

As of March 31, 2025 Type of shares	Number of shares (Thousands)			
	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at end of year
Issued stock:				
Common stock	484,293	—	—	484,293
Total	484,293	—	—	484,293
Treasury stock:				
Common stock (*1, *2, *3)	14,224	106	0	14,330
Total	14,224	106	0	14,330

(*1) The increase of 106 thousand shares of treasury stock is due to the addition of 93 thousand shares of restricted stock acquired from employees without compensation, and 13 thousand shares purchased for shares less than 1 unit.
(*2) The decrease of 0 thousand shares in treasury stock is due to the subtraction of 0 thousand shares from requests for additional purchase from shareholders holding less than 1 unit.
(*3) Treasury stock includes 367 thousand shares held by the Trust for Delivery of Shares to Directors.

As of March 31, 2024 Type of shares	Number of shares (Thousands)			
	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at end of year
Issued stock:				
Common stock	484,293	—	—	484,293
Total	484,293	—	—	484,293
Treasury stock:				
Common stock (*1, *2, *3)	13,961	3,337	3,074	14,224
Total	13,961	3,337	3,074	14,224

(*1) The increase of 3,337 thousand shares of treasury stock consists of 2,930 thousand shares purchased from the market in connection with the grant of restricted stock, 337 thousand shares of the Company’s stock purchased by the stock delivery trust, 62 thousand shares of restricted stock acquired from employees without compensation, and 7 thousand shares of the Company purchased from holders of fractional shares.
(*2) The decrease of 3,074 thousand shares in treasury stock is the result of the subtraction of 2,925 thousand shares of restricted stock granted to employees, 148 thousand shares of the Company’s stock sold by the stock delivery trust, 0 thousand shares due to requests for additional purchase from shareholders holding less than 1 unit, and 0 thousand shares resulting from changes in interests in companies accounted for by the equity method.
(*3) Treasury stock includes 367 thousand shares held by the Trust for Delivery of Shares to Directors.

Notes to Consolidated Financial Statements

17. Contingencies

The Group was contingently liable as a guarantor of loans, principally to affiliates, totaling ¥650 million (\$4,347 thousand) at March 31, 2025.

The Group was contingently liable as a guarantor of loans, principally to affiliates, totaling ¥262 million at March 31, 2024.

18. Financial instruments and related disclosures

(1) Overview

(i) Group policy for financial instruments

The Group limits its fund management to short-term time deposits and raises funds through borrowings from financial institutions, including banks. The Group uses derivatives for the purpose of reducing the risks described below and does not enter into derivatives for speculative or trading purposes.

(ii) Types of financial instruments and related risk

Trade receivables (notes and accounts receivable) are exposed to credit risk in relation to customers.

Marketable securities and investment securities are exposed to the risk of market price fluctuations. Those securities are composed mainly of the shares of other companies with which the Group has business relationships.

Substantially all trade payables have payment due dates within one year.

Borrowings are taken out principally for the purpose of making capital investments, and certain long-term debt with variable interest rates is exposed to interest rate fluctuation risk. However, to reduce such risk for long-term interest-bearing debt at variable rates, the Group utilizes interest rate swap transactions as hedging instruments. Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expenses.

Bonds are mainly for the purpose of redemption of corporate bonds and capital investment, and convertible bonds with stock acquisition rights are used for capital investment funds and interest-bearing debt repayment.

For derivatives, in order to reduce the foreign currency exchange rate risk arising from receivables and payables denominated in foreign currencies, the Group enters into forward foreign exchange contracts for specific receivables and payables denominated in foreign currencies, mainly for aircraft purchase commitments. In addition, the Group enters into commodity derivative transactions such as swaps and options to mitigate fluctuation risk of the commodity prices of fuel and to stabilize operating profit.

(a) Management of credit risks (risks such as breach of contract by customers)

The Group manages its credit risk from receivables on the basis of internal guidelines, which include monitoring of payment term and balances of major customers by each business administration department to identify the default risk of customers at an early stage.

As for derivatives, the Group believes that the credit risks are extremely low as it enters into derivative transactions only with reputable financial institutions with sound credit profiles.

(b) Management of market risks (fluctuation risks of foreign currency exchange rates and interest rates)

In order to reduce foreign currency exchange rate risks, the Group principally utilizes forward foreign exchange contracts for receivables and payables denominated in foreign currencies. In order to mitigate the interest rate fluctuation risks related to debt, the Group utilizes interest rate swap transactions. In addition, the Group enters into commodity derivative transactions such as swaps and options to mitigate fluctuation risk related to commodity prices for fuel.

As for marketable securities and investment securities, the Group periodically reviews the fair values and the financial conditions of the issuers to identify and mitigate risks of impairment.

There are internal management regulations for derivative transactions which set forth transaction authority and limits on transaction amounts.

The Group enters into derivative transactions in accordance with such policies. Moreover, the Group reports plans and results of methods and ratios for offsetting risks at the quarterly meetings of the Board of Directors.

(c) Management of liquidity risks related to financing (risks that the Group cannot meet the due dates of payables)

The Group manages liquidity risks by establishing a financial plan in order to procure and invest funds that are necessary for the operation of the Group over a certain period of time in accordance with the Group's business operating plan and budget.

(iii) Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value estimates. In addition, the notional amounts of derivatives presented in Note 19 "Derivatives and hedging activities" are not necessarily indicative of the actual market risk involved in derivative transactions.

(2) Estimated fair value of financial instruments

The carrying values of financial instruments on the consolidated balance sheet at March 31, 2025 and 2024, and their estimated fair values, are shown in the following tables. The following tables do not include financial instruments for which fair value cannot be reliably determined (Please refer to Note 2 below.).

As of March 31, 2025	Yen (Millions)		
	Carrying value ^(*1)	Fair value ^(*2)	Differences
Assets:			
Investment securities	¥ 99,529	¥ 99,433	¥ (96)
Total assets	¥ 99,529	¥ 99,433	¥ (96)
Liabilities:			
Bonds (including current portion of bonds)	¥ 155,000	¥ 138,033	¥(16,967)
Convertible bonds with stock acquisition rights (including current portion of convertible bonds with stock acquisition rights)	150,000	162,600	12,600
Long-term debt (including current portion of long-term debt)	959,076	914,060	(45,016)
Total liabilities	¥1,264,076	¥1,214,693	¥(49,383)
Derivatives	¥ 38,144	¥ 38,144	¥ —

(^{*1}) The value of assets and liabilities arising from derivatives is shown as a net value, and the amount in parentheses represents a net liability position.
(^{*2}) "Cash and deposits", "Notes and accounts receivable", "Securities (Certificate of deposit, etc.)", "Notes and Accounts payable" and "Short-term loans" are cash or financial instruments with short maturities and the carrying values approximate fair value. Thus, those records are omitted.
(^{*3}) Nonmarketable equity securities are excluded from "Investment securities" in the above table. The carrying value of these financial instruments in the consolidated balance sheet is as follows: Non-listed shares etc.: ¥31,320 million

As of March 31, 2024	Yen (Millions)		
	Carrying value ^(*1)	Fair value ^(*2)	Differences
Assets:			
Investment securities	¥ 106,716	¥ 106,529	¥ (187)
Total assets	¥ 106,716	¥ 106,529	¥ (187)
Liabilities:			
Bonds (including current portion of bonds)	¥ 155,000	¥ 143,833	¥(11,167)
Convertible bonds with stock acquisition rights (including current portion of convertible bonds with stock acquisition rights)	220,000	244,250	24,250
Long-term debt (including current portion of long-term debt)	1,017,585	989,419	(28,166)
Total liabilities	¥1,392,585	¥1,377,502	¥(15,083)
Derivatives	¥ 86,025	¥ 86,025	¥ —

