



***JAPAN AIRLINES***

**JAL Group  
Medium Term Management Plan FY2021-2025  
Rolling Plan 2022**

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May 6, 2022





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## Chapter 1: Outline of Medium Term Management Plan-Rolling Plan 2022

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- 1 -2: Outline of Management Strategy
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  - Regional Business
  - Air Mobility Business
- 3 -3: Drivers for Accelerating Business Model Reform
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### JAL Group Corporate Policy

#### THE JAL GROUP WILL:

Pursue the material and intellectual growth of all our employees;  
Deliver unparalleled service to our customers;  
and increase corporate value and contribute to the betterment of society.

- Thank you for joining today's conference call. I'm Kikuyama, CFO of Japan Airlines. First, I would like to present our Rolling Plan 2022 for the Medium-Term Management Plan FY2021-FY2025.
- This presentation material consists of three chapters: the outline of this rolling plan, the three pillars of our management strategy, and the details of the strategy.
- In Chapter 1, I will explain the timeline and the outline of our management strategy, and our efforts for initiatives for Safety and Security.
- In Chapter 2, I will explain each of the three pillars of the management plan, ESG strategy, business strategy, and financial strategy, and explain the progress of our management targets at the end of the chapter.
- In the details of our strategy in Chapter 3, we will explain the outline of each business, the strategy of the business which we focus on, and the DX and the human resources strategy which we set as a driver of the business structural reform.
- Please turn to Page 4.



JAL Group  
Medium-Term Management Plan  
FY2021-2025

# Rolling Plan 2022

## On Formulating the Medium Term Management Plan Rolling Plan 2022

Since our announcement, last May, of our FY2021 to FY2025 JAL Group Medium Term Management Plan, the uncertainty in the business environment has increased, given the prolonged impact of COVID-19 and the situation in Europe and its ramifications throughout the world.

Under these circumstances, the JAL Group has formulated the Medium Term Management Plan-Rolling Plan 2022 aimed at building resilience, overcoming current difficulties and making steady progress towards sustainable growth and development.

We will put ESG at the core of our management strategy and work to solve social issues through our business activities, accelerate business model reform and rebuild our financial structure, thereby achieving our management targets.

Air transportation has the power to overcome divisions, bring people, goods and ideas together, and make everyone feel fulfilled and hopeful. The JAL Group will fulfill its responsibilities as a social infrastructure and lifeline, and all employees will work together to realize JAL Vision 2030 with “safety and peace of mind” and sustainability” as the engines of growth.



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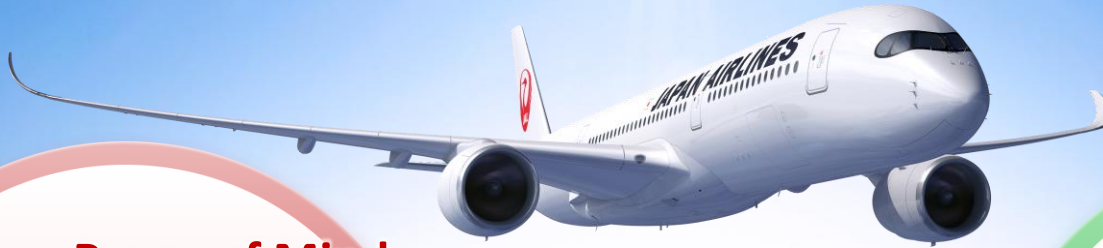
# JAL Vision 2030

Ideal image of the JAL Group in 2030

Corporate Policy  
**JAL Vision**  
Medium-term  
Management Plan



The JAL Group will focus on the key themes of “Safety and Peace of Mind” and “Sustainability” as the engines of growth in a time of upheaval with drastic changes in values



## Safety and Peace of Mind

Build a society where everyone can live safely, securely and with peace of mind

# JAL Vision 2030

## Sustainability

Build a better future where everyone can feel fulfilled and hopeful

To become the world’s most preferred and valued airline group, where many people and goods freely move around

- This is JAL Vision, our goal for 2030, which I explained last year.
- As our environment and values of our society are changing drastically, we would like to move forward with "Safety and Peace of Mind" and "Sustainability" as the engines for our future growth.
- We aim to become the most selected and beloved airline group in the world where people and various goods can freely move, creating a "society where everyone can live safely, securely and with peace of mind" and "a better future where everyone can feel fulfilled and hopeful".
- Please turn to Page 6.



# Rolling Plan 2022

1. **Outline of Medium Term Management Plan-Rolling Plan 2022**
2. Three Pillars of Management Strategy
3. Details of Strategy



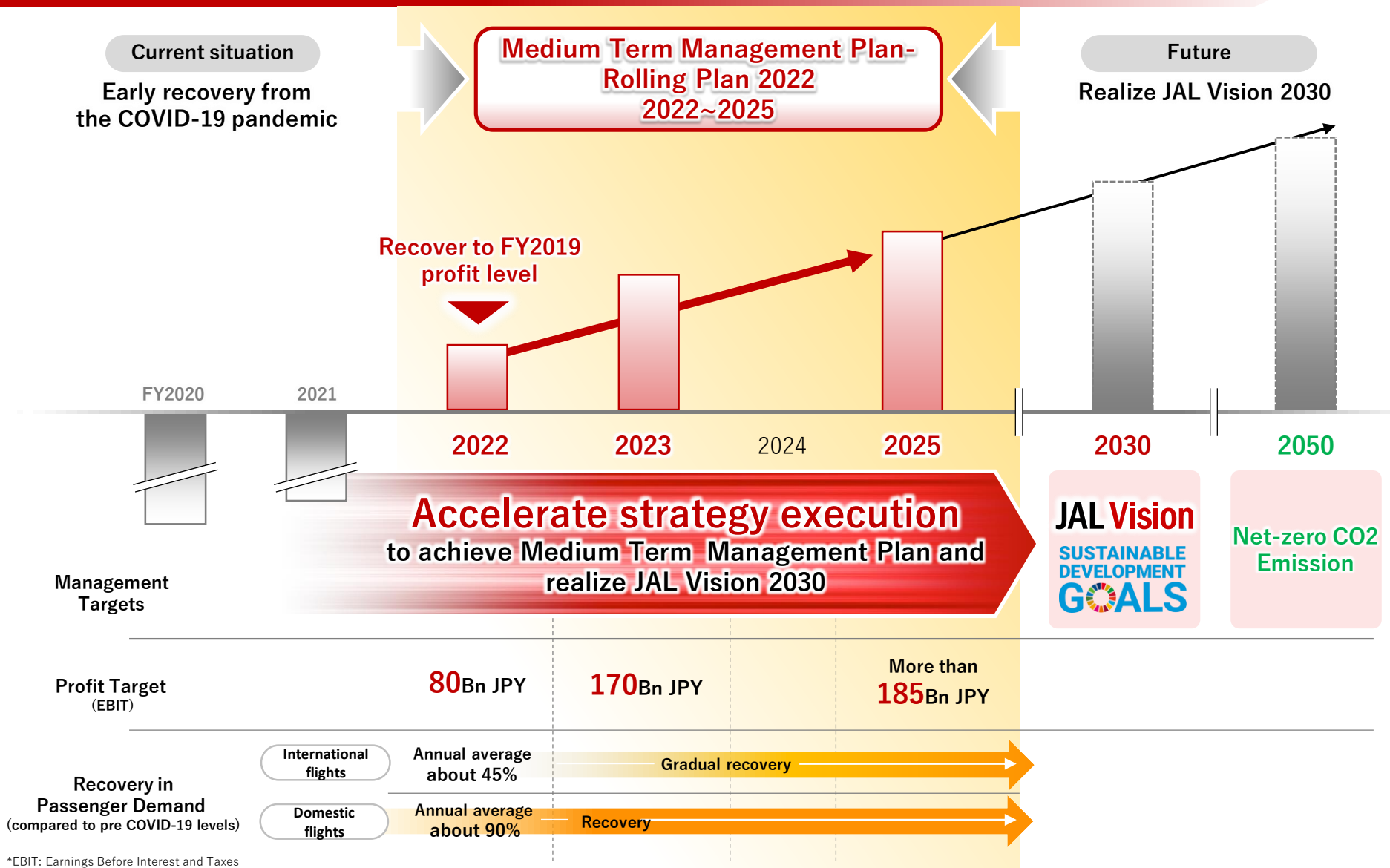
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# Timelines of Rolling Plan 2022

JAL Vision 2030 and 4-year rolling plan to realize the Medium Term Management Plan

