



Q&A regarding Series 1 Bond-Type Class Shares

April 30, 2026



JAPAN AIRLINES

Q&A regarding Series 1 Bond-Type Class Shares

Question	Answer
<p>1. What is the purpose of issuing Series 1 Bond-Type Class Shares?</p>	<ul style="list-style-type: none"> • Under the “JAL Group Management Vision 2035,” we are promoting the transformation of our business portfolio through focused investments in growth areas such as the International Route business and the Mile Life business, with the aim of building a portfolio that is resilient to changes in the external environment and capable of creating social value and delivering steady growth. • In order to continue and expand these growth investments and achieve further significant growth toward fiscal 2035, we recognize that it is important, from a financial strategy perspective, to pursue both a “strong financial base” and “high capital efficiency,” while securing stable and diversified funding sources and maintaining and enhancing financial soundness. • Against this backdrop, we have determined that financing through Bond-Type Class Shares is a useful option for raising growth capital without causing dilution to our existing common shares, while also strengthening our financial base through the enhancement of equity capital, and accordingly, we have decided to issue the Series 1 Bond-Type Class Shares in Japan. We also expect that the issuance of Bond-Type Class Shares in Japan will facilitate engagement with a broader investor base and help expand the JAL fan community, thereby widening our customer base and contributing to long-term relationship building and enhancing our brand value.
<p>2. What is the difference between the Bond-Type Class Shares and hybrid bonds?</p>	<ul style="list-style-type: none"> • The Bond-Type Class Shares differ significantly from hybrid bonds in a sense that they can be issued to increase equity capital for accounting purposes. • The Bond-Type Class Shares may be considered for investment by a wide range of investors in Japan through their listing on the Tokyo Stock Exchange (eligible for NISA). • Unlike the hybrid bonds that we issued in the past, the Series 1 Bond-Type Class Shares will not obtain equity credit. • It is expected that the payment of dividends on the Bond-Type Class Shares and interest payments on hybrid bonds, including perpetual subordinated bonds issued on April 16, 2025, are ranked <i>pari passu</i>.
<p>3. What is the use of proceeds?</p>	<ul style="list-style-type: none"> • The proceeds from the Series 1 Bond-Type Class Shares will be used to fund a portion of the capital investment for the purchase of cutting-edge aircraft (including the Airbus A350 and Boeing 737-8). This aims to achieve: (i) reduced environmental impact by introducing fuel-efficient aircraft; (ii) expansion of our international network and realization of growth; and (iii) improved earnings by rationalizing supply on domestic flights.
<p>4. When is the preferred dividend rate scheduled to be determined?</p>	<ul style="list-style-type: none"> • The preferred dividend rate is scheduled to be determined on any date between May 19, 2026 (Tuesday) and May 21, 2026 (Thursday).

