

Notice Regarding Issuance of New Shares and Secondary Offering of Shares

TOKYO, November 27, 2020 – ANA HOLDINGS INC. hereby announces that its board of directors has resolved matters relating to the issuance of its new shares and the secondary offering of shares at a board meeting held on November 27, 2020. For details, please refer to the attached document.



November 27, 2020

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Notice Regarding Issuance of New Shares and Secondary Offering of Shares

ANA HOLDINGS INC. (the “Company”) hereby announces that its board of directors has resolved matters relating to the issuance of its new shares and the secondary offering of shares at a meeting held on November 27, 2020, as set forth below.

1. Purposes of offering

The Company intends to use the proceeds from the offerings of new shares for capital expenditures for medium to long-term growth, including acquisitions of Boeing 787 aircraft (i.e. Boeing 787-9 and Boeing 787-10), which are expected to improve capacity to optimize supply to demand and reduce negative environmental impacts, and for repayment of long-term debt in order to strengthen the Company’s financial soundness for enhanced risk tolerance.

2. Issuance of new shares by way of public offering

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| (1) | Class and number of shares to be offered | 126,310,000 shares of common stock of the Company, the aggregate of (i) through (iii) described below:

(i) 91,310,000 shares of common stock of the Company, issued for purchase by the Japanese Underwriters in the Japanese Public Offering, described in (4)(i) below;

(ii) 30,440,000 shares of common stock of the Company, issued for purchase by the International Underwriters in the International Offering, described in (4)(ii) below; and

(iii) A maximum of 4,560,000 shares of common stock of the Company, additionally issued for purchase by the International Underwriters upon exercise of the option, described in (4)(ii) below. |
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- (2) Method of determination of amount to be paid in The amount to be paid in will be determined on a day in the period between December 7, 2020 (Mon) and December 9, 2020 (Wed) (such date, the “Pricing Date”) in accordance with the method set forth in Article 25 of the Regulations Concerning Underwriting of Securities, etc. promulgated by the Japan Securities Dealers Association (“JSDA”).
- (3) Amount of stated capital and additional capital reserves to be increased The amount of stated capital to be increased shall be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of additional capital reserves to be increased shall be the amount obtained by subtracting the said amount of stated capital to be increased from the said maximum increased amount of stated capital.
- (4) Method of offering The Japanese offering and the international offering shall be made simultaneously.
- (i) Japanese Public Offering:
- The offering to be made in Japan shall be a public offering (the “Japanese Public Offering”), and several Japanese underwriters (collectively, the “Japanese Underwriters”), in which three of the Japanese Underwriters act as the Japanese joint lead managers (the “Japanese Joint Lead Managers”), shall underwrite and purchase all of the new shares with respect to the Japanese Public Offering.
- (ii) International Offering:
- In the offering to be made outside of Japan (with the offering in the United States restricted to sales to Qualified Institutional Buyers under Rule 144A of the U.S. Securities Act of 1933) (the “International Offering”), the aggregate number of shares shall be severally and not jointly purchased by several international underwriters (the “International Underwriters” and collectively with the Japanese Underwriters, the “Underwriters”). Among the International Underwriters, three will act as the international joint lead managers. The Company shall also grant the International Underwriters the option to purchase additional newly issued shares of common stock, as described in (1)(iii) above.

With regard to the number of shares to be offered in (i) and (ii) above, the number of shares to be issued is planned to be 91,310,000 shares for the Japanese Public Offering and 35,000,000 shares for the International Offering (30,440,000 shares to be purchased by the International Underwriters initially and 4,560,000 additional shares to be purchased upon exercise of the option in (1)(iii) above). However, the final breakdown shall be determined on the Pricing Date by taking into account market demand and other conditions.

The issue price (the offer price) with regard to each of (i) and (ii) shall be determined in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Securities, etc., of the

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JSDA, on the Pricing Date based on the preliminary pricing terms calculated by multiplying the closing price in regular trading of the shares of common stock of the Company on the First Section of the Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by between 0.90 and 1.00 (with any fraction less than 0.5 yen being rounded down to the nearest 0.5 yen), taking into account market demand and other conditions.

The joint global coordinators for the Japanese Public Offering, the International Offering as well as the offering mentioned below in “3. Secondary offering of shares (offering by way of over-allotment)” shall be three of the Japanese Underwriters (the “Joint Global Coordinators”).