(^{*1}) The value of assets and liabilities arising from derivatives is shown as a net value, and the amount in parentheses represents a net liability position.
(^{*2}) "Cash and deposits", "Notes and accounts receivable", "Securities (Certificate of deposit, etc.)", "Notes and Accounts payable" and "Short-term loans" are cash or financial instruments with short maturities and the carrying values approximate fair value. Thus, those records are omitted.
(^{*3}) Nonmarketable equity securities are excluded from "Investment securities" in the above table. The carrying value of these financial instruments in the consolidated balance sheet is as follows: Non-listed shares etc.: ¥30,668 million

As of March 31, 2025	U.S. dollars (Thousands)		
	Carrying value ^(*1)	Fair value ^(*2)	Differences
Assets:			
Investment securities	\$ 665,656	\$ 665,014	\$ (642)
Total assets	\$ 665,656	\$ 665,014	\$ (642)
Liabilities:			
Bonds (including current portion of bonds)	\$1,036,650	\$ 923,174	\$(113,476)
Convertible bonds with stock acquisition rights (including current portion of convertible bonds with stock acquisition rights)	1,003,210	1,087,479	84,269
Long-term debt (including current portion of long-term debt)	6,414,365	6,113,295	(301,070)
Total liabilities	\$8,454,226	\$8,123,949	\$(330,276)
Derivatives	\$ 255,109	\$ 255,109	\$ —

(^{*1}) The value of assets and liabilities arising from derivatives is shown as a net value, and the amount in parentheses represents a net liability position.
(^{*2}) "Cash and deposits", "Notes and accounts receivable", "Securities (Certificate of deposit)", "Notes and Accounts payable" and "Short-term loans" are cash or financial instruments with short maturities and the carrying values approximate fair value. Thus, those records are omitted.
(^{*3}) Nonmarketable equity securities are excluded from "Investment securities" in the above table. The carrying value of these financial instruments in the consolidated balance sheet is as follows: Non-listed shares etc.: \$209,470 thousand

As of March 31	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Unlisted stocks	¥23,489	¥23,142	\$157,096

Because no quoted market price is available and the fair value cannot be reliably determined, the above financial instruments are not included in the fair value tables above.

Notes to Consolidated Financial Statements

(3) The three-level hierarchy for fair value measurements

The market value of financial instruments is classified into the following three levels according to the observability and importance of the inputs used to calculate the fair value.

LEVEL 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

LEVEL 2: Market value calculated using directly or indirectly observable inputs other than Level 1 inputs.

LEVEL 3: Inputs to the valuation methodology which are significant to the fair value measurement are unobservable.

An investment’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

(i) Financial assets and financial liabilities that are recorded on the balance sheet at fair value

As of March 31, 2025	Yen (Millions)			
	Fair Value			
Classification	LEVEL 1	LEVEL 2	LEVEL 3	Total
Investment securities				
Other securities				
Equity securities	¥97,619	¥ —	¥—	¥ 97,619
Derivative				
Currency	—	43,537	—	43,537
Commodity	—	(5,393)	—	(5,393)
Total assets	¥97,619	¥38,144	¥—	¥135,763

As of March 31, 2024	Yen (Millions)			
	Fair Value			
Classification	LEVEL 1	LEVEL 2	LEVEL 3	Total
Investment securities				
Other securities				
Equity securities	¥104,806	¥ —	¥—	¥104,806
Derivative				
Currency	—	73,390	—	73,390
Commodity	—	12,635	—	12,635
Total assets	¥104,806	¥86,025	¥—	¥190,831

As of March 31, 2025	U.S. dollars (Thousands)			
	Fair Value			
Classification	LEVEL 1	LEVEL 2	LEVEL 3	Total
Investment securities				
Other securities				
Equity securities	\$652,882	\$ —	\$—	\$652,882
Derivative				
Currency	—	291,178	—	291,178
Commodity	—	(36,068)	—	(36,068)
Total assets	\$652,882	\$255,109	\$—	\$907,992

(ii) Financial assets and financial liabilities that are not recorded on the balance sheet at fair value

As of March 31, 2025	Yen (Millions)			
	Fair Value			
Classification	LEVEL 1	LEVEL 2	LEVEL 3	Total
Investment securities				
Other securities				
Equity securities	¥16,084	¥ —	¥ —	¥ 16,084
Held-to-maturity securities				
Bonds	—	—	6,566	6,566
Total assets	¥16,084	¥ —	¥ 6,566	¥ 22,650
Bonds	¥ —	¥138,033	¥ —	¥ 138,033
Convertible bonds with stock acquisition rights (including Convertible bonds scheduled to be redeemed within one year Corporate bonds with stock acquisition rights)	—	162,600	—	162,600
Long-term debt (including Current portion of long-term debt)	—	514,060	400,000	914,060
Total liabilities	¥ —	¥814,693	¥400,000	¥1,214,693

As of March 31, 2024	Yen (Millions)			
	Fair Value			
Classification	LEVEL 1	LEVEL 2	LEVEL 3	Total
Investment securities				
Other securities				
Equity securities	¥13,001	¥ —	¥ —	¥ 13,001
Held-to-maturity securities				
Bonds	—	—	6,408	6,408
Total assets	¥13,001	¥ —	¥ 6,408	¥ 19,409
Bonds	¥ —	¥143,833	¥ —	¥ 143,833
Convertible bonds with stock acquisition rights (including Convertible bonds scheduled to be redeemed within one year Corporate bonds with stock acquisition rights)	—	244,250	—	244,250
Long-term debt (including Current portion of long-term debt)	—	589,419	400,000	989,419
Total liabilities	¥ —	¥977,502	¥400,000	¥1,377,502

As of March 31, 2025	U.S. dollars (Thousands)			
	Fair Value			
Classification	LEVEL 1	LEVEL 2	LEVEL 3	Total
Investment securities				
Other securities				
Equity securities	\$107,570	\$ —	\$ —	\$ 107,570
Held-to-maturity securities				
Bonds	—	—	43,913	43,913
Total assets	\$107,570	\$ —	\$ 43,913	\$ 151,484
Bonds	\$ —	\$ 923,174	\$ —	\$ 923,174
Convertible bonds with stock acquisition rights (including Convertible bonds scheduled to be redeemed within one year Corporate bonds with stock acquisition rights)	—	1,087,479	—	1,087,479
Long-term debt (including Current portion of long-term debt)	—	3,438,068	2,675,227	6,113,295
Total liabilities	\$ —	\$5,448,722	\$2,675,227	\$8,123,949

Notes: Description of the valuation techniques and inputs used to determine fair values

Investment securities

As shares are traded on active markets, the fair values are classified as Level 1. Fair values of bonds are calculated by the discounted cash flow method based on the estimated future cash flows and interest rates of appropriate indices, such as yields on government bonds, plus credit spread, etc. Since the impact of unobservable inputs on the fair values is significant, the fair values are classified as Level 3.

The Company conducts derivative transactions such as fuel options and currency options. The fair values of derivatives are calculated using the discounted present value method using observable inputs such as interest rates, and are classified as Level 2 fair values.

Fair values of bonds issued by the Company are calculated based on the present value obtained by discounting the sum of their principal amounts and interest by the interest rate determined in light of the remaining period and the credit risk of the bonds, and classified as Level 2. Fair values of convertible bonds with stock acquisition rights issued by the Company are calculated based on the prices offered by financial institutions, and classified as Level 2.