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5. How much is the Issue Price of Series 1 Bond-Type Class Shares?	<ul style="list-style-type: none"> The Issue Price will be 10,000 yen.
6. When will trading on the TSE begin, and what is the trading unit?	<ul style="list-style-type: none"> The Series 1 Bond-Type Class Shares will be listed on the Prime Market of the TSE on the business day following the date of issuance and will be tradable thereafter. The trading unit will be the same as common shares, i.e., 100 shares per unit.
7. What is the reason for not obtaining equity credit rating on the Series 1 Bond-Type Class Shares?	<ul style="list-style-type: none"> The Series 1 Bond-Type Class Shares will be our inaugural issuance of such securities. Taking into comprehensive account factors such as making them available to a broad range of investors in Japan, including individual investors, and increasing the likelihood that we may exercise the call option after five years from the issuance, we will not obtain equity credit on the Series 1 Bond-Type Class Shares and the terms of the Series 1 Bond-Type Class Shares include a 5% step-up.
8. How will the fixed dividend for Series 1 Bond-Type Class Shares be determined?	<ul style="list-style-type: none"> The fixed dividend for Series 1 Bond-Type Class Shares will be determined in the pricing range (3.80%-4.50%, per annum). We will determine it, taking into account the demand from investors in Japan and other factors, by using a method similar to book-building. The dividend will be variable from April 1, 2032, and the rate of dividends will be equal to the sum of base rate (1-year JGB) plus the initial spread* determined at the time of pricing and 5%.
9. Does the issuance of the Series 1 Bond-Type Class Shares affect the dividend policy for common shares?	<ul style="list-style-type: none"> We consider shareholder return as one of the most important management priorities. Our basic policy is to proactively distribute profit to shareholders. Therefore, this will not affect our dividend policy.
10. Do you plan to acquire (call) the Series 1 Bond-Type Class Shares in exchange for cash after five years from their issuance?	<ul style="list-style-type: none"> We will determine whether to acquire (call) the Bond-Type Class Shares in exchange for cash, taking into consideration the business and financial strategies and market conditions and other factors at that time. However, the preferred dividend rate for the Series 1 Bond-Type Class Shares will step up after April 2032 to a rate equal to the sum of the floating base rate plus the initial spread and 5%. We are well aware that, in accordance with the market practice for hybrid bonds, many investors expect us to acquire (call) the shares after five years from the issuance (i.e., when the call option becomes exercisable) and before the time when the dividend rate steps-up.
11. Will there be any benefits on the Series 1 Bond-Type Class Shares?	<ul style="list-style-type: none"> We will credit Life Status Points (LSP) to the holders of Series 1 Bond-Type Class Shares who meet a long-term holding requirement for a specified period from the Standard Date (see next page).

* Refers to the spread of the fixed dividend rate over a specific JGB yield.

Long-Term Holding Benefit for Series 1 Bond-Type Class Shares

- For holders of the Series 1 Bond-Type Class Shares (individuals only) as of the end of the first fiscal year after issuance (end of March 2027), Life Status Points (LSPs) will be credited based on the number of shares continuously held up to each of the following three record dates: after one year, after two years, and at the time of the exercise of the call option ^{*1}.
- Through this benefit, we aim to expand the JAL fan community, establish long-term relationships and enhance our brand value by appealing to a wide range of investors.

Shares Continuously Held	Amount of LSPs Credited Based on the Number of Shares Continuously Held			
Number of Shares [shares] Holding Amount [10,000 yen] ^{*2}	First Credit [points]	Second Credit [points]	Third Credit (at call) [points]	Total [points]
5,000 or more	140	140	420	700
4,000-4,999	130	130	390	650
3,000-3,999	120	120	360	600
2,600-2,999	110	110	330	550
2,000-2,599	100	100	300	500
1,500-1,999	80	80	240	400
1,000-1,499	60	60	180	300
500-999	40	40	120	200
300-499	30	30	90	150
200-299	20	20	60	100
100-199	8	8	24	40



500 points
JMB elite plus

250 points
JMB elite

^{*1} The amount of LSPs to be credited will be determined based on the number of shares entered or recorded under the holder's name in the shareholders registry of the Series 1 Bond-Type Class Shares as of the applicable record date, not the date of acquisition.

^{*2} This is the holding amount assuming a purchase price of 10,000 yen per share.

^{*3} To receive LSPs, shareholders are required to first hold the Series 1 Bond-Type Class Shares, register on the "Website for Shareholders Only" following the prescribed procedure and register their JAL Mileage Bank (JMB) member number by the deadline.

^{*4} To use the benefits and services for Star Grade based on the number of LSPs, certain eligibility requirements, such as JAL Card membership, must be satisfied.

^{*5} Please note that if the shareholder number changes, the shareholder will no longer be eligible. The following are some examples of cases where shareholder numbers may change.

- When the shareholders registration has been changed (when the shareholder has changed the nominee due to inheritance, etc., or when the shareholder has changed the securities company with which the shares are deposited)
- When a shareholder is re-registered after being removed from the shareholders registry (when a shareholder sells all shares held and repurchases shares by the record date, or when a shareholder uses a stock lending service provided by a securities company)

^{*6} For JMB elite members, two Sakura Lounge coupons per year will be credited as a main benefit; for JMB elite plus members, six Sakura Lounge coupons per year will be credited as a main benefit.

