



JAPAN AIRLINES

**JAL Group
Medium-Term Management Plan FY2021-2025
Rolling Plan 2024**

March 21, 2024



Chapter 1: Initiatives to Accomplish the Medium-Term Management Plan

- 1-1: Profit Targets
- 1-2: Business Model Reform (Air Passengers / Cargo and Mail / Mileage, Lifestyle and Infrastructure)
- 1-3: Details of Management Targets (Safety and Peace of Mind / Sustainability / Finance)

Chapter 2: Mid-Long Term ESG Strategies

- 2-1: Mid-Long Term Initiatives
- 2-2: Building Relationships and Societal Connections Through Air Transportation
- 2-3: GX Strategy
- 2-4: Human Resources Strategy (Human Capital Management)

Chapter 3: FY2023-2024 Outlook / FY2025 Targets

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.



JAL Group
Medium-Term Management Plan
FY2021-2025

Rolling Plan 2024

On Formulating the Rolling Plan for 2024

The three-year period of the JAL Group Medium-Term Management Plan for FY2021-2025 nearing the end with only two years left to go. In the new post-COVID-19 environment, the JAL Group expects to achieve higher profits in FY2023 than before the pandemic. At the same time, we are faced with new challenges common to all, such as the unstable global conditions, rising prices, and a shortage of human resources. In light of these changes in the business environment, the JAL Group has formulated the Rolling Plan 2024 in order to accomplish the Medium-Term Management Plan in FY2025 and to prepare ahead of time for medium- to long-term growth.

The JAL Group has positioned the ESG strategy as our top-level strategy since the Rolling Plan 2023. While taking care of the environment, we have been working not only to provide a means of air transportation, but also to increase and improve the relationships and societal connections brought about by the movement of people and goods through air transportation. We will strive to increase the number of people related to interacting communities and improve the level of community involvement to solve social issues, while steadily advancing Green Transformation and human capital management.

Everyone in the JAL Group will work together as one to help create a vibrant society and a future where many people and goods freely move around.

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,
by helping to create a vibrant society and a future
where many people and goods freely move around

Create Value Through ESG Strategy for Medium and Long-Term Growth

 **ESG Strategy**
Long-Term Business Strategy

Topmost Strategy in Order to Realize Value Creation and Growth

 **Business Strategy**
Strategy to Drive ESG Strategy
(Business Model Reform / DX)

 **Safety**

 **CX**

 **GX**

 **Sales and Marketing**

 **Human Resources**

 **Finance Strategy**
Strategy to Support ESG Strategy

Build Risk Tolerance and Growth

Resource Allocation

Rolling Plan 2024

1. Initiatives to Accomplish the Medium-Term Management Plan

1-1: Profit Targets

1-2: Business Model Reform (Air Passengers / Cargo and Mail / Mileage, Lifestyle and Infrastructure)

1-3: Details of Management Targets (Safety and Peace of Mind / Sustainability / Finance)