Long-term debt

Fair values of long-term debt are based on the present value of the total of principal and interest discounted by the interest rate to be applied if similar new borrowings were entered into. Long-term debt with floating interest rates is subject to special treatment for interest rate swaps (see “Derivative” above), and the fair values are based on the present value of the total of principal and interest, which have been treated as a unit with such interest rate swaps, discounted by the reasonably estimated interest rate to be applied if similar new borrowings were entered into. Accordingly, the fair values are classified as Level 2. However, the fair values of some of the long-term debt are classified as Level 3 because the impact of unobservable inputs, such as contract terms and credit spread, on the fair values is significant.

Notes to Consolidated Financial Statements

(iii) The redemption schedule for receivables and available-for-sale and held-to-maturity securities with maturities at March 31, 2025 and 2024 is summarized as follows:

As of March 31, 2025	Yen (Millions)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Deposits	¥ 453,322	¥ —	¥ —	¥ —
Notes and accounts receivable	250,150	—	—	—
Held-to-maturity bonds	20,000	—	—	1,910
Other securities with maturities	741,796	5,971	2,857	—
Total	¥1,465,268	¥5,971	¥2,857	¥1,910

As of March 31, 2024	Yen (Millions)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Deposits	¥ 599,454	¥ —	¥ —	¥ —
Notes and accounts receivable	218,208	—	—	—
Held-to-maturity bonds	—	—	—	1,910
Other securities with maturities	660,316	4,062	2,184	—
Total	¥1,477,978	¥4,062	¥2,184	¥1,910

As of March 31, 2025	U.S. dollars (Thousands)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Deposits	\$3,031,848	\$ —	\$ —	\$ —
Notes and accounts receivable	1,673,020	—	—	—
Held-to-maturity bonds	133,761	—	—	12,774
Other securities with maturities	4,961,182	39,934	19,107	—
Total	\$9,799,812	\$39,934	\$19,107	\$12,774

(iv) The redemption schedule for bonds, loans, and other interest-bearing liabilities at March 31, 2025 and 2024 is summarized as follows:

As of March 31, 2025	Yen (Millions)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Short-term loans	¥ 76,919	¥ —	¥ —	¥ —
Bonds	30,000	60,000	—	65,000
Convertible bonds with stock acquisition rights	—	—	150,000	—
Long-term debt	267,166	233,114	179,212	279,582
Total	¥374,085	¥293,114	¥329,212	¥344,582

As of March 31, 2024	Yen (Millions)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Short-term loans	¥ 84,170	¥ —	¥ —	¥ —
Bonds	—	80,000	10,000	65,000
Convertible bonds with stock acquisition rights	70,000	—	150,000	—
Long-term debt	73,777	241,911	198,145	503,750
Total	¥227,947	¥321,911	¥358,145	¥568,750

As of March 31, 2025	U.S. dollars (Thousands)			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Short-term loans	\$ 514,439	\$ —	\$ —	\$ —
Bonds	—	401,284	—	434,724
Convertible bonds with stock acquisition rights	—	—	1,003,210	—
Long-term debt	1,786,824	1,559,082	1,198,582	1,869,863
Total	\$2,501,906	\$1,960,366	\$2,201,792	\$2,304,588

19. Derivatives and hedging activities

The Group operates internationally and is exposed to the risk of fluctuations in foreign currency exchange rates, interest rates, and jet fuel prices. In order to manage these risks, the Group utilizes forward exchange contracts to hedge certain foreign currency transactions related to purchase commitments, principally of flight equipment, and foreign currency receivables and payables. Also, the Group utilizes interest rate swaps to minimize the impact of interest rate fluctuations related to outstanding debt. In addition, the Group also enters into a variety of swaps and options in its management of risk exposure related to jet fuel prices. The Group does not use derivatives for speculative or trading purposes.

The Group has developed internal hedging guidelines to control various aspects of derivative transactions, including authorization levels and transaction volumes. The Group enters into derivative transactions in accordance with these internal guidelines. Derivative and hedging transactions initiated by respective operational departments have been examined by the accounting department and these transactions, including their measures and ratios, are generally monitored by management on a quarterly basis. Assessment of hedge effectiveness is examined at inception and, on an ongoing basis, periodically.

The Group is also exposed to credit-related losses in the event of non-performance by counterparties in regard to derivative financial instruments; however, it is not expected that any counterparties will fail to meet their obligations, as the majority of the counterparties are internationally recognized financial institutions.

Summarized below are the notional amounts and estimated fair values of the derivative financial instruments outstanding at March 31, 2025 and 2024 for which hedged accounting has been applied or not been applied.

(1) Derivative transactions to which hedge accounting is applied

(i) Currency-related transactions

As of March 31, 2025		Yen (Millions)		
		Notional amount		Fair value
		Total	Maturing after one year	
Forward foreign exchange contracts for accounts receivable, accounted for by the deferral method:				
Sell:	USD	¥ 301	¥ 10	¥ 0
	EUR	—	—	—
	Other	—	—	—
Forward foreign exchange contracts for accounts payable, accounted for by the deferral method:				
Buy:	USD	497,725	247,085	39,012
	EUR	141	3	0
	Other	50	—	0
Currency option contracts for accounts payable, accounted for by the deferral method:				
Sell:	USD (Put)	55,243	34,284	(986)
Buy:	USD (Call)	59,838	37,070	5,511
Forward foreign exchange contracts, accounted for as part of accounts receivable:				
Sell:	USD	519	—	(*)
	EUR	—	—	(*)
	Other	—	—	(*)
Forward foreign exchange contracts, accounted for as part of accounts payable:				
Buy:	USD	15,533	—	(*)
	EUR	30	—	(*)
	Other	1	—	(*)
Currency swap contracts for accounts payable, accounted for as part of accounts payable:				
Receive/USD and pay/JPY				
Total		¥629,386	¥318,454	¥43,537

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		Yen (Millions)		
		Notional amount		
As of March 31, 2024		Total	Maturing after one year	Fair value
Forward foreign exchange contracts for accounts receivable, accounted for by the deferral method:				
Sell:	USD	¥ 104	¥ —	¥ (1)
	EUR	—	—	—
	Other	—	—	—
Forward foreign exchange contracts for accounts payable, accounted for by the deferral method:				
Buy:	USD	391,773	195,100	64,702
	EUR	886	—	26
	Other	—	—	—
Currency option contracts for accounts payable, accounted for by the deferral method:				
Sell:	USD (Put)	55,196	35,669	(520)
Buy:	USD (Call)	60,109	38,705	9,165
Forward foreign exchange contracts, accounted for as part of accounts receivable:				
Sell:	USD	1,587	—	(*)
	EUR	—	—	(*)
	Other	—	—	(*)
Forward foreign exchange contracts, accounted for as part of accounts payable:				
Buy:	USD	18,869	—	(*)
	EUR	61	—	(*)
	Other	8	—	(*)
Currency swap contracts for accounts payable, accounted for as part of accounts payable:				
Receive/USD and pay/JPY				
Total		¥528,597	¥269,476	¥73,371

		U.S. dollars (Thousands)		
		Notional amount		
As of March 31, 2025		Total	Maturing after one year	Fair value
Forward foreign exchange contracts for accounts receivable, accounted for by the deferral method:				
Sell:	USD	\$ 2,013	\$ 66	\$ 0
	EUR	—	—	—
	Other	—	—	—
Forward foreign exchange contracts for accounts payable, accounted for by the deferral method:				
Buy:	USD	3,328,818	1,652,521	260,914
	EUR	943	20	0
	Other	334	—	0
Currency option contracts for accounts payable, accounted for by the deferral method:				
Sell:	USD (Put)	369,468	229,293	(6,594)
Buy:	USD (Call)	400,200	247,926	36,857
Forward foreign exchange contracts, accounted for as part of accounts receivable:				
Sell:	USD	3,471	—	(*)
	EUR	—	—	(*)
	Other	—	—	(*)
Forward foreign exchange contracts, accounted for as part of accounts payable:				
Buy:	USD	103,885	—	(*)
	EUR	200	—	(*)
	Other	6	—	(*)
Currency swap contracts for accounts payable, accounted for as part of accounts payable:				
Receive/USD and pay/JPY				
Total		\$4,209,376	\$2,129,842	\$291,178

Note: Calculation of fair value is based on the data obtained from financial institutions.