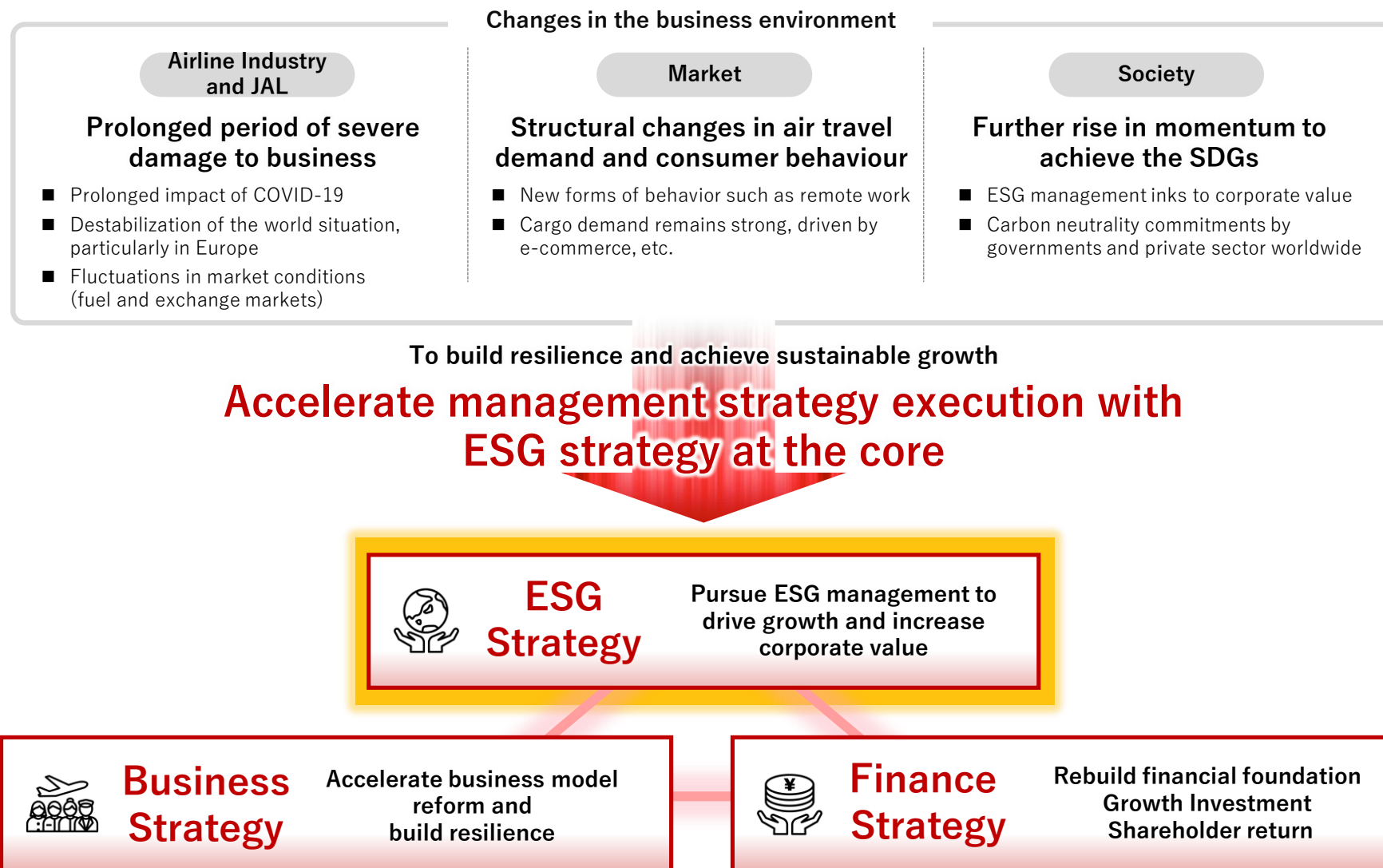


MTP2021-2025  
Rolling Plan  
**2022**



- This rolling plan is a four-year plan from this year to Fiscal year 2025. The medium-term management plan released last year has been updated and refined in accordance with the changes in our business environment.
- As for the fiscal years 2023 and 2025, we will not change the profit targets set last year. As for the recovery of passenger demand, which is the premise of our profit, we expect the recovery of international passenger demand as approximately 45% and domestic passenger demand as approximately 90% in 2022, and to recover further after that.
- Please turn to Page 7.

Adapt to changes in the business environment and accelerate management strategy execution with ESG strategy at the core



- As a change in our business environment from last year, it is recognized that the promotion of ESG-based management leads to an increase in corporate value as the awareness among companies and investors are expanding.
- Based on those changes in our society, the JAL Group will accelerate management strategy execution with ESG strategy at the core.
- Please turn to Page 8.

## &lt; Environmental changes surrounding safety and security &gt;

Internal  
environmental  
changes

## Roll out our management strategy

- Drive ESG-aligned management strategy
- Push forward with business model reform (expand business areas)

External  
environmental  
changes

## Global risks and technology

- Diversification and emergence of global risks
- Development and proliferation of digital technology

## Advancement of aviation safety



## ■ Utilize digital technology

- Aircraft failure prediction technology (PDA, etc.)
- Weather forecasting technology (en route turbulence measures)
- Image recognition technology (improve engine internal inspection)

## ■ Health management of crew

- Fatigue risk management based on data analysis
- Full-scale launch of pilot support program

## Respond to diversifying risks



## ■ Strengthen aviation security

- Advanced AI-based security screening process

## ■ Infection measures: set higher hygiene and cleanliness standards

## ■ Strengthen cybersecurity

- Encrypt and monitor communications
- Separate and protect sensitive information such as customer data

## ■ Maintain networks in disaster and emergency situations

- Develop BCP for earthquake in Tokyo and outbreak of infectious diseases
- Establish 2nd Data Center in Kansai area
- Use drones to transport supplies

## Create next-generation safety



## ■ Move into the air mobility field

- Participate in the development of national safety standards and systems
- Build a safety management system utilizing aviation technology

## ■ Build a sustainable safety culture

- Provide managerial staff with safety education on organizational accidents
- Provide young employees with safety education to learn about recent accidents
- Preserve and pass on accident sites and related facilities

## Human resources and culture

Pass on and continuously spread a culture and awareness to think on the basic foundation of safety and security




- This page explains our efforts for Safety and Security Initiatives, which is the foundation of the JAL Group.
- We will promote initiatives based on the human resources and the culture that have been cultivated by inheriting and continuously instilling the Safety and Security as a top priority.
- We will strengthen our response to diversifying risks in addition to our accumulated aviation safety initiatives, according to the change in the internal and external environment.
- Regarding the creation of next-generation safety, we will promote efforts to establish a sustainable safety culture in addition to contributing to future infrastructure such as Air Mobility.
- Please turn to Page 10.



# Rolling Plan 2022

## 1. Outline of Medium Term Management Plan-Rolling Plan 2022

## 2. Three Pillars of Management Strategy

	<b>ESG Strategy</b>	<b>2030</b>
	Business Strategy	2025
	Finance Strategy	2025

## 3. Details of Strategy



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Put ESG strategy at the core of our management strategy to drive growth towards 2030

## JAL Vision 2030

■ **Safety and Peace of Mind ...** Build a society where everyone can live safely, securely and with peace of mind

■ **Sustainability ...** Build a better future where everyone can feel fulfilled and hopeful



## ESG Strategy (Long-term business strategy)

### Solve social issues and create sustainable flows of people, and sales and distribution channels

*Environmentally-friendly,  
safety and peace of mind*

### Realize sustainable air transportation of the future



**FSC**

**LCC**

**Cargo and Mail**

- Minimize environmental impacts
- Provide air transportation that is safer more secure and gives more peace of mind
- Continue to connect Japan with the rest of the world
- Expand regional route network

- Reduce CO<sub>2</sub> emissions, single-use plastics and waste, and food loss
- Improve accessibility and hygiene/cleanliness standards
- Flight operations and maintenance using data and new technologies
- Create demand for travel to/from regional areas, inbound demand

*High speed, high quality, stability*

### Create a new social infrastructure leveraging our strengths in aviation



**Cargo and Mail**

**Air Mobility**

**Airport and Maintenance**

- Maintain high value-added transportation and logistics networks
- Realize seamless transportation in all regions to solve social issues
- Build a transportation Infrastructure based around airports

- Solve lack of human resources through transport mode shift
- Realize drone logistics and transportation, practical use of eVTOLs, build an emergency transportation system
- Support airlines flying to Japan