2. Mid-Long Term ESG Strategies

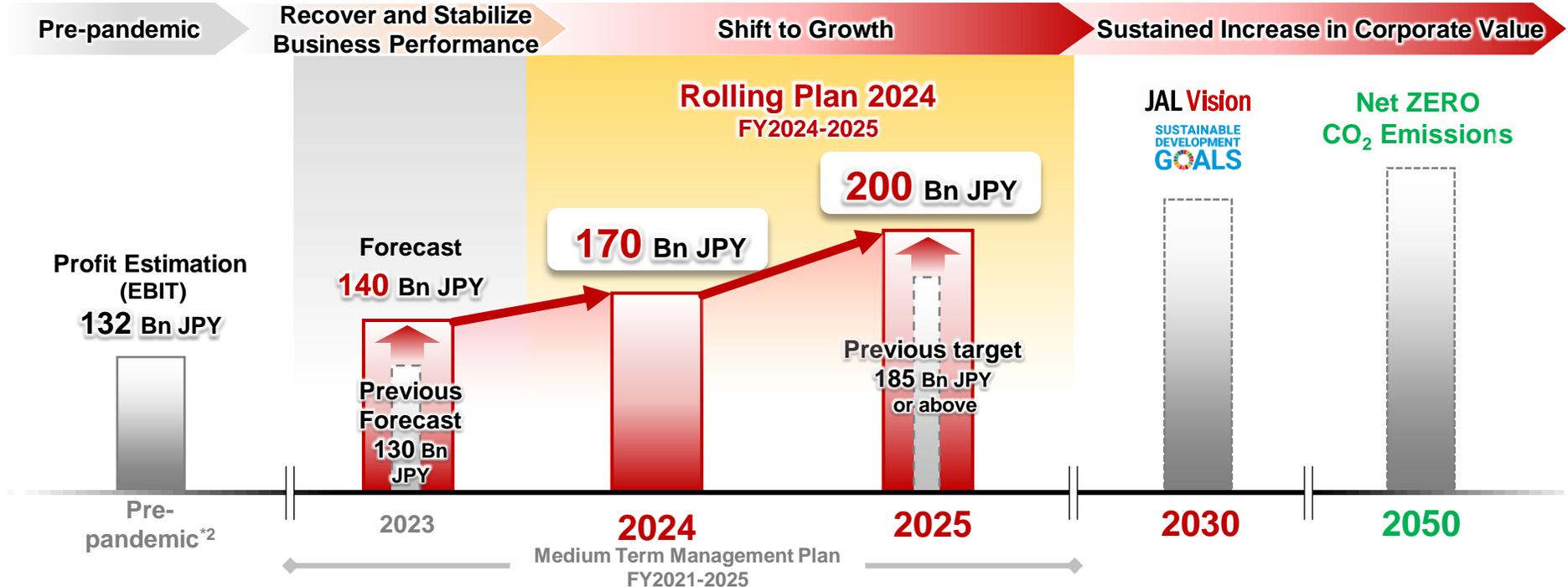
3. FY2023-2024 Outlook/FY2025 Targets

1-1 Profit Target



In FY2023
Profits recovered to
pre-pandemic levels

Achieve further growth by promoting business model reform and set EBIT*1 target at **170 Bn JPY for FY2024** and **revised upward to 200 Bn JPY for FY2025** from 185 Bn JPY or more