(*) The estimated fair value of forward foreign exchange contracts is included in the estimated fair value of accounts payable, as the amounts in such derivative contracts accounted for as part of accounts receivable and payable are aggregated with the receivables and payables denominated in foreign currencies that are subject to hedge accounting. See Note 18 "Financial instruments and related disclosures" for additional information.

(ii) Interest-related transactions

		Yen (Millions)		
		Notional amount		Fair value
As of March 31, 2025		Total	Maturing after one year	
Interest rate swap hedging long-term loans:				
Receive/floating and pay/fixed		¥988	¥—	(*)

		Yen (Millions)		
		Notional amount		Fair value
As of March 31, 2024		Total	Maturing after one year	
Interest rate swap hedging long-term loans:				
Receive/floating and pay/fixed		¥7,410	¥1,205	(*)

		U.S. dollars (Thousands)		
		Notional amount		Fair value
As of March 31, 2025		Total	Maturing after one year	
Interest rate swap hedging long-term loans:				
Receive/floating and pay/fixed		\$6,607	\$—	(*)

(*) Interest rate swap contracts are used as hedges and meet specific matching criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the long-term loans. The estimated fair value of interest rate swap contracts is included in the estimated fair value of long-term loans.

(iii) Commodity-related transactions

As of March 31, 2025			Yen (Millions)		
			Notional amount		Fair value
			Total	Maturing after one year	
Commodity (crude oil) swap contracts for accounts payable, accounted for by the deferral method:					
Receive/floating and pay/fixed			¥140,269	¥ 60,060	¥(4,249)
Commodity (crude oil) option contracts, accounted for by the deferral method:					
Sell:	Crude oil (Put)		60,175	25,239	(1,959)
Buy:	Crude oil (Call)		79,714	33,742	815
Total			¥280,159	¥119,042	¥(5,393)

			Yen (Millions)	
			Notional amount	
As of March 31, 2024			Total	Maturing after one year
				Fair value
Commodity (crude oil) swap contracts for accounts payable, accounted for by the deferral method:				
Receive/floating and pay/fixed			¥133,336	¥ 54,064
				¥10,045
Commodity (crude oil) option contracts, accounted for by the deferral method:				
Sell:	Crude oil (Put)	67,292	32,553	(640)
Buy:	Crude oil (Call)	89,382	43,029	3,230
Total			¥290,011	¥129,647
				¥12,635

As of March 31, 2025			U.S. dollars (Thousands)		
			Notional amount		Fair value
			Total	Maturing after one year	
Commodity (crude oil) swap contracts for accounts payable, accounted for by the deferral method:					
Receive/floating and pay/fixed			\$ 938,128	\$401,685	\$(28,417)
Commodity (crude oil) option contracts, accounted for by the deferral method:					
Sell:	Crude oil (Put)		402,454	168,800	(13,101)
Buy:	Crude oil (Call)		533,132	225,668	5,450
Total			\$1,873,722	\$796,161	\$(36,068)

Note: The calculation of fair value is based on the data obtained from financial institutions.

Notes to Consolidated Financial Statements

(2) Derivative transactions to which hedge accounting is not applied

(i) Currency-related transactions

As of March 31, 2025		Yen (Millions)		
		Notional amount		Fair value
		Total	Maturing after one year	
Non-market forward foreign exchange contracts				
Sell:	Other	¥—	¥—	¥—
Non-market forward foreign exchange contracts				
Buy:	USD	—	—	—
	Other	—	—	—
Total		¥—	¥—	¥—

		Yen (Millions)		
		Notional amount		Fair value
		Total	Maturing after one year	
As of March 31, 2024				
Non-market forward foreign exchange contracts				
Sell:	Other	¥ —	¥—	¥ —
Non-market forward foreign exchange contracts				
Buy:	USD	1,338	—	16
	Other	—	—	—
Total		¥1,338	¥—	¥16

As of March 31, 2025		U.S. dollars (Thousands)		
		Notional amount		Fair value
		Total	Maturing after one year	
Non-market forward foreign exchange contracts				
Sell:	Other	\$—	\$—	\$—
Non-market forward foreign exchange contracts				
Buy:	USD	—	—	—
	Other	—	—	—
Total		\$—	\$—	\$—

(ii) Commodity-related transactions

Not applicable.

20. Notes to revenue recognition

(1) Information of the revenue from contracts with customers on a disaggregated basis

		Yen (Millions)			
		Reportable Segments ^(*)1)			
		Air Transportation	Airline Related	Travel Services	Trade and Retail
As of and for the year ended March 31, 2025					
International routes					
Passenger Revenues		¥ 805,530	¥ —	¥ —	¥ —
Cargo Revenues		187,332	—	—	—
Mail Revenues		4,911	—	—	—
Subtotal		997,773	—	—	—
Domestic routes					
Passenger Revenues		703,991	—	—	—
Cargo Revenues		23,032	—	—	—
Mail Revenues		2,645	—	—	—
Subtotal		729,668	—	—	—
Peach revenues		139,321	—	—	—
AirJapan revenues		11,710	—	—	—
Airline Related Revenues		—	337,270	—	—
Revenues from domestic package products		—	—	37,696	—
Revenues from international package products		—	—	5,312	—
Revenues from Trade and Retail		—	—	—	129,999
Other		180,307	—	30,563	—
Total		¥2,058,779	¥337,270	¥73,571	¥128,999
Revenue from contracts with customers					
Revenue from other ^(*)3)					

		Yen (Millions)				
		Reportable Segments ^(*)1)		Subtotal	Adjustments	Total
		Other ^(*)2)				
As of and for the year ended March 31, 2025						
International routes						
	Passenger Revenues	¥	—	¥ 805,530	¥ —	¥ —
	Cargo Revenues		—	187,332	—	—
	Mail Revenues		—	4,911	—	—
Subtotal			—	997,773	—	—
Domestic routes						
	Passenger Revenues		—	703,991	—	—
	Cargo Revenues		—	23,032	—	—
	Mail Revenues		—	2,645	—	—
Subtotal			—	729,668	—	—
Peach revenues			—	139,321		
AirJapan revenues			—	11,710		
Airline Related Revenues			—	337,270	—	—
Revenues from domestic package products			—	37,696	—	—
Revenues from international package products			—	5,312	—	—
Revenues from Trade and Retail			—	129,999	—	—
Other			45,517	256,387	—	—
Total			¥45,517	¥2,645,136	¥(383,280)	¥2,261,856
Revenue from contracts with customers						¥2,243,727
Revenue from other ^(*)3)						¥ 18,129