*Seamless, 1 to 1*

### Make everyday life and all life stages even better



**Mileage**

**Commerce**

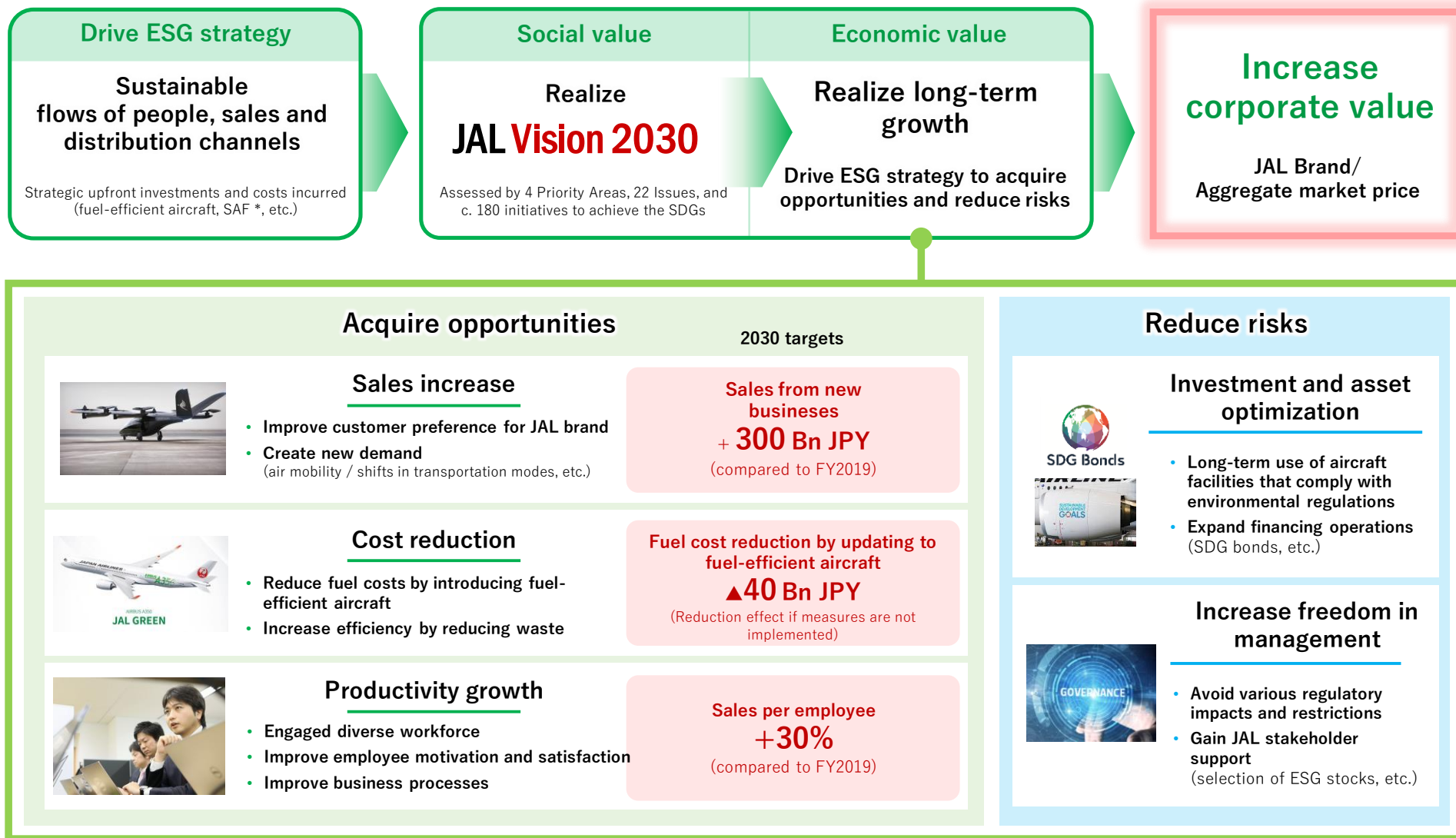
**Regions and Travel**

Promote the JAL Mileage and Lifestyle Concept for the wellbeing of our customers and society

Maximize regional attractiveness and value and create flows

- Introduce a mileage program that enables users to earn points through environmentally friendly activities
- Develop products that promote ethical consumption
- Promote regional exchanges (New Tourism, local products)

- From this page, I will present the ESG strategy that is put at the core of our management strategy.
- This page shows the relationship between the theme of JAL Group's ESG strategy and each business activity.
- To realize JAL Vision, JAL Group places the ESG strategy at the center of its business activities. It will work on the theme of “solving social issues and create sustainable flows of people, and sales and distribution channels.”
- Please turn to Page 11.



\* Sustainable Aviation Fuel: An alternative sustainable aviation fuel

- This page explains the story toward the enhancement of JAL Group's corporate value through the promotion of ESG strategies.
- We believe that promoting ESG-based strategies and creating economic values in addition to social values will contribute to the enhancement of our corporate value.
- Regarding the acquisition of opportunities, we showed three points; "increasing revenues", "reducing costs", and "improving productivity", and set quantitative targets by 2030.
- Please turn to Page 12.

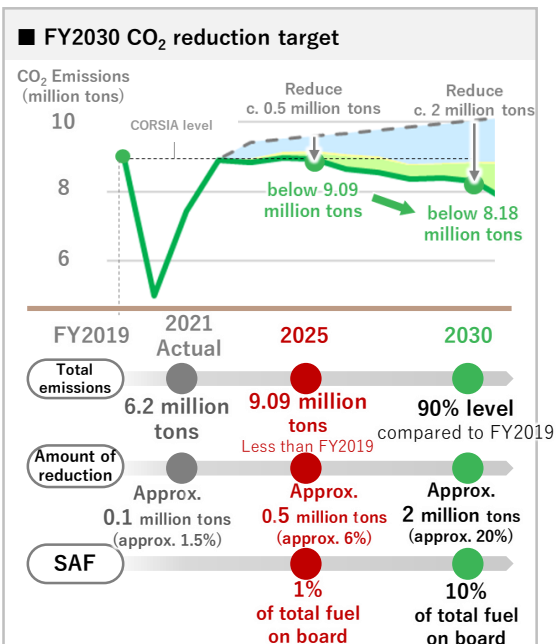


# Aim to Achieve Net Zero CO<sub>2</sub> Emissions by 2050

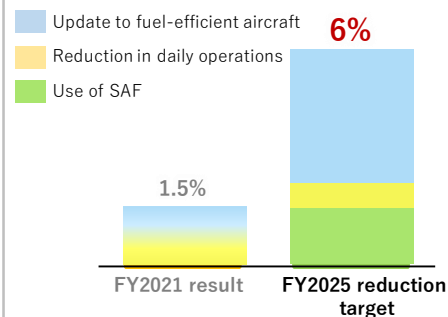
MTP2021-2025  
Rolling Plan  
**2022**



Following on steady progress in FY2021 to achieve targets,  
further accelerate initiatives in FY2022



## CO<sub>2</sub> reduction rate\*, target and results



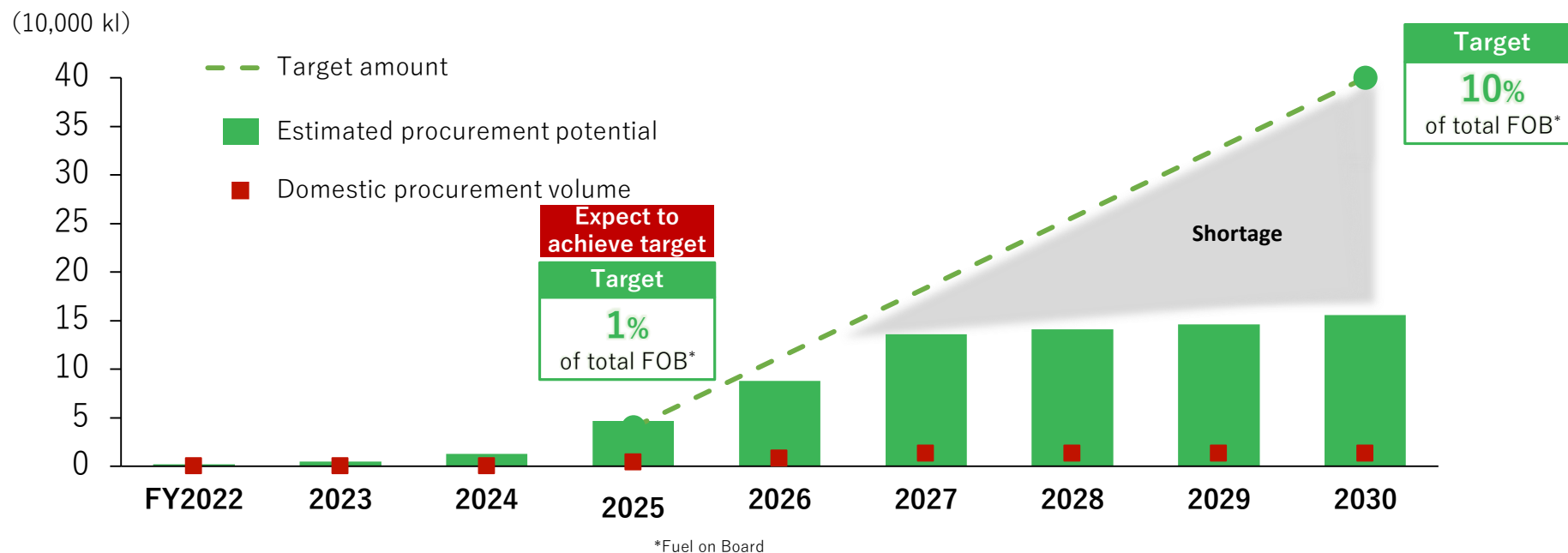
\*Reduction rate if measures on right are not implemented