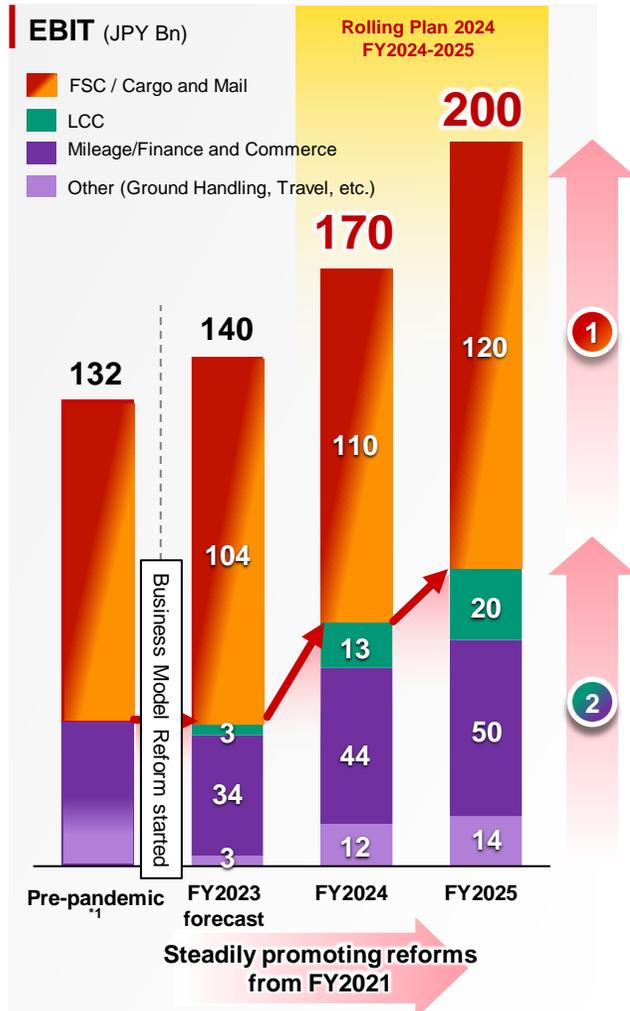
<Business Environment in FY2024-2025>

Airline Industry and JAL	Market	Society
<ul style="list-style-type: none"> Foreign exchange: High foreign currency costs Human Resources: Shortage of human resources in the aviation and tourism industries Environment: Start of CORSIA*3 	<ul style="list-style-type: none"> Passenger: Inbound demand increases, Delayed recovery of outbound travel from Japan Cargo: Growing demand for e-commerce 	<ul style="list-style-type: none"> Environment: Acceleration toward carbon neutrality Society: High prices of commodities, Continuing geopolitical risk, Widening disparities between urban and regional areas

*1 EBIT: Earnings Before Interest and Taxes *2 Pre-pandemic: FY2019 actual results excluding the impact of the COVID-19 pandemic (earnings forecast disclosed at the time of announcement of FY2019 Q3 financial results (IFRS))

*3 CORSIA: Carbon reduction scheme which requires airlines operating international flights to purchase CO₂ emissions (CO₂ credits, etc.) for amount exceeding 85% of CO₂ emitted in 2019.

Achieve FY2025 profit target and business model with resilience and growth potential by promoting ESG strategies



EBIT adjustments due to changes in reporting segments are not reflected.

1

Restructuring of Profit Structure

	International Passenger	Domestic Passenger
Full Service Carrier	<ul style="list-style-type: none"> Strengthen competitiveness and maintain unit price Capture inbound demand Stimulation of outbound demand 	<ul style="list-style-type: none"> Strengthening profitability Creation of interacting community and attracting inbound demand to local areas Building a sustainable network
Cargo and Mail	<ul style="list-style-type: none"> Develop freighter business Maintain and improve unit price by transporting strategic items 	

2

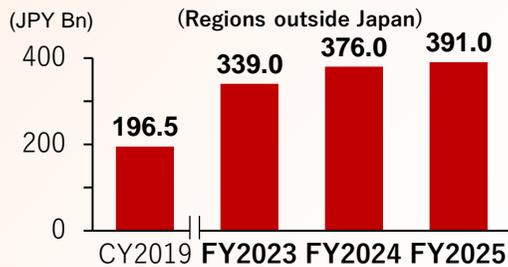
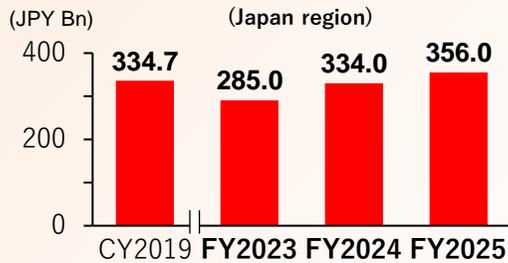
Profit Expansion and Growth

LCC	<ul style="list-style-type: none"> Expansion of business scale and aggressive international flight development 	
Mileage, Lifestyle and Infrastructure	Mileage/Finance and Commerce	Ground Handling
	<ul style="list-style-type: none"> Expanding opportunities to accumulate miles in daily life Development of exciting and special awards Growth through expansion of transaction volume in commerce business 	<ul style="list-style-type: none"> Expanding business for further growth in inbound demand
	Air Mobility Business	
		<ul style="list-style-type: none"> Provide solutions to local issues using drones Create new air transportation value with Air Taxi