		Yen (Millions)			
		Reportable Segments ^(*)1)			
		Air Transportation	Airline Related	Travel Services	Trade and Retail
As of and for the year ended March 31, 2024					
International routes					
Passenger Revenues		¥ 728,168	¥ —	¥ —	¥ —
Cargo Revenues		155,503	—	—	—
Mail Revenues		5,048	—	—	—
Subtotal		888,719	—	—	—
Domestic routes					
Passenger Revenues		644,902	—	—	—
Cargo Revenues		22,485	—	—	—
Mail Revenues		2,728	—	—	—
Subtotal		670,115	—	—	—
Peach revenues		138,030	—	—	—
AirJapan revenues		1,295	—	—	—
Airline Related Revenues		—	298,820	—	—
Revenues from domestic package products		—	—	44,888	—
Revenues from international package products		—	—	3,947	—
Revenues from Trade and Retail		—	—	—	117,919
Other		171,393	—	29,706	—
Total		¥1,869,552	¥298,820	¥78,541	¥117,919
Revenue from contracts with customers					
Revenue from other ^(*)3)					

		Yen (Millions)				
		Reportable Segments ^(*)1)		Subtotal	Adjustments	Total
		Other ^(*)2)				
As of and for the year ended March 31, 2024						
International routes						
Passenger Revenues	¥	—	¥	728,168	¥	—
Cargo Revenues		—		155,503	—	—
Mail Revenues		—		5,048	—	—
Subtotal		—		888,719	—	—
Domestic routes						
Passenger Revenues		—		644,902	—	—
Cargo Revenues		—		22,485	—	—
Mail Revenues		—		2,728	—	—
Subtotal		—		670,115	—	—
Peach revenues		—		138,030	—	—
AirJapan revenues		—		1,295	—	—
Airline Related Revenues		—		298,820	—	—
Revenues from domestic package products		—		44,888	—	—
Revenues from international package products		—		3,947	—	—
Revenues from Trade and Retail		—		117,919	—	—
Other		41,244		242,343	—	—
Total		¥41,244		¥2,406,076	¥(350,148)	¥2,055,928
Revenue from contracts with customers						¥2,040,672
Revenue from other ^(*)3)						¥ 15,256

Notes to Consolidated Financial Statements

As of and for the year ended March 31, 2025	U.S. dollars (Thousands)			
	Reportable Segments ^{(*)1}			
	Air Transportation	Airline Related	Travel Services	Trade and Retail
International routes				
Passenger Revenues	\$ 5,387,439	\$ —	\$ —	\$ —
Cargo Revenues	1,252,889	—	—	—
Mail Revenues	32,845	—	—	—
Subtotal	6,673,174	—	—	—
Domestic routes				
Passenger Revenues	4,708,340	—	—	—
Cargo Revenues	154,039	—	—	—
Mail Revenues	17,689	—	—	—
Subtotal	4,880,069	—	—	—
Peach revenues	931,788	—	—	—
AirJapan revenues	78,317	—	—	—
Airline Related Revenues	—	2,255,684	—	—
Revenues from domestic package products	—	—	252,113	—
Revenues from international package products	—	—	35,527	—
Revenues from Trade and Retail	—	—	—	869,442
Other	1,205,905	—	204,407	—
Total	\$13,769,254	\$2,255,684	\$492,047	\$862,754
Revenue from contracts with customers				
Revenue from other ^{(*)3}				

As of and for the year ended March 31, 2025	U.S. dollars (Thousands)			
	Reportable Segments ^{(*)1}	Subtotal	Adjustments	Total
	Other ^{(*)2}			
International routes				
Passenger Revenues	\$ —	\$ 5,387,439	\$ —	\$ —
Cargo Revenues	—	1,252,889	—	—
Mail Revenues	—	32,845	—	—
Subtotal	—	6,673,174	—	—
Domestic routes				
Passenger Revenues	—	4,708,340	—	—
Cargo Revenues	—	154,039	—	—
Mail Revenues	—	17,689	—	—
Subtotal	—	4,880,069	—	—
Peach revenues	—	931,788	—	—
AirJapan revenues	—	78,317	—	—
Airline Related Revenues	—	2,255,684	—	—
Revenues from domestic package products	—	252,113	—	—
Revenues from international package products	—	35,527	—	—
Revenues from Trade and Retail	—	869,442	—	—
Other	304,420	1,714,733	—	—
Total	\$304,420	\$17,690,850	\$(2,563,402)	\$15,127,447
Revenue from contracts with customers				\$15,006,199
Revenue from other ^{(*)3}				\$ 121,247

(*)1 The amount in the reportable segments is the amount before the intersegment consolidation elimination.
(*)2 "Other" represents all business segments that are not included in the reportable segments, such as facility management, business support, and other operations.
(*)3 Other Revenue includes rent income based on the "Accounting Standard for Lease Transactions" (ASBJ statement No. 13, March 30, 2007).
(*)4 AirJapan revenue, which was included in "Other" in the previous fiscal year, has become more significant and is therefore presented as a separate line item in the current fiscal year.

(2) Information that is the basis for understanding revenue

Information that is the basis for understanding revenue is substantially the same as those described in Note 3 "Summary of significant accounting policies."

(3) Matters for understanding the amount of revenue for the current consolidated period and the following period

(i) Balance of contract liabilities, etc.

Contract liabilities relate primarily to consideration received in advance from customers for air transportation and travel contracts for which revenue is recognized as the services are provided, and to unexercised miles awarded for the use of the Company's flights, business partners' services, etc.

Revenue recognized for the current consolidated fiscal year that was included in the contract liabilities balance at the beginning of the year was ¥371,051 million (\$2,481,614 thousand).

(ii) Transaction price allocated to residual performance obligations

The total transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations at the end of the current consolidated fiscal year was ¥526,111 million (\$3,518,666 thousand). Expected periods of revenue recognition within the next three years from the transaction price, etc. allocated to the remaining performance obligations for consideration received in advance from customers and miles that are expected to be exercised by customers in the future are as follows:"

As of March 31, 2025	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Within a year	¥437,322	¥372,195	\$2,924,839
Over 1 year and within 2 years	57,314	47,456	383,319
Over 2 years and within 3 years	25,922	20,933	173,368
Total	¥520,558	¥440,584	\$3,481,527

21. Segment information

(1) Description of reportable segments

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) Methods of measurement for the amounts of operating revenues, profit or loss, assets, and other items for each reportable segment

The accounting policies of the reportable segments are substantially the same as those described in Note 3 "Summary of significant accounting policies."

Segment performance is evaluated based on operating income or loss. Intersegment sales and transfers are based on actual market price.

(3) Information about operating revenues, profit or loss, assets, and other items

As of and for the year ended March 31, 2025	Yen (Millions)				
	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues:					
Operating revenues from external customers	¥2,019,881	¥ 55,475	¥55,894	¥111,950	¥2,243,200
Intersegment revenues or transfers	38,898	281,795	17,677	18,049	356,419
Total	¥2,058,779	¥337,270	¥73,571	¥129,999	¥2,599,619
Segment profit	¥ 199,116	¥ 4,035	¥ 193	¥ 4,563	¥ 207,907
Segment assets	299,890	185,794	43,316	68,923	3,597,923
Other items:					
Depreciation and amortization	142,142	4,413	862	992	148,409
Amortization of goodwill	2,001	—	—	—	2,001
Increase in property and equipment and intangible assets	246,875	4,052	1,716	1,655	254,298

As of and for the year ended March 31, 2025	Yen (Millions)			
	Reportable Segments	Total	Adjustments ^{(*)2}	Consolidated ^{(*)3}
	Other ^{(*)1}			
Operating revenues:				
Operating revenues from external customers	¥18,656	¥2,261,856	¥ —	¥2,261,856
Intersegment revenues or transfers	26,861	383,280	(383,280)	—
Total	¥45,517	¥2,645,136	¥(383,280)	¥2,261,856
Segment profit	¥ 1,151	¥ 209,058	¥ (12,419)	¥ 196,639
Segment assets	34,064	3,631,987	(11,690)	3,620,297
Other items:				
Depreciation and amortization	250	148,659	—	148,659
Amortization of goodwill	—	2,001	—	2,001
Increase in property and equipment and intangible assets	142	254,440	1,490	255,930

(*)1 "Other" refers to all business segments that are not included in the reportable segments, such as facility management, business support, and other operations.
(*)2 Adjustments to segment profit or loss consist of corporate expenses. The amount of company-wide assets included in the adjustment amount of segment assets is ¥(169,897) million, the main of which is long-term investment funds (investment securities) of consolidated subsidiaries.
(*)3 Segment profit or loss is reconciled to operating income on the consolidated statement of income.