	FY2021	FY2022~
Internal emissions reduction	<b>Upgrades to Fuel-efficient Aircraft</b> Planned aircraft renewal <ul style="list-style-type: none"> <li>A350 ... Introduce 7 A350s (Total 15)</li> <li>ATR ... Introduce 2 ATRs (Total 13)</li> </ul>	<ul style="list-style-type: none"> <li>Continue introduction of A350. Total 31 (ordered)</li> <li>Consider early introduction of new small- and medium-sized aircraft</li> <li>Consider introduction of hydrogen-powered aircraft</li> </ul>
	<b>Reduction in daily operations</b> JAL Green operations <ul style="list-style-type: none"> <li>Optimize flight plan</li> <li>Reduce aircraft weight</li> <li>Improve fuel efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with government for further optimization of flight course and ATC methods</li> </ul>
	<b>Use of SAF</b> <ul style="list-style-type: none"> <li><b>Procurement activities</b> <ul style="list-style-type: none"> <li>Operate flights loaded with Japan-made SAF</li> <li>Fulcrum (US) in which JAL has acquired a stake, starts plant operation</li> <li>oneworld announces joint procurement of SAF               <ul style="list-style-type: none"> <li>Aemetis, Inc. (US) From 2025</li> <li>Gevo (US) From 2027</li> </ul> </li> </ul> </li> <li><b>Proliferation activities</b> <ul style="list-style-type: none"> <li>Publish joint report on SAF with ANA</li> <li>ACT FOR SKY, a voluntary organization, established</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Procurement</b> <ul style="list-style-type: none"> <li>Realize stable procurement at appropriate prices through diverse SAF suppliers</li> <li>Promote joint procurement with oneworld (including Europe and Asia)</li> </ul> </li> <li><b>Proliferation activities</b> <ul style="list-style-type: none"> <li>Commercialize and proliferate Japan-made SAF</li> <li>Participate in the development of next generation SAF*</li> </ul> </li> </ul> <p><small>*Synthetic fuels produced from hydrogen derived from renewable energy and atmospheric CO<sub>2</sub></small></p>
	<b>Utilization of carbon offset program</b> Renew offset program for individuals	Introduce offset program to corporations

- On this page, I will explain the progress toward net zero CO2 emissions in 2050, which was presented last year.
- In FY2021, the number of flights was limited due to the pandemic. In addition to the introduction of fuel-efficient aircraft such as A350s and ATRs, further operational efforts was implemented. It resulted in a 1.5% reduction.
- In addition to accelerating the introduction of fuel-efficient aircraft and collaborating with the government in the effort in operations, we believe that the use of SAF will increase the certainty of achieving the 6% reduction target for FY2025.
- As a very important initiative to utilize SAF, we will accelerate the efforts of the industry all over the world not limited to individual companies, aiming to achieve net zero CO2 emissions in 2050.
- Please turn to Page 13.



### Realize stable procurement at appropriate prices through diverse SAF suppliers



SUSTAINABLE  
DEVELOPMENT  
GOALS



- This page explains the current status of SAF procurement.
- In utilizing SAF, we aim to replace 10% of the total fuel load with SAF by 2030.
- At present, there is a shortage compared to the required amounts to achieve the target, therefore it is necessary to realize stable and reasonable procurement by diversifying SAF supply sources.
- To achieve this, we will lead and promote the efforts of the industry and the government.
- Please turn to Page 14.

# FULLY SUSTAINABLE FLIGHT



New value in air travel that we can take pride in Embrace the challenge of “sustainable flights”

**Nov.2022**

(month of COP27)

## ***Model flight***

**Haneda -  
Okinawa**

Domestic flight/A350

\*Dates, aircraft, sectors, etc. are tentative

### **Aircraft and fuel**

Utilize SAF and offset program on state-of-the-art fuel-efficient aircraft to achieve

**Net zero CO<sub>2</sub> emissions**



### **Passenger service**

In-flight meal reservation, change materials of service items and recycle to achieve

**Zero single-use plastic\* waste**



\*Virgin petroleum derived plastic

### **Customers**

Multilingual service and special assistance, etc. for

**Stress-free travel for all customers**  
+  
Realize **sustainability** with our customers  
(voluntary offset program, etc.)



### **Employees**

Internal recruitment of diverse employees to take part in planning and operation to promote

**Active role of diverse human resources**



- We are planning a “Model flight” showing our sustainable operations during the COP in November this year.
- Please turn to Page 16.

# Rolling Plan 2022

## 1. Outline of Medium Term Management Plan- Rolling Plan 2022

## 2. Three Pillars of Management Strategy

	ESG Strategy	2030
	<b>Business Strategy</b>	<b>2025</b>
	Finance Strategy	2025

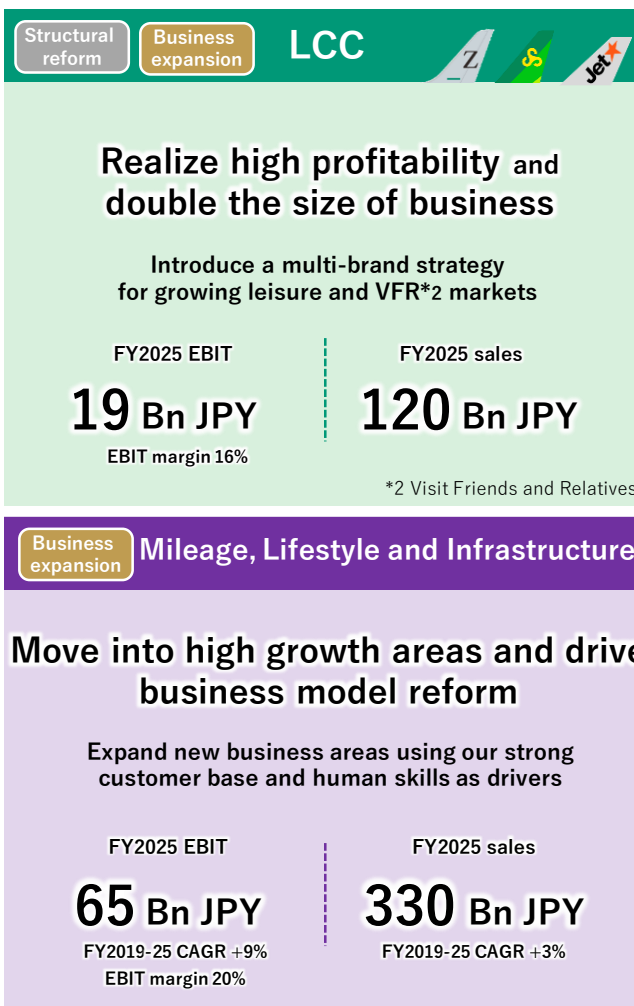
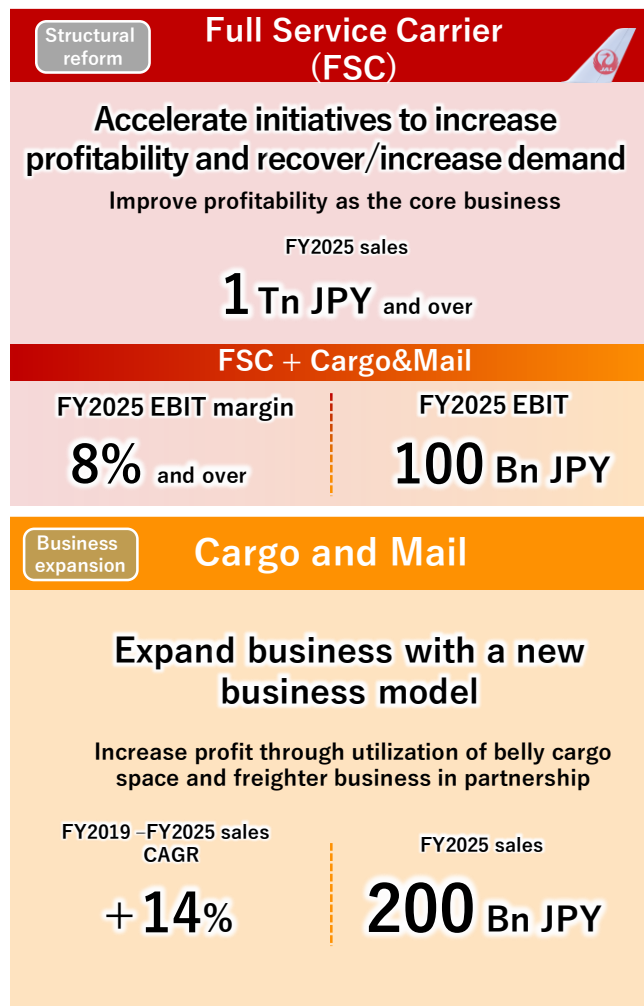
## 3. Details of Strategy