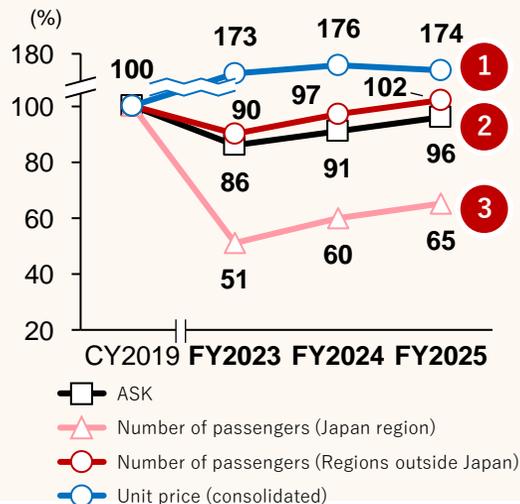
Promote Business Portfolio Management by Clarifying Profit and Loss by Business Segments

*1 Pre-pandemic: FY2019 actual results excluding the impact of the COVID-19 pandemic (earnings forecast disclosed at the time of announcement of FY2019 Q3 financial results (IFRS))

Revenue



Capacity, Number of passengers and Unit Price (vs. CY2019)



Full Service Carrier

Maintain and expand networks while reducing environmental impact by introducing fuel-efficient aircraft, and stimulate interacting community

International

1 Strengthen competitiveness and maintain unit price

- Capturing the continuously strong high unit price demand from overseas as well as the recovering business demand from Japan
- By FY2025, introduce 11 new A350-1000 aircrafts and operate on routes to the U.S. and Europe. Respond to diversifying customer needs by new service concept *Design Your Story*



New aircraft A350-1000

2 Capture inbound demand

- Expand network deepening cooperations with our partnership, and enhance JAL brand recognition in regions outside Japan, particularly in North America and Asia



New aircraft seats (A350-1000)

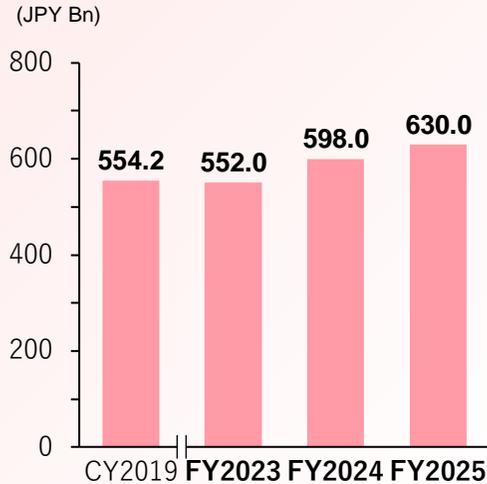
3 Stimulation of outbound demand

- Stimulate outbound tourism demand in cooperation with national tourism bureaus and travel agencies

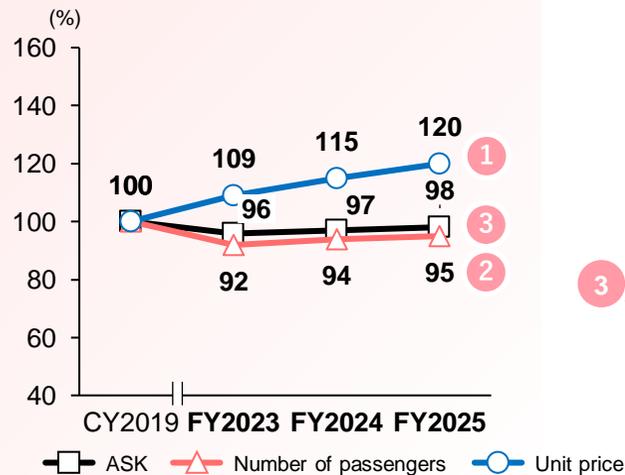


Diverse in-flight meal menu

Revenue



Capacity, Number of passengers and Unit Price (vs. CY2019)



Full Service Carrier

Maintain and expand networks while reducing environmental impact by introducing fuel-efficient aircraft, and stimulate interacting community

Domestic

1 Strengthen profitability for stable business operations

- Continuously improve unit prices by introducing ancillary services to cope with rising prices and increased fuel costs due to jet fuel market prices and exchange rates
- Provide stress-free air travel through expansion of JAL SMART AIRPORT and other measures