Notes to Consolidated Financial Statements

As of and for the year ended March 31, 2024	Yen (Millions)				
	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues:					
Operating revenues from external customers	¥1,828,424	¥ 48,904	¥60,163	¥101,491	¥2,038,982
Intersegment revenues or transfers	41,128	249,916	18,378	16,428	325,850
Total	¥1,869,552	¥298,820	¥78,541	¥117,919	¥2,364,832
Segment profit	¥ 207,975	¥ 6,769	¥ 1,371	¥ 4,574	¥ 220,689
Segment assets	3,264,853	175,510	44,562	61,985	3,546,910
Other items:					
Depreciation and amortization	136,608	4,051	509	982	142,150
Amortization of goodwill	2,001	—	—	115	2,116
Increase in property and equipment and intangible assets	234,310	2,857	2,581	1,918	241,666

As of and for the year ended March 31, 2024	Yen (Millions)			
	Reportable Segments			
	Other ⁽¹⁾	Total	Adjustments ⁽²⁾	Consolidated ⁽³⁾
Operating revenues:				
Operating revenues from external customers	¥16,946	¥2,055,928	¥ —	¥2,055,928
Intersegment revenues or transfers	24,298	350,148	(350,148)	—
Total	¥41,244	¥2,406,076	¥(350,148)	¥2,055,928
Segment profit	¥ 546	¥ 221,235	¥ (13,324)	¥ 207,911
Segment assets	28,698	3,575,608	(6,078)	3,569,530
Other items:				
Depreciation and amortization	165	142,315	—	142,315
Amortization of goodwill	—	2,116	—	2,116
Increase in property and equipment and intangible assets	127	241,793	(1,324)	240,469

(1) "Other" refers to all business segments that are not included in the reportable segments, such as facility management, business support, and other operations.

(2) Adjustments to segment profit or loss consist of corporate expenses. The amount of company-wide assets included in the adjustment amount of segment assets is ¥(173,412) million, the main of which is long-term investment funds (investment securities) of consolidated subsidiaries.

(3) Segment profit or loss is reconciled to operating income on the consolidated statement of income.

As of and for the year ended March 31, 2025	U.S. dollars (Thousands)				
	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues:					
Operating revenues from external customers	\$13,509,102	\$ 371,020	\$373,822	\$748,729	\$15,002,675
Intersegment revenues or transfers	260,152	1,884,664	118,224	120,712	2,383,754
Total	\$13,769,254	\$2,255,684	\$492,047	\$869,442	\$17,386,429
Segment profit	\$ 1,331,701	\$ 26,986	\$ 1,290	\$ 30,517	\$ 1,390,496
Segment assets	22,069,890	1,242,602	289,700	460,961	24,063,155
Other items:					
Depreciation and amortization	950,655	29,514	5,765	6,634	992,569
Amortization of goodwill	13,382	—	—	—	13,382
Increase in property and equipment and intangible assets	1,651,116	27,100	11,476	11,068	1,700,762

As of and for the year ended March 31, 2025	U.S. dollars (Thousands)			
	Reportable Segments			
	Other ⁽¹⁾	Total	Adjustments ⁽²⁾	Consolidated ⁽³⁾
Operating revenues:				
Operating revenues from external customers	\$124,772	\$15,127,447	\$ —	\$15,127,447
Intersegment revenues or transfers	179,648	2,563,402	(2,563,402)	—
Total	\$304,420	\$17,690,850	\$(2,563,402)	\$15,127,447
Segment profit	\$ 7,697	\$ 1,398,194	\$ (83,059)	\$ 1,315,135
Segment assets	227,822	24,290,977	(78,183)	24,212,794
Other items:				
Depreciation and amortization	1,672	994,241	—	994,241
Amortization of goodwill	—	13,382	—	13,382
Increase in property and equipment and intangible assets	949	1,701,712	9,965	1,711,677

(1) "Other" refers to all business segments that are not included in the reportable segments, such as facility management, business support, and other operations.

(2) Adjustments to segment profit or loss consist of corporate expenses. The amount of company-wide assets included in the adjustment amount of segment assets is \$(1,136,282) thousand, the main of which is long-term investment funds (investment securities) of consolidated subsidiaries.

(3) Segment profit or loss is reconciled to operating income on the consolidated statement of income.

(4) Information about geographical areas

Net sales to third parties by countries or areas grouped according to geographical classification for the years ended March 31, 2025 and 2024 are summarized as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Japan	¥1,608,947	¥1,461,086	\$10,760,747
Overseas	652,909	594,842	4,366,700
Total	¥2,261,856	¥2,055,928	\$15,127,447

Notes:

1. "Overseas" consists substantially of the Americas, Europe, China, and Asia.

2. Net sales of "Overseas" represents sales made in countries or areas other than Japan.

(5) Information about amortization and the remaining balance of goodwill

As of and for the year ended March 31, 2025	Yen (Millions)					
	Reportable Segments					
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Other	Adjustments
Amortization of goodwill	¥ 2,001	¥—	¥—	¥—	¥—	¥—
Balance at the end of the fiscal year	¥13,998	¥—	¥—	¥—	¥—	¥—

As of and for the year ended March 31, 2024	Yen (Millions)					
	Reportable Segments					
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Other	Adjustments
Amortization of goodwill	¥ 2,001	¥—	¥—	¥115	¥—	¥—
Balance at the end of the fiscal year	¥15,999	¥—	¥—	¥ —	¥—	¥—

As of and for the year ended March 31, 2025	U.S. dollars (Thousands)					
	Reportable Segments					
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Other	Adjustments
Amortization of goodwill	\$13,382	\$—	\$—	\$—	\$—	\$—
Balance at the end of the fiscal year	\$93,619	\$—	\$—	\$—	\$—	\$—

22. Selling, general and administrative expenses

The main components of selling, general and administrative expenses for the years ended March 31, 2025 and 2024 are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Commissions	¥62,158	¥54,598	\$415,716
Advertising	7,657	6,431	51,210
Employees' salaries and bonuses	38,599	35,249	258,152
Provision of allowance for doubtful accounts	103	112	688
Provision for accrued bonuses to employees	10,003	9,308	66,900
Retirement benefit expenses	2,705	2,602	18,091
Depreciation	15,199	17,779	101,651
Outsourcing expenses	28,919	26,341	193,412

Notes to Consolidated Financial Statements

23. Amounts per share

Amounts per share at and for the years ended March 31, 2025 and 2024 are as follows:

	Yen		U.S. dollars
	2025	2024	2025
Net assets per share	¥2,405.12	¥2,222.03	\$16.09
Net income per share	325.58	335.09	2.18
After adjusting for diluted shares net income per share	290.72	301.62	1.94