- (5) Consideration for underwriters The Company shall not pay any underwriting commissions to the Underwriters, although the aggregate amount of the difference between (a) the issue price (offer price) in each offering and (b) the amount to be paid in to the Company by the Underwriters shall constitute proceeds to the Underwriters.
- (6) Subscription period (in Japanese Public Offering) The subscription period shall be from the business day immediately following the Pricing Date to the second business day following the Pricing Date.
- (7) Payment date The payment date shall be any day in the period from December 14, 2020 (Mon) to December 16, 2020 (Wed), provided, however, that such day shall be the fifth business day following the Pricing Date.
- (8) Subscription unit 100 shares
- (9) The amount to be paid in, the amount of stated capital and capital reserves to be increased, the issue price (the offer price), and any other matters necessary for this issuance of new shares by way of public offering shall be determined at the discretion of a Representative Director of the Company or the person delegated by a Representative Director of the Company.
- (10) The Japanese Public Offering shall be subject to the registration taking effect under the Financial Instruments and Exchange Act of Japan.

3. Secondary offering of shares (offering by way of over-allotment) (See “Reference” item 1. below)

- (1) Class and number of shares to be offered 13,690,000 shares of common stock of the Company.
The number of shares mentioned above is the maximum number of shares to be sold. The above number may decrease, or this offering by way of over-allotment itself may be cancelled, depending on market demand and other conditions. Furthermore, the number of shares to be sold shall be determined on the Pricing Date, taking into account market demand and other conditions in the Japanese Public Offering.
- (2) Seller A Japanese Underwriter
- (3) Selling price Undetermined (The selling price shall be determined on the Pricing Date; provided, however, that such selling price shall be the same as the issue price (the offer price) in the Japanese Public Offering.)

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- (4) Method of offering Taking into account market demand and other conditions for the Japanese Public Offering in “2. Issuance of new shares by way of public offering”, the Seller will make a secondary offering in Japan of the maximum of 13,690,000 shares that it borrows from certain shareholder(s) of the Company.
 - (5) Subscription period The subscription period shall be the same as the subscription period in the Japanese Public Offering.
 - (6) Delivery date The delivery date shall be the business day immediately following the payment date in the Japanese Public Offering.
 - (7) Subscription unit 100 shares
 - (8) The selling price and any other matters necessary for this offering by way of over-allotment shall be approved at the discretion of a Representative Director of the Company or the person delegated by a Representative Director of the Company.
 - (9) This offering by way of over-allotment shall be subject to the registration taking effect under the Financial Instruments and Exchange Act of Japan.
4. Issuance of new shares by way of third-party allotment (the “Third-Party Allotment”) (See “Reference” item 1. below)
- (1) Class and number of shares to be offered 13,690,000 shares of common stock of the Company.
 - (2) Method of determination of the amount to be paid in The amount to be paid in shall be the same as the amount to be paid in stated in “2. Issuance of new shares by way of public offering” above.
 - (3) Amount of stated capital and capital reserves to be increased The amount of stated capital to be increased shall be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of the capital reserves to be increased shall be the amount obtainable by subtracting the said amount of stated capital to be increased from the said maximum increased amount of stated capital.
 - (4) Allottee A Japanese Underwriter
 - (5) Subscription period January 12, 2021 (Tue)
 - (6) Payment date January 13, 2021 (Wed)
 - (7) Subscription unit 100 shares
 - (8) Shares not subscribed for within the subscription period in (5) above shall not be issued.
 - (9) The amount to be paid in, the amount of stated capital and capital reserves to be increased, the issue price (the offer price), and any other matters necessary for the Third-Party Allotment shall be determined at the discretion of a Representative Director of the Company or the person delegated by a Representative Director of the Company.
 - (10) The Third-Party Allotment shall be subject to the registration taking effect under the Financial Instruments and Exchange Act of Japan.

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Reference

1. The offering by way of over-allotment

The offering by way of over-allotment in “3. Secondary offering of shares (offering by way of over-allotment)” above is a secondary offering of shares of common stock of the Company in Japan to be made in conjunction with the Japanese Public Offering in “2. Issuance of new shares by way of public offering” for a number of shares not to exceed 13,690,000 shares, that will be borrowed by a Japanese Underwriter from certain shareholder(s) of the Company (the “Borrowed Shares”) taking into account market demand for the offerings and other conditions. The number of shares in the offering by way of over-allotment is expected to be 13,690,000 shares, which indicates the maximum number of shares to be sold, and depending on market demand and other conditions such number may decrease, or the over-allotment may be cancelled.