JAL SMART AIRPORT Expansion to 5 airports in Japan

2 Creation of interacting community and attracting inbound demand to local areas

- Expand inbound passengers to local areas through promotion of regional attractions and enhancement of fares
- Create new flow of people through domestic travel such as new tourism



Anime Tourism

3 Building a sustainable network

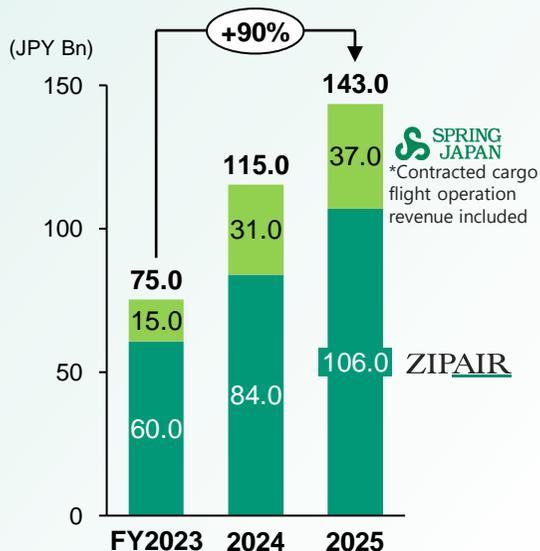
- Improve profitability of regional and outlying island routes through aircrafts, and flight plans adapted to the market



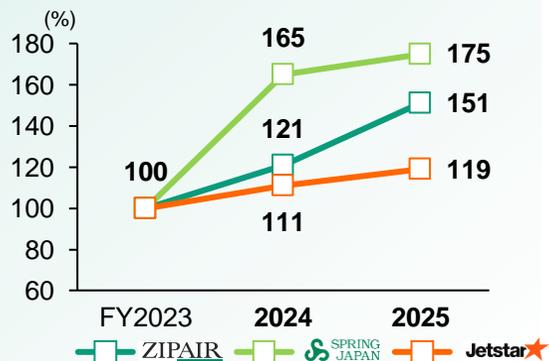
Regional Airlines

Revenue

Note: Excluding Jetstar Japan



Capacity (ASK, vs. FY2023)



LCC

Create new flows of people

through flexible business development in response to the market

- Contribute to the growth of inbound travel and improve profitability of each company through expansion of business scale and aggressive international flight development

ZIPAIR

- Increase in aircraft to 10 by FY2025 (8 in FY2023)
- Expand routes to the North American West Coast and Asia

ASK (FY2025)

150%
vs. FY2023

SPRING JAPAN

- Shift of operating routes from domestic to international flights to/from China's major cities and regional cities in line with the recovery in inbound demand from China