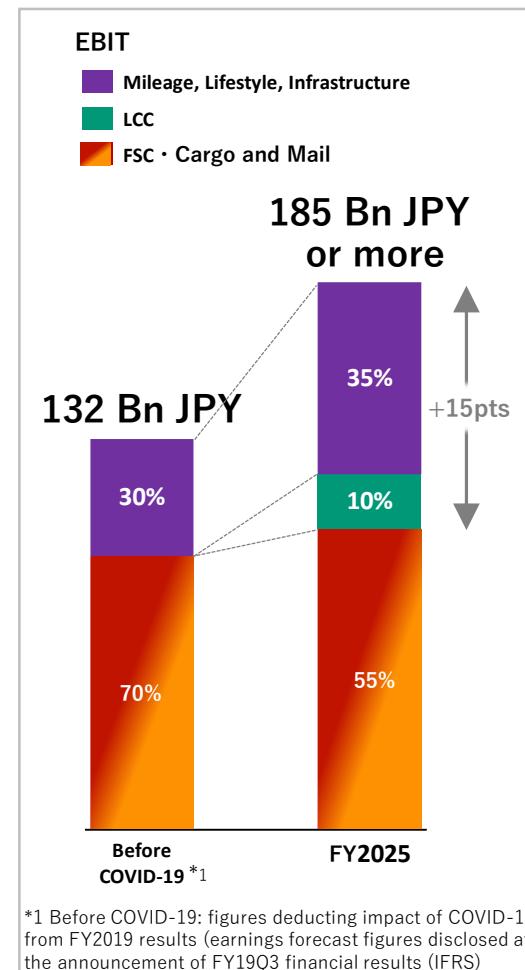
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## Targets in each business area



## Targets of Business Model Reform



- This page explains the specific goals of business structural reform.
- Improving profitability is the important issue for full-service carrier, which is our core business, and we set an EBIT margin of 8% or more, including cargo and mail.
- Business expansion is an important theme in the business areas of LCC / cargo and mail / mileage, lifestyle & infrastructure.
- We will clarify sales and EBIT targets for each business and promote efforts to achieve them.
- As a goal of business structure reform, while expanding EBIT, we will expand the composition ratio of Mileage, Lifestyle and Infrastructure, and LCC business by 15 points and build a business structure with high resilience against changes in the business environment.
- Please turn to Page 17.





Build a resilient business structure with growth potential by promoting Group management

### Portfolio management

- Design a business structure adaptive to the business environment
- Optimize resource allocation

### Create Group synergies

- Maximize sales through synergic effects
- Minimize costs by improving efficiency

## Maximize profitability of the entire JAL Group across business areas




	Full Service Carrier	LCC	Cargo and Mail	Mileage, Lifestyle and Infrastructure
Safety and Security	Expand technologies cultivated in aviation to other business areas			
Human Resources	Create new value through productivity growth and resource allocation to profitable businesses with growth potential			
DX	Accelerate business model reform by building, analyzing, and utilizing a database covering business areas			
Sales	Shift from air ticket sales to solution sales utilizing JAL Group assets			
JAL Group Companies	Realize business growth by increasing profit of Group companies			
Corporate Functions	Integrate and consolidate dispersed and redundant functions			
Cost Management	Keep actual fixed costs of the entire JAL Group at 500 billion yen level			

- The business structure reform will enable us to build a structure that combines resilience and growth in addition to accelerating efforts in each business domain.
- Please turn to Page 19.

# Rolling Plan 2022

## 1. Outline of Medium Term Management Plan-Rolling Plan 2022

## 2. Three Pillars of Management Strategy

	ESG Strategy	2030
	Business Strategy	2025
	<b>Finance Strategy</b>	<b>2025</b>

## 3. Details of Strategy



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		End of FY2021	Financial rebuilding phase	Sustainable growth phase
<b>Build Risk Resilience and Capital Efficiency</b> <ul style="list-style-type: none"> <li>Build risk resilience</li> <li>Maintain and improve financing capabilities</li> <li>Improve capital and asset efficiency</li> </ul>	Liquidity	494.2 Bn JPY Credit facility of 300 bn JPY	Secure and maintain 5.0~5.6 months worth of passenger revenue	
	Stability	Equity ratio 41.1% (credit rating)	<ul style="list-style-type: none"> <li>Aim for approx. 50% equity ratio (credit rating)</li> <li>Aim to achieve zero net interest-bearing debt by the end of FY25</li> </ul>	
	Credit rating	Maintain A rating	Aim for A flat rating	
	Capital efficiency		Achieve, maintain and improve ROIC*1 9%, ROE 10% or above	
<b>Resource Allocation</b> <ul style="list-style-type: none"> <li>Observe financial discipline</li> <li>Allocate resources optimally</li> <li>Promote investment for sustainable growth</li> </ul>	Capital allocation		Prioritize rebuilding of financial structure Promote investment for sustainable growth	
	Financial discipline		Secure sufficient free cash flow for each fiscal period	
<b>Shareholder Return</b> <ul style="list-style-type: none"> <li>Dividends with focus on stability and consistency</li> <li>Payout ratio: 35% or higher</li> <li>Flexible buyback to enhance total return ratio</li> </ul>	Dividend		Aim to resume dividends by the end of FY2022	Stable dividend payout ratio of over 35%
	Total return		Flexibly consider buyback	

\*1: Return on Invested Capital = EBIT (after tax) / Average fixed assets at the beginning and end of a fiscal year(\*2)

\*2: Fixed assets = Inventory assets + Non-current assets – Deferred tax assets – Net defined benefit asset

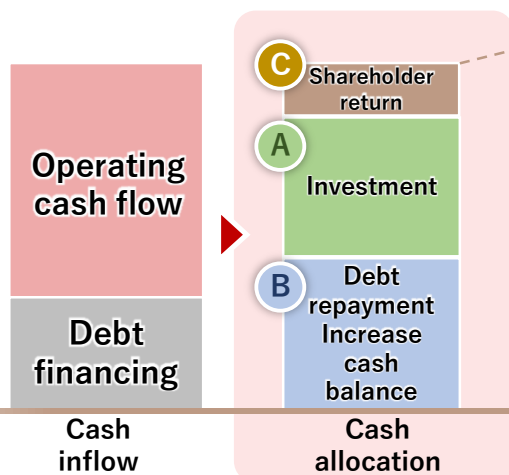
- This page gives you an overview of our financial strategy.
- Although the impact of the COVID-19 infection has been longer than initially expected, there is no change in our financial policy of strategically allocating resources with the aim of both strengthening risk tolerance and achieving capital efficiency.
- At present, we prioritize the rebuilding of our financial foundation, but we will also steadily invest for sustainable growth. We will gradually shift to the sustainable growth phase.
- Regarding strengthening risk tolerance, we aim to secure liquidity on hand that can withstand Covid-19 class event risks and to achieve Equity Ratio of around 50% in credit rating evaluation basis. Regarding reduction of interest-bearing debt, we aim for zero net interest-bearing debt, in other words, virtually No-Debt by the end of 2025.
- We recognize that shareholder returns are one of the most important management issues, and we aim to return dividends by the end of this fiscal year to meet the expectations of our shareholders.
- We will continue to do our utmost to overcome this difficult situation and promote financial strategies that support our growth. Please turn to page 20.

## Gradually shift cash flow allocation from rebuilding of financial foundation to shareholder return and investment for sustainable growth

End of FY2021

### Rebuilding Phase

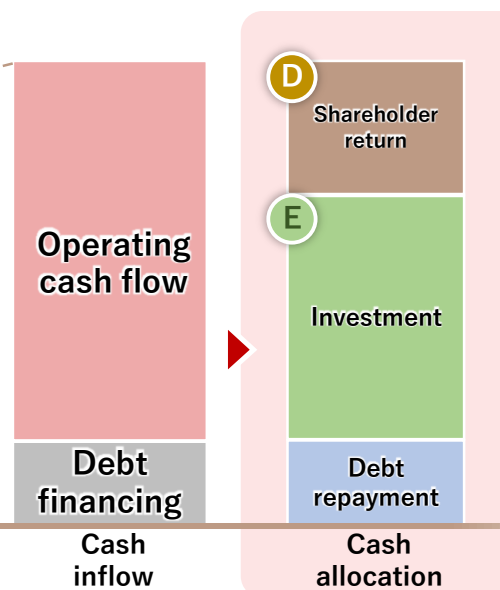
- A** Carefully select investments in this phase
- B** Recover an appropriate level of liquidity
- C** Aim to resume dividends by the end of FY2022



Gradually  
shift to  
recovery CF  
creation  
capabilities

### Sustainable Growth Phase

- D** Active shareholder return
- E** Investment for sustainable growth



- This page explains the concept of resource allocation during the medium-term plan period.
- Considering the uncertain business environment, we are currently positioning it as the “financial foundation restructuring phase”. Specifically, we will carefully select investments, expand liquidity on hand to prepare for unforeseen circumstances, and allocate resources focusing on debt repayment.
- Then, we will quickly rebuild our financial foundation and recover cash flow generation and move to the “sustainable growth phase”. We will gradually allocate resources to shareholder returns and investment for sustainable growth based on the business environment.
- Even after shifting to the "sustainable growth phase," we will continue to carry out disciplined investment management with an emphasis on improving the Return-On-Investment-Capital (ROIC) and corporate value over the medium to long term.
- Please turn to Page 21.