In connection with the offering by way of over-allotment, the board of directors of the Company has resolved, at the meeting held on November 27, 2020 (Fri), that the Company will issue up to 13,690,000 shares of its common stock necessary to return the Borrowed Shares to the certain shareholder(s), by way of third-party allotment to a Japanese Underwriter with the payment date set to be January 13, 2021 (Wed).

Furthermore, such Japanese Underwriter may also purchase shares of common stock of the Company on the Tokyo Stock Exchange, Inc., up to the number of shares to be offered in the offering by way of over-allotment (the “Syndicate Cover Transactions”). Shares of common stock of the Company purchased through Syndicate Cover Transactions shall be used to return the Borrowed Shares. Such Syndicate Cover Transactions would be made during the period beginning on the date immediately following the last day of the subscription period of the offering by way of over-allotment and ending on January 6, 2021 (Wed) (the “Syndicate Cover Transaction Period”). During the Syndicate Cover Transaction Period, such Japanese Underwriter may elect to not conduct any Syndicate Cover Transactions or may terminate Syndicate Cover Transactions before the number of shares purchased through such transactions reaches the number of shares offered in the offering by way of over-allotment.

Such Japanese Underwriter may conduct stabilizing transactions as it conducts the Japanese Public Offering and the offering by way of over-allotment. The shares of common stock of the Company acquired through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Shares.

Such Japanese Underwriter plans to accept the allotment under the Third-Party Allotment of an equivalent number of shares of common stock of the Company (the “Planned Acquisition Share Number”) calculated by deducting (a) the number of shares purchased through stabilization transactions and Syndicate Cover Transactions that are to be used to return the Borrowed Shares, from (b) the number of shares to be offered in the over-allotment. Accordingly, all or a part of the shares to be issued under the Third-Party Allotment may not be subscribed for, which may result in a decrease in the maximum number of shares planned to be issued under the Third-Party Allotment, or in the cancellation of the entire issuance due to forfeiture.

If such Japanese Underwriter accepts the allotment for the Third-Party Allotment, such Japanese Underwriter will make payment for the Planned Acquisition Share Number using funds obtained through the offering by over-allotment.

The above transactions shall be made by such Japanese Underwriter in consultation with the Joint Global Coordinators and other Japanese Joint Lead Managers.

2. Change in the number of issued shares as a result of this offering and the Third-Party Allotment

Total number of issued shares at present:	348,498,361 shares	(As of November 27, 2020)
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Increase in number of shares by way of offering of new shares:	126,310,000 shares	(Note 1)
Total number of issued shares after the offering of new shares:	474,808,361 shares	(Note 1)
Increase in number of shares by way of third-party allotment:	13,690,000 shares	(Note 2)
Total number of issued shares after the Third-Party Allotment:	488,498,361 shares	(Note 2)

Notes:

1. These figures are based on the assumption that the International Underwriters exercise all of the options set forth in (1)(iii) of “2. Issuance of new shares by way of public offering” above.
2. These figures are based on the assumption that the number of shares to be offered set forth in (1) of “4. Issuance of new shares by way of third-party allotment” are all subscribed for by the relevant Japanese Underwriter and issued and thus indicates the maximum number of the shares to be issued.

3. Use of proceeds

(1) Use of proceeds raised this time

Of the maximum net approximate total amount of 332,126,800,000 yen from the Japanese Public Offering, the International Offering and the Third-Party Allotment, 200,000,000,000 yen is expected to be used through March 31, 2023 for capital expenditures for medium to long-term growth, including acquisitions of Boeing 787 aircraft (i.e. Boeing 787-9 and Boeing 787-10), which are expected to improve capacity to optimize supply to demand and reduce negative environmental impacts, and any remainder will be used for repayment of long-term debt through March 31, 2023 in order to strengthen the Company’s financial soundness for enhanced risk tolerance.

(2) Change in the use of proceeds raised last time

Not applicable.

4. Lock-up

In connection with the Japanese Public Offering and the International Offering described in (4)(i) and (ii) of “2. Issuance of new shares by way of public offering” above, the Company has agreed that for a period beginning on the Pricing Date and ending on the 180th day after the date of delivery for such offering, without the prior written consent of the Joint Global Coordinators, it will not issue any capital stock of the Company or any securities convertible into, or exercisable or exchangeable for, or that represent the right to receive, capital stock of the Company, etc., except that the Company may issue shares of its common stock pursuant to the Japanese Public Offering, the International Offering, the Third-Party Allotment, and any stock split of its common stock.

In the above circumstances, the Joint Global Coordinators, at their discretion, are authorized to partially or wholly waive such agreements even during the above period.

End.

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