Note: 1.The basis for calculating net income per share is as follows:

Year ended March 31	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Net income attributable to common shareholders	¥153,027	¥157,097	\$1,023,455
Amount not attributable to common shareholders	—	—	
Net income attributable to common stock	¥153,027	¥157,097	\$1,023,455
Weighted-average number of shares outstanding during the fiscal year (in thousands)	470,012	468,822	
Increase in number of common stocks (in thousands)	56,368	52,029	
Convertible bonds type bonds with subscription rights to shares (in thousands)	56,368	52,029	

Note: 2.The basis for calculating net assets per share is as follows:

As of March 31	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Net assets	¥1,140,095	¥1,052,627	\$7,625,033
Amounts deducted from total net assets:			
Non-controlling interests	(9,778)	(8,119)	(65,395)
Net assets attributable to common stock at the end of the fiscal year	¥1,130,317	¥1,044,508	\$7,559,637
Number of shares of common stock at the end of the fiscal year used to determine net assets per share (in thousands)	469,963	470,068	

Note: 3. The average number of shares of the Company held by the Trust for Delivery of Shares to Directors for the years ended March 31, 2025 and 2024 were 367 thousand and 194 thousand, respectively. The shares held by the trust were deducted from the weighted-average number of shares outstanding during each of the years ended March 31, 2025 and 2024.

The number of shares of the Company held by the Trust for Delivery of Shares to Directors at March 31, 2025 and 2024 were 367 thousand and 367 thousand, respectively. The shares held by the trust were deducted from the number of shares of common stock at the end of each of the years ended March 31, 2025 and 2024, which were used to determine net assets per share.

24. Supplementary cash flow information

A reconciliation of the difference between cash and deposits stated in the consolidated balance sheet at March 31, 2025 and 2024 and cash and cash equivalents in the consolidated statement of cash flows is as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Cash and deposits	¥ 454,709	¥ 600,893	\$ 3,041,124
Marketable securities	761,709	656,913	5,094,361
Marketable securities with maturities of more than three months	(353,700)	(255,294)	(2,365,569)
Cash and cash equivalents	¥ 862,718	¥1,002,512	\$ 5,769,917

25. Supplementary information for the consolidated statement of income

(1) Write-downs of inventories

Inventories were valued using prices after write-downs of book value due to a decrease in net selling value.

Write-downs of inventories included in cost of sales are as follows:

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
	¥729	¥(1,251)	\$4,875

Note: Figures in parentheses represent gains from the reversal of write—downs.

(2) Other income (expenses), net

	Yen (Millions)		U.S. dollars (Thousands)
	2025	2024	2025
Gain on sales of investment securities	¥ 404	¥ —	\$ 2,701
Provision of allowance for doubtful accounts	(3,924)	—	(26,243)
Valuation loss on investments in securities	—	(2,818)	—
Other	2,589	2,825	17,315
Other, net	¥ (931)	¥ 7	\$ (6,226)

26. Subsequent event

Wholly Owned Subsidiary through Simplified Share Exchange

At the meeting of the Board of Directors held on July 10, 2023, the Company resolved to implement a share exchange (the “Share Exchange”) in which the Company would become the parent company of Nippon Cargo Airlines Co., Ltd. (“NCA”) and NCA would become a wholly owned subsidiary. As the necessary approvals from the relevant authorities were obtained, on August 1, 2025, the Company acquired all shares of NCA and made NCA its wholly owned subsidiary through the Share Exchange.

(i) Overview of Business Combination

- (a) Name and Description of Business of the Acquired Company
- Name of the Acquired Company: Nippon Cargo Airlines Co., Ltd.
 - Description of Business: Air cargo transportation business, etc

(b) Purpose of Business Combination

The Group believes that making NCA a wholly owned subsidiary through a share exchange is the best way to increase the profitability of our group and accelerate our growth strategy. 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. As an airline, the Company will aim to contribute to society by providing value in the world of logistics.

(c) Effective Date of Business Combination

August 1, 2025

(d) Legal Form of Business Combination

Share exchange

(e) Change in Name of the Combined Entity

No change

(f) Percentage of Voting Rights Acquired

100.0%

(g) Main Grounds for Determining the Acquisition of the Company

The Company made the entity a wholly owned subsidiary by acquiring 100% of the voting rights through a share exchange.

(ii) Acquisition Cost of Acquiree and Components Thereof by Consideration Type

Consideration for the acquisition: Treasury stock	¥11,081 million (\$74,111 thousand)
Acquisition cost:	¥11,081 million (\$74,111 thousand)

Notes to Consolidated Financial Statements

(iii) Allotment of Shares in the Share Exchange and Method of Calculation of the Share Exchange Ratio

(a) Allotment of Shares in the Share Exchange

	Company (Wholly Owning 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	

Notes: The Company allocated and delivered 3,926,000 common stock to Nippon Yusen Kabushiki Kaisha, the wholly owning parent company of NCA. The Company used its treasury stock to allocate the shares to be allocated, and did not issue new shares.

(b) 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.

(iv) Description and Amount of Major Acquisition-related Expenses

Not finalized at the present moment.

(v) Amount of Goodwill Incurred, Reason for Incurrence, Amortization Method and Amortization Period

Not finalized at the present moment.

(vi) Amounts of Assets Acquired and Liabilities Assumed on the Date of the Business Combination, and the Major Components Thereof.

Not finalized at the present moment.

Independent Auditor’s Report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of ANA HOLDINGS INC.:

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of ANA HOLDINGS INC. and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The "Reasonableness of future plans as a basis of accounting estimates," which was identified as a key audit matter in our audit of the consolidated financial statements of the prior period, is no longer regarded as a key audit matter, as a result of considering the degree of estimation uncertainty related to the future plans, the level of management subjectivity, and the extent of the impact on the consolidated financial statements in the current period.

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Independent Auditor's Report

On the other hand, the "Accounting treatments for the acquisition and depreciation of aircraft" is identified as a key audit matter in our audit of the consolidated financial statements. The transactions related to aircraft purchase are not new transactions in the current year but are recurring transactions, and the risk of material misstatement is not evaluated as significant. However, given the aircraft balance is quantitatively material to the consolidated balance sheet, we identified the accounting treatments for the acquisition and depreciation of aircraft of the Group as a key audit matter.

	Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
1	<u>Reliability of Information Technology ("IT") systems related to revenue recognition in the air transportation business and the reasonableness of estimates related to the Group's points system (miles)</u> As disclosed in Note 21, Segment information—Information about operating revenues, profit or loss, assets and other items, the Group recorded operating revenues of ¥2,058,779 million in the air transportation segment for the year ended March 31, 2025, which accounted for 79.1% of total operating revenues of all combined reportable segments. The operating revenues in the air transportation segment mainly consisted of revenues from the international and domestic passenger operations, which are core businesses for the Group and amounted to ¥805,540 million and ¥703,991 million, or 30.9% and 27.0% of total operating revenues of all combined reportable segments, respectively. In addition, contract liabilities in the amount of ¥526,111 million were recorded on the Group's consolidated balance sheet. These liabilities represented advance considerations received from customers for air transportation services, as well as deferred liabilities identified as distinct performance obligations. The Group records contract liabilities upon receiving the consideration from its passenger operations and recognizes revenue when it provides air transportation services. Furthermore, the Group operates a membership program known as the ANA Mileage Club and confers points (miles) to members of this program in response to using its air transportation services or services of one of its alliance companies. The miles conferred to these members can be exchanged for goods or services provided by either the Group or one of its alliance companies, which include partner airline companies. The Group identifies the performance obligation related to an option that enables future purchases of additional goods or services different from the performance obligation related to air transportation services. The Group allocates the transaction price to such performance obligation and recognizes that amount as a contract liability. Based on above, the Group recognizes revenue when these miles are used for exchanging the goods or services, or expired.	Our audit procedures performed to test the reliability of IT systems related to revenue recognition and the reasonableness of estimates related to the Group's point system (miles) included the following, among others: • We identified automated controls over revenue recognition in domestic and international passenger operations, such as the creation of sales data, the matching of the sales data with the boarding data and the creation of revenue data transferred into the accounting system. We also identified automated controls related to processing miles, such as the accumulation of miles that are conferred when a customer boards one of the Group's flights, the redemption of miles in exchange for bonus tickets, and the generation of data related to the expiration of miles. We then evaluated the design and operating effectiveness of these automated controls by inspecting system designs and other documents and reperforming controls using data extracted from the systems to determine whether the IT systems were functioning effectively. • We evaluated the design and operating effectiveness of general IT controls, which supported the consistent operation of automated controls throughout the audit period, by inspecting test results for program changes made to the relevant IT systems and evidence of approval for granting access rights to data and other information resources. • For IT systems maintained by third-party service providers, we obtained the "Service Organization Control Report" issued by the auditors independent from the third-party service providers, reviewed the scope of the assessment, the periods covered by the reports and procedures performed to evaluate the effectiveness of the general IT controls, and considered whether we could rely on the third-party service providers' general IT controls.

(1)	Reliability of IT systems related to revenue recognition in the air transportation business Operating revenue is an important metric to the Group, and revenues from the domestic and international passenger operations comprise a significant portion of this metric. On a daily basis, a large volume of reservations, ticketing, boarding, billing, and other transactions related to passenger operations are processed, which is dependent on automated processing or system interfaces using multiple IT systems, including systems outsourced to service organizations. There is a wide range of goods and services that can be provided in exchange for miles. These include goods and services provided within the Group, such as bonus tickets, seat upgrades, and sky coins, as well as goods and services from alliance companies, including partner airline companies. Miles can also be exchanged for electronic money. Basic data associated with the accumulation and redemption of contract liabilities is processed based on information generated by multiple IT systems. In order for these account balances and classes of transactions to be properly processed in accordance with the Group's accounting policy, IT systems need to be consistently operating effectively and relevant information needs to be appropriately secured. Moreover, a large portion of inputs for these transactions are inputs through websites by customers, devices at travel agencies, or data linked from boarding gates. So the physical evidence of these transactions are limited to financial institutions' transaction records and the transaction records from alliance companies that are involved with the exchange of miles for goods and services. Therefore, our audit procedures are highly dependent on information (such as number of passengers, sales, and revenue data and actual data related to the accumulation/redemption of miles) generated from the automated processing or system interfaces using IT systems.	• We tested the accuracy and completeness of information and data (such as the number of passengers, sales and revenue data, and actual data related to the accumulation/redemption of miles) generated from the IT systems used in our audit procedures by reading descriptions of system design and other documents and by reperforming procedures using data extracted from the systems. • We tested whether the revenue data generated from IT systems were consistent with the revenue amounts recorded into the accounting systems with respect to revenue recognition of domestic and international passenger operations. In addition, we tested the consistency of the revenue data and the sales data, which forms the basis of the revenue data, with transaction records from financial institutions. • We recalculated the contractual liabilities that accompanied the accumulation and redemption of miles based on past data generated from IT systems related to the accumulation and redemption of miles, stand-alone selling prices and redemption price per mile, and tested whether those were consistent with the amounts recorded. In addition, we tested whether the accumulation of miles accompanying the use of an alliance company's services and the redemption of miles in which they were exchanged for an alliance company's goods and services were consistent with the third-party evidence that accompanied the detailed calculations made with alliance companies. • We tested the reasonableness of assumptions about the proportion of goods and services selected by member customers using their miles and the future miles expiration rate, which were used by management to estimate the stand-alone selling prices for miles, by evaluating historical trends.
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Independent Auditor's Report

	(2) Reasonableness of estimates related to the Group's point system (miles) As disclosed in Note 5, Significant accounting estimates, a stand-alone selling price must be estimated for miles when allocating a transaction price to the performance obligation tied to air transportation services and miles. The stand-alone selling price is estimated by considering the proportion of goods and services selected by member customers when using their miles, as well as the future miles expiration rate. As these are estimated by considering the proportion of miles used and the future miles expiration rate, the assumptions involve a high degree of estimation uncertainty and require management's judgment. Accordingly, we identified the consistent effectiveness of automated processing by the IT systems related to the recognition of revenue from domestic and international passenger operations, the reliability of information generated by those systems and the reasonableness of the estimates related to the Group's point system (miles) as key audit matters.	
2	<u>Accounting treatments for the acquisition and depreciation of aircraft</u> On the consolidated balance sheet as of March 31, 2025, the Group recorded aircraft of ¥978,856 million, which was equivalent to 27.0% of total assets. During the current year, the Group made capital investments of ¥255,930 million in the air transportation business. Focusing on aircraft and related spare parts and equipment, the Group invested ¥191,575 million during this period, and plans to invest ¥2,098,391 million in the next period and onwards. It is common for aircraft to have a long lead time from order placement to delivery, and construction in progress is recorded based on advance payment to aircraft manufacturers, such as the Boeing Company and Airbus SE. After receiving the aircraft, the amounts recorded as construction in progress are transferred to aircraft on the date of registration, and depreciation begins on the date they are placed in service. The useful lives are determined based on the planned number of flights for each new aircraft and the actual number of flights for existing aircraft, considering their respective technical useful lives.	Our audit procedures performed to test the accounting treatments for the acquisition and depreciation of aircraft of the Group included the following, among others: • We evaluated the design and operating effectiveness of internal controls over the acquisition and depreciation of property and equipment, specifically those over recording of construction in progress related to aircraft, the transfer of construction in progress to aircraft, and the determination of depreciation periods by estimating useful lives of the assets. • We obtained agreements, invoices, and evidence of payment for the transactions with aircraft manufacturers and tested that construction in progress was recorded properly based on the related documents. • We tested whether the amounts recorded as construction in progress were transferred to aircraft on the date of registration, and depreciation began on the date they were placed in service. • We compared the useful lives of aircraft with those of the existing assets owned by the Group and tested whether the useful lives were consistent with the actual periods of usage.

For the Group, capital investments in aircraft are significant investments that form the core of the business. In addition to the high acquisition cost per aircraft, the long useful lives of aircraft typically range from 9 to 25 years. Therefore, inaccurate recording of construction in progress, the transfer to aircraft, and accounting estimates for the useful lives for depreciation could have a significant impact on the consolidated financial statements. Since they are not new transactions in the current year but are recurring transactions, the risk of material misstatement is not evaluated as significant. However, given the aircraft balance is quantitatively material to the consolidated balance sheet, we identified the accounting treatments for the acquisition and depreciation of aircraft of the Group as a key audit matter.	• We examined that the acquisition costs, the depreciation start dates, the depreciation method, and the useful lives of aircraft were accurately registered in the fixed asset ledger. • Based on the audit procedures performed, we examined that aircraft were capitalized and depreciated accurately according to the transaction records and the determination of useful lives.
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Other Information

Other information comprises the information included in the Group's disclosure documents accompanying the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2025, which were charged by us and our network firms to ANA HOLDINGS INC. and its subsidiaries were ¥299 million and ¥94 million, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC
September 16, 2025