Int'l flight ratio (ASK)
FY2023 → FY2025

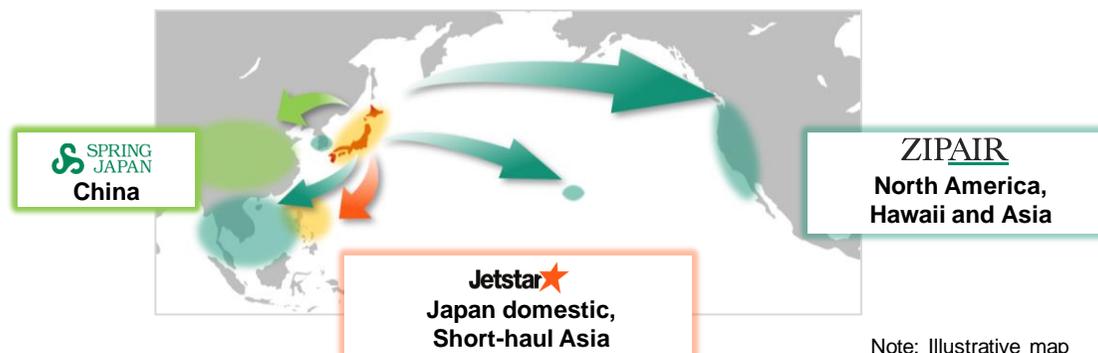
50% → 90%

Jetstar

- Developing Asian routes to capture strong inbound demand

Int'l flight ratio (ASK)
FY2023 → FY2025

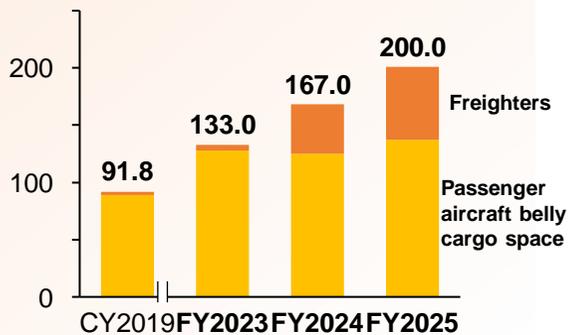
15% → 30%



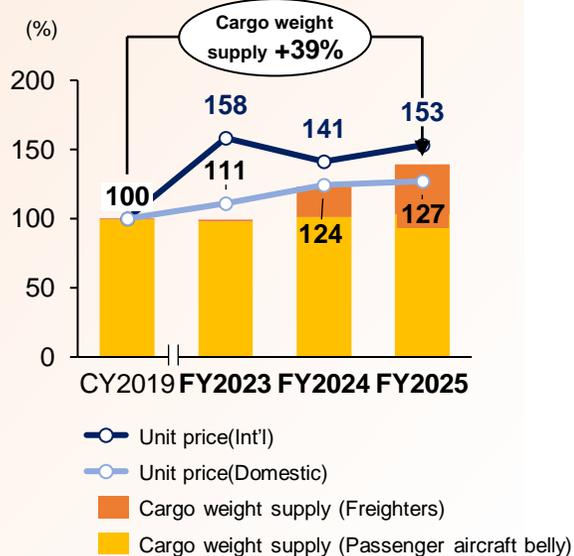
Note: Illustrative map

Revenue

(JPY Bn)



Capacity and Unit Price (vs. CY2019)



Cargo and Mail

Leverage the advantages of air transportation to resolve issues in the logistics industry, and create a sustainable logistics network

Develop freighter business

- Establish an agile and flexible supply system by introducing our own freighters and expanding supply to long-haul routes such as the U.S. and Europe by utilizing other companies' cargo aircrafts
- Contribute to solving social issues by responding to new customer needs through strong alliances with major logistics partners

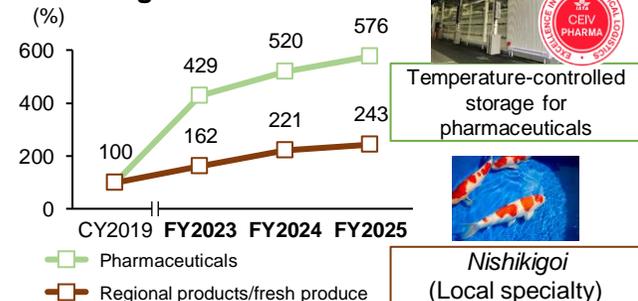
	International	Domestic
	Responding to growing international express and e-commerce demand	Responding to changes in the domestic logistics environment
Aircraft route plan	767BCF 3 aircrafts	A321-200P2F 3 aircrafts
		
	Other companies' cargo aircrafts	
	U.S. and European routes, etc.	
	Number of destinations 6 Seoul/Shanghai/Taipei/Hong Kong Tokyo (Narita)/Nagoya	Number of destinations 5 Tokyo (Haneda/Narita) Kitakyushu/Sapporo/Okinawa (Naha)

Maintain and improve unit prices by transporting strategic commodities

- Expand transportation of strategic commodities by taking advantage of air transportation
- Strengthen facilities and quality to expand pharmaceutical transportation

Strategic commodities
<ul style="