# All investments are to drive ESG management

## Actively utilize ESG finance to steadily upgrade to fuel-efficient aircraft

4 years total: Approx.  
**660 Bn JPY**

Approx. 190 Bn JPY

Approx.  
**150 Bn JPY/year**



Approx.  
**170 Bn JPY/year**  
(3 years total: approx. 510 bn JPY)

Actively update to fuel-  
efficient aircraft  
Accelerate CO2 emission  
reduction

Gradually expand growth  
investment while  
prioritizing improvement of  
financial structure

- E** Environmental investment  
such as for CO2 reduction
- S** Investment contributing to  
solve social issues such as  
safety and peace of mind,  
customer convenience and  
regional communities
- G** Investment to strengthen  
corporate governance

FY2021

[Results]

FY2022

FY2023~2025

[To be implemented]



Introduced fuel-efficient A350-900, etc.

Introduce fuel-efficient aircraft (A350 etc.)



Introduced JAL SMART AIRPORT, etc.

Invest in air mobility related businesses, etc.



Investments to strengthen LCC  
management foundation, etc.

Investment to strengthen IT infrastructure, etc.

- This page provides an overview of our investment strategies
- As explained at the beginning, we have set ESG strategy as the basis of our management strategy and aim to solve social issues through our business activities.
- The JAL Group positions investment activities to promote, strengthen, and develop ESG based management.
- The introduction of fuel-efficient aircraft such as A350 that contributes to the reduction of CO2 emissions, and investment related to SAF are defined as "E". In addition, "S" is defined as the JAL Group's responsibility for society, such as improving Safety and Peace of Mind, Customer Convenience and Comfort, and investing in the air mobility business that contributes to the creation of a new social infrastructure. Then, the investment that contributes to the stable management of subsidiary companies, the strengthening of information security, and the strengthening of BCP has been defined as "G".
- We plan to invest approximately 660 billion yen in total for the four years from 2022 to 2025. We will gradually increase investment in each area of E / S / G as the restructuring of our financial foundation progresses.
- We will actively invest in the environment. We plan to actively utilize ESG finance such as the world's first Transition Bonds issued last year in the aviation industry. Please turn to Page 22.

# Progress of Medium Term Management Targets

Steadily work on FY2025 targets to achieve JAL Vision 2030

MTP2021-2025  
Rolling Plan  
2022



## FY 2025 target value

## FY2021 Results

<b>Safety and Peace of Mind</b> 	Safety	<b>Aircraft Accidents and Serious Incidents</b> <b>0</b> <small>(during the entire period of the Medium Term Management Plan)</small>	▶	<b>2 cases</b>	<ul style="list-style-type: none"> <li>Feb 15, 2022, JL2326: A passenger hit lower back due to turbulence during cruising and suffered a fracture.</li> <li>Mar 26, 2022, JL669: A cabin attendant fell due to turbulence during cruising and suffered a fracture.</li> </ul>
	Peace of Mind	<b>NPS *1 + 4.0 pt</b> (FSC international/domestic)	▶	<b>Domestic + 7.1 pt</b> <b>International + 7.4 pt</b>	<ul style="list-style-type: none"> <li>JAL FLYSAFE initiatives highly evaluated</li> <li>Improved comfort in the airport by deploying JAL SMART AIRPORT</li> </ul>
<b>Finance</b> 	EBIT Margin (sales margin)	<b>Achieve 10% or Higher in FY2023</b>	▶	-	<ul style="list-style-type: none"> <li>Steady implemented financial measures due to COVID-19</li> <li>Maintained financial base, the foundation of business model reform, through hybrid financing</li> </ul>
	ROIC (Return on Investment)	<b>9% achieved in FY2023</b>	▶	-	
	EPS (Net income per share)	<b>FY2023</b> <b>¥260</b> <small>Pre COVID-19 level</small>	▶	<b>FY2025</b> <b>c. ¥290 level</b>	
<b>Sustainability</b> 	Environment	<b>CO2 Emission Reduction</b> <b>Total emissions: below 9.09 million tons</b>	▶	<b>6.2 million tons</b>	<ul style="list-style-type: none"> <li>Promoted introduction of fuel-efficient aircraft (A350, etc.)</li> <li>Introduced plastic bottles made from recycled materials (cabin)</li> <li>Suspended plastic bags for checked baggage at the airport</li> </ul>
		<b>Reduction of Single-use Plastic</b> Cabin and Lounge: <b>No use of virgin petroleum-based plastic</b> Cargo and Airports: <b>100% switch to eco-friendly materials</b>	▶	<b>25% abolished</b> <b>90% change</b>	
	Communities	<b>Regional Revitalization</b> <b>Domestic passenger *2 and Cargo transport volume + 10% vs FY2019</b>	▶	<b>Passenger - 59%</b> <b>Cargo - 34%</b>	<ul style="list-style-type: none"> <li>Flight reductions due to COVID-19</li> </ul>
	People	<b>Promotion of D&amp;I</b> <b>Group Female Managers Ratio: 30%</b>	▶	<b>21.9 %</b> <small>(as of March 31, 2022)</small>	<ul style="list-style-type: none"> <li>Promoted continuous appointment of women leaders</li> <li>Up 2.4 percentage points from the previous year (19.5%)</li> </ul>

\*1: Net Promoter Score ... Objective Indicator of Customer Satisfaction (compared to the beginning of FY 2021)

\*2: Increase in total passengers by stimulating tourism demand and creating new flows

※Aim to improve Total Shareholder Return(TSR)

- This page explains the progress of our management targets of the medium term management plan for FY2021.
- Regarding the "safety", two accidents occurred, and the target was not achieved.
- For "Peace of Mind", it exceeded the target both domestic and international by the effects of JAL "FlySafe" and the introduction of JAL SMART AIRPORT.
- As for the financial target, it was not achieved because it was in the red in 2021.
- The "Environmental" goal of sustainability is progressing as expected towards the goal of 2025.
- The "community" target was negative compared to FY2019 due to the decrease in the number of flights caused by the delay in the recovery of domestic passenger demand.
- The target for "people", proportion of women in management increased by 2.4 points from FY2020 to 21.9%. We will promote efforts toward the target of 30% in 2025.
- Please turn to Page 24.

# Rolling Plan 2022

1. Outline of Medium Term Management Plan-Rolling Plan 2022
2. Three Pillars of Management Strategy
- 3. Details of Strategy**
  1. **Accelerate Initiatives in Each Business Domain**
    - Initiatives in Each Business Domain
    - Aircraft Strategy
  2. **Strategy in Key Business Areas**
    - Mileage and Lifestyle Business
    - Regional Business
    - Air Mobility Business
  3. **Drivers for Accelerating Business Model Reform**
    - DX Strategy
    - HR Strategy





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# 3-1 Accelerate Initiatives in Each Business Area

## Accelerate business model reform to build resilience

MTP2021-2025  
Rolling Plan  
2022



	FY2021	FY2022~
<b>Full Service Carrier</b>	<b>Improve profitability during periods of low passenger demand</b> <ul style="list-style-type: none"> <li>Reduced maintenance and operating costs by retiring the 777 and introducing the A350</li> <li>Suspended unprofitable routes and utilized codesharing</li> <li>Introduced JAL SMART AIRPORT to hub airports in Japan</li> </ul>	<b>Accelerate initiatives to increase profitability and recover/increase demand</b> <ul style="list-style-type: none"> <li>Expand international route network according to recovery in demand</li> <li>Increase customer preference by deploying the A350 on international routes following domestic routes (FY23~)</li> <li>Promote the development and provision of products and services that reduce environmental impacts</li> <li>Further drive ESG strategy through our joint businesses and alliance</li> </ul>
<b>LCC</b>	<b>Full-scale launch of three LCCs based in Narita</b> <b>Aircraft: 10 aircraft Routes: 11 routes</b> ※ Excluding Jetstar Japan <b>ZIPAIR</b> ... Opened US west coast route as Japan's first medium- and long-haul LCC <b>SPRING JAPAN</b> ... Made SPING JAPAN a consolidated subsidiary, created a new brand <b>Jetstar</b> ... Reviewed the number of aircraft and routes to improve profitability	<b>Realize high profitability and double the size of business</b> <b>Aircraft: 18 aircraft Routes: 22 routes</b> FY2025 plan, Excluding Jetstar Japan <b>ZIPAIR</b> Expand networks in Asia, North America and China <b>SPRING JAPAN</b> <b>Jetstar</b> Increase competitiveness and reduce environmental impacts by introducing the A321 LR (scheduled for July 2022)
<b>Cargo and Mail</b>	<b>Securely capture robust demand and increase profit</b> <ul style="list-style-type: none"> <li>Made maximum use of our routes and other airline's aircraft to meet robust cargo demand</li> <li>Transported vaccines and other pharmaceuticals leveraging our high quality transportation</li> </ul>	<b>Expand business with a new business model</b> <ul style="list-style-type: none"> <li>Increase transportation capacity on high demand and high growth routes by strengthening partnerships</li> <li>Strengthen handling of high-unit revenue cargo by building a production system that enables quality control and reduction of lead time</li> <li>Launch freighter business with Yamato Holdings in April 2024 (operated by Jetstar Japan) </li> </ul>
<b>Mileage, Lifestyle, Infrastructure</b>  Initiatives from FY2022 explained later	<b>Launch initiatives for business model reform</b> <div> <b>Mileage Lifestyle</b> <ul style="list-style-type: none"> <li>Expanded services in daily life and all stages of life (marketed JAL Denki and JAL Housing Loans)</li> <li>Made JALUX a consolidated subsidiary </li> </ul> </div> <div> <b>Regions</b> <ul style="list-style-type: none"> <li>Increased awareness of local products and expanded sales channels (JAL FURUSATO NOZEI (hometown tax donation program), EC for China, increased desirability of local products by Furusato Cheering Teams)</li> </ul> </div> <div> <b>Air Mobility</b> <ul style="list-style-type: none"> <li>Tried the drone business in various regions</li> <li>Tried the business model of the air taxi business</li> </ul> </div>	<b>Expand into growing business areas and drive business model reform</b> <ul style="list-style-type: none"> <li>Double profits by promoting the JAL Mileage and Lifestyle Concept</li> <li>Expand joint problem-solving projects with regional areas (local governments and companies)</li> <li>Establish an Operation Platform Business and expand air mobility market</li> </ul>