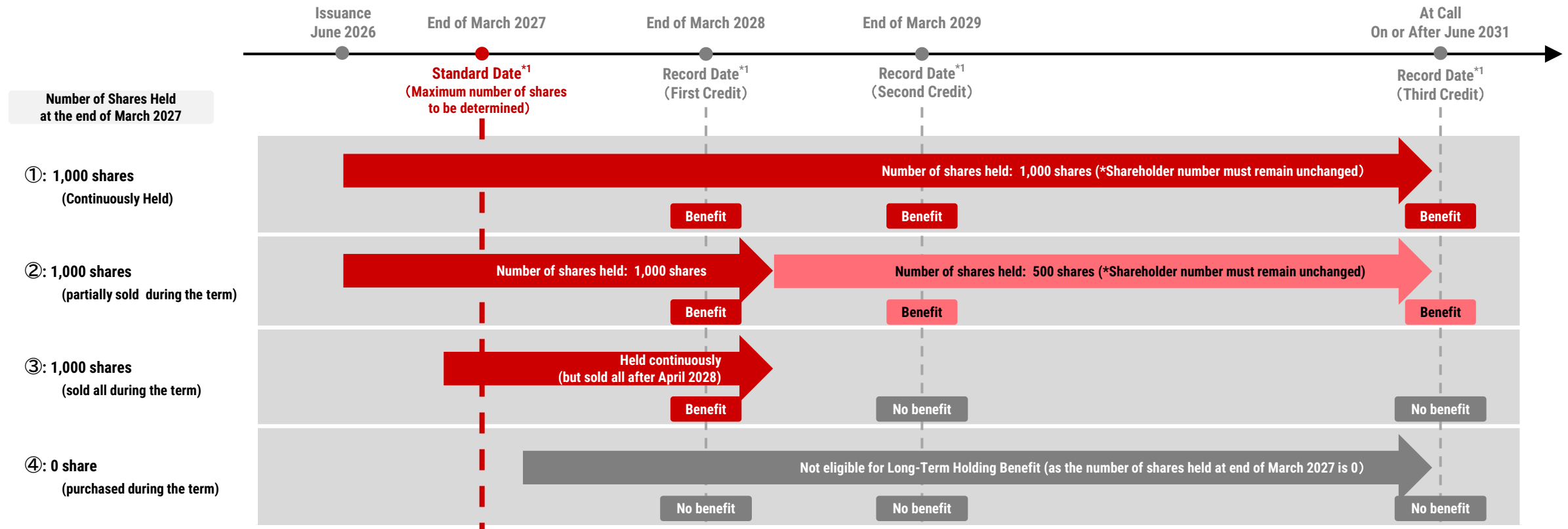


Long-Term Holding Benefit for Series 1 Bond-Type Class Shares

■ **Eligibility:** Individual shareholders as of the end of March 2027, who have continuously held the shares through each of the following record dates: (i) the end of March 2028, (ii) the end of March 2029, and (iii) the record date at the time of the exercise of the call option ^{*1}

■ **Credit:** LSPs will be credited ^{*2} based on the number of shares continuously held through each of (i) to (iii) set forth above, up to the number of shares held as of the Standard Date^{*1}

(*Timing of the credit is expected to be around November of the year in which each record date falls, beginning in 2028. However, the third credit is expected to be credited several months after the relevant record date)



^{*1} The date entered or recorded in the shareholders registry of the Series 1 Bond-Type Class Shares, which differs from the date of acquisition.

^{*2} To receive LSPs, shareholders are required to first hold the Series 1 Bond-Type Class Shares, register on the "Website for Shareholders Only" following the prescribed procedure and register their JAL Mileage Bank (JMB) member number by the deadline.

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