- On this page, we will present the efforts for each business area after FY2022.
- The full-service carrier business will increase profitability capturing the opportunity of recovery and expansion of demand.
- The LCC business will expand its business scale with a high profit model by increasing the number of aircraft and expanding its network.
- The cargo and mail business will be expanded through the freighter business in partnership with Yamato Holdings.
- The Mileage, Life, Infrastructure Business will expand its business and will drive business structural reforms.
- The strategies of these three businesses will be described later.
- Please turn to Page 25.

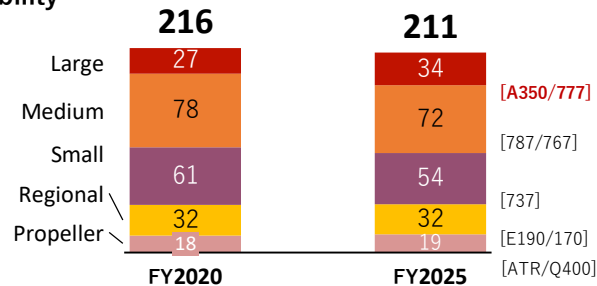


Adapt to changes in the business environment through flexible aircraft portfolios for Full Service Carrier (FSC) and LCCs

## Form a network with 229 Group aircraft

### Full Service Carrier (FSC)

Reduce aircraft through operational efficiency to improve profitability

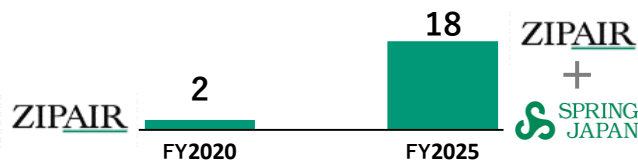


FY2020 shows the number of aircraft in operation, taking into account decommissioning.

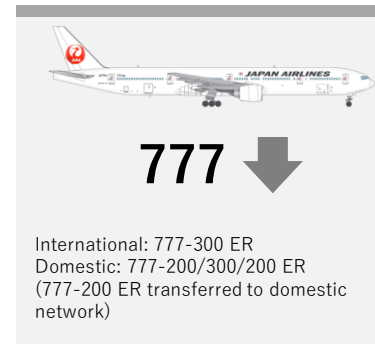
### LCC

#### Aggressively expand LCC business

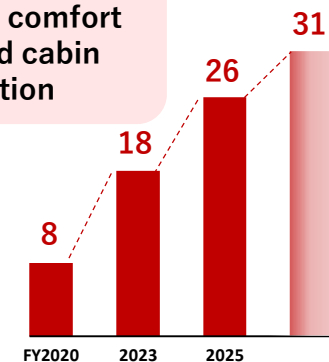
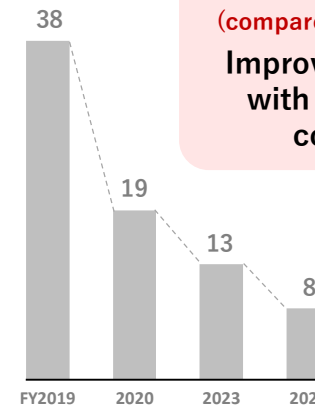
SPRING JAPAN: Included only in FY2025 as it became a consolidated subsidiary in FY2021  
Jetstar Japan: Not included because it is not consolidated



## Steadily promote renewal of flagship fleet



**25% improvement  
in fuel efficiency**  
(compared to existing aircraft)  
**Improve cabin comfort  
with renewed cabin  
configuration**



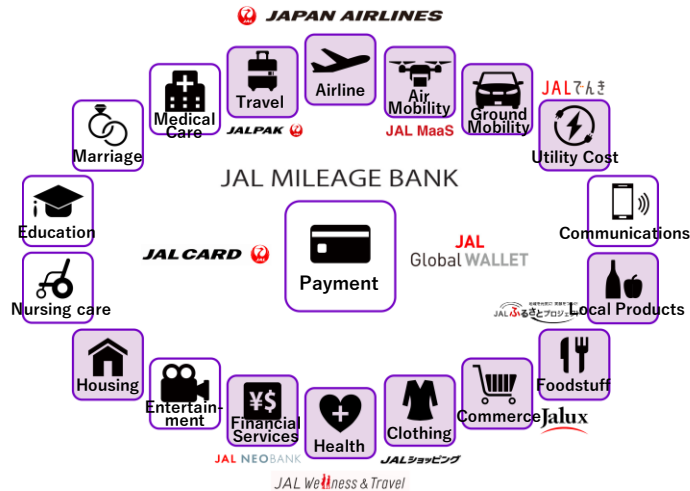
(Note) Number of aircraft at the end of the fiscal year unless otherwise mentioned

- This page shows an overview of the JAL Group's aircraft strategy.
- We will strategically utilize full-service carriers and LCCs, and respond to changes in the business environment such as fluctuations in demand trends with a flexible aircraft portfolio.
- The number of aircraft in full-service carriers will decrease by 5 aircraft from 216 in FY2020 to 211 in FY2025.
- On the other hand, the number of LCCs will be increased from 2 aircraft in FY2020 to 18 in FY2025 to expand the network.
- The entire group will build a network for FY2025 with 229 aircraft, which is an increase of 11 from FY2020 218.
- In addition, full-service carriers will steadily upgrade the flagship aircraft to the A350 to reduce environmental impact and improve in-flight comfort.
- Please turn to Page 26.

Promote the JAL Mileage and Lifestyle Concept for the wellbeing of our customers and society

## JAL Mileage and Lifestyle Concept

~ make everyday life and all life stages even better with miles ~



Provide diverse services in everyday life and all life stages and expand ways to earn and use miles

### Specific initiatives to promote the concept

#### ■ Introduce a new mileage program

Introduce a mileage program where users can earn points through daily use apart from air travel and environmentally friendly activities

#### ■ Expand partnerships with different business industries

#### ■ Promote DX

- Promote centralized and cardless daily services through membership apps
- Develop and market products to meet customer needs by analyzing and utilizing customer data

### Initiatives in focused business areas

#### ■ Financial service domain

- Expand financial product lineup (insurance/securities, etc.)
- Promote cashless payment (expand touchless services/introduce QR code payment)

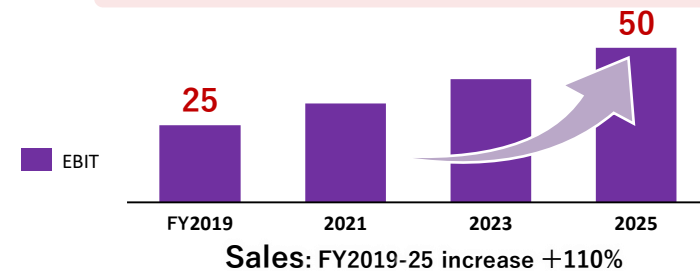
#### ■ Commerce domain

- Expand business by building new EC sites
- Provide products that promote ethical consumption
- Increase synergies with JALUX by utilizing the JAL brand

### Sales and profit growth

(Unit: Bn JPY)

### Double profits through business expansion



- This page explains the strategy of the mileage - lifestyle business.
- We will promote the “JAL Mileage and Lifestyle Concept”, which aims to expand the services provided by focusing on miles in daily life.
- Through these efforts, EBIT will be doubled to 50 billion yen from 25 billion yen in FY2019.
- Please turn to Page 27.



### Flows of people

- **Promote regional attractiveness** Creating added value × Passenger transport
  - Add value to inspire customers to travel to regional areas, such as environmental preservation activities and cultural experiential travel utilizing attractive regional traditions, cultures, natural features, etc.

**Example** Tourism promotion project with local companies planned by JAL Furusato Ambassadors (e.g. JR Hokkaido Rail Tour)
- **New tourism** Permanent people flows × Passenger transport
  - Create and increase permanent flows of people to “my second hometown” and its associated demand in collaboration with local governments and companies

**Example** Traveling with a purpose, such as JAL Agricultural Exchange, a short-term agritraining program, SDGs tours, and “my second hometown” tours

### Sales and distribution channels

- **Product development & branding** Branding × HR (cabin crew, etc.)
  - Develop new value-added products by combining excellent local commodities and JAL's know-how
  - In addition to planning and development, provide comprehensive support from market research to sales and PR

**JAL Sweets Box**  
JAL Cabin Crew
- **Expand sales channels for local specialty products** Increase consumption × Cargo transport
  - Expand distribution channels in Japan for local specialty products by promoting JAL FURUSATO NOZEI
  - Promote cross-border EC initiatives and increase exports of local specialty products

**JALふるさと納税**

**Sales target** By FY2025 **10 Bn JPY**

**Management target** Domestic passenger and cargo traffic by FY2025 versus FY2019 **+10%**

- This page explains the strategy of regional business.
- We will achieve a revenue of 10 billion yen as a regional business.
- Please turn to Page 28.

## Mechanisms to support safe operations

Promote the safe and optimized use of the sky



## Develop business models by area

Provide services according to issues and needs of each region

## Business Profile and Services

FY2022

2023

2024

2025

~2030

## Operational Support Platform Business

- Safety management and operations control support services
- Optimization adjustment of high-density operations
- Operator training program

Use safety management system  
Promote collaboration with partners

Establish operations control system  
(Hyogo Prefecture / Oct 2021)



Build a SMS

Launch service

Expand capabilities to expand markets

Establish Platform Business

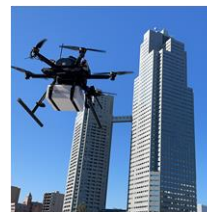
Expand air mobility market

## Drone Business

- Logistics network to support everyday life
- Assess disaster situations, emergency transport of supplies

Build a business model in outlying islands (Amami Islands, etc.) and deploy in other regions

Test pharmaceuticals transport  
(Tokyo / Feb 2022)



Test business

Launch business

Expand business models by area  
High density of operations

Realize Maas in the sky for coexistence of diverse air mobility operations

## Air Taxi Business

- Regional transportation network
- Support mobility of essential workers

Launch in EXPO 2025 Osaka, Kansai, operate in rural and urban areas

Test business model  
(Mie Prefecture / Jan 2022)



Execute test plan

Test flights

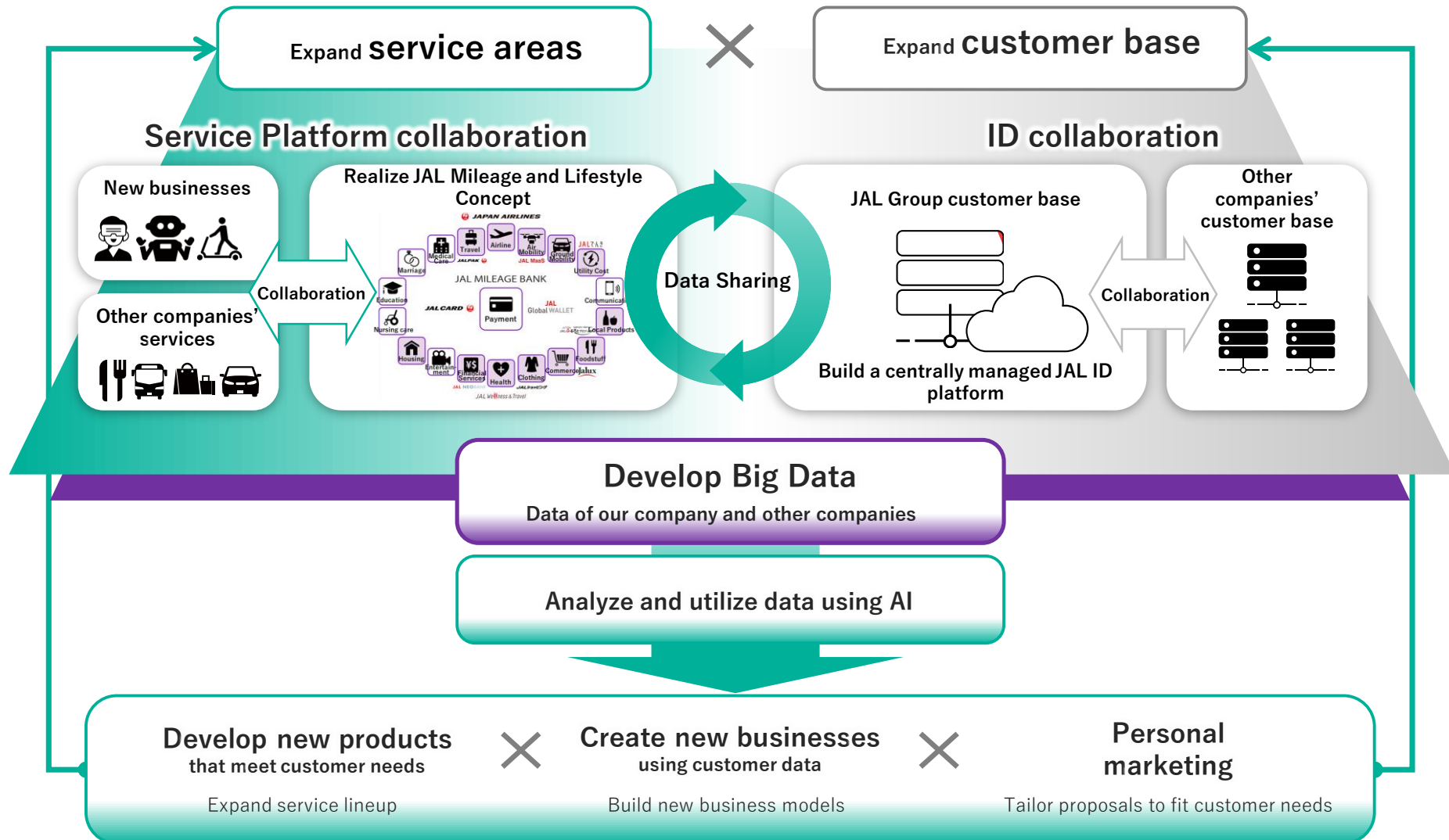
Launch business

Launch business and realize sales of 50 Bn JPY

- This page describes the strategy of the air mobility business.
- Utilizing the know-how and technologies that support safe operation cultivated by JAL Group, we will establish an operation platform business in air mobility.
- By establishing these businesses, we will achieve a revenue of 50 billion yen by fiscal year 2030.
- Please turn to Page 29.



## Accelerate business model reform by building and utilizing Big Data through collaboration in the digital domain



- This page explains the strategy of DX.
- By collaborating in the customer data base with other companies, we will build big data base and perform advanced analysis using artificial Intelligence.
- Please turn to Page 30.

Accelerate management strategy execution through the consolidated efforts of diverse human resources, our greatest strength

### Create new value

### Continuous productivity growth

#### Placement and assignment



- **Assign human resources in charge of expanding business areas**
  - Secure allocation of human resources to support growth domain
- **Introduce a new evaluation system to encourage challenges in growing business areas**
  - Expand the reach of our job posting through open recruitment
  - Introduce a performance-linked, performance-based remuneration system

<Assign human resources to growing business areas>

**Increase of 3,000 employees**  
in FY2025  
(compared to FY2019)

#### Recruitment and development



- **Recruit and develop human resources according to diversification of business areas**
  - Actively recruit diverse human resources
  - Enhance practical experience through secondment within and outside the JAL Group
  - Invest in human resources
- **Improve employee engagement by increasing motivation**
  - Design new career paths
  - Provide appropriate employee return

< Ratio of actively engaged employees \*1 >

**FY2025 10% improvement**  
(compared to FY2019)

#### Business process



- **Establish a system to accelerate Group-wide initiatives**
  - Establish regional offices in Japan
  - Integrate and consolidate dispersed and redundant functions
- **Improve operational efficiency using digital technology**
  - Achieve business sophistication using operational data
  - Improve efficiency through business process transformation

< Increase of per capita sales >

**FY2025 15% increase**  
(compared to FY2019)

#### ■ Promote D&I・DX

- Promote the active participation of diverse human resources such as women, global, senior human resources and develop workstyles
- Develop DX human resources to promote business development and problem solving

< Proportion of women in management >

End of FY2021 21.9% → **End of FY2025 30%**

\*1: Percentage of employees who responded favorably to the Employee awareness Survey

- This page explains the human resources strategy.
- While steadily improving employee engagement, we will work to expand the allocation of human resources to growing business areas, develop the ability to play an active role in new fields, and improve operational efficiency using digital technology.
- This concludes my presentation regarding the Rolling Plan. Next, I would like to move on to the fiscal year 2021 financial results and the fiscal year 2022 forecast. Please open the other set of slides.

# Fly into tomorrow.



**JAPAN AIRLINES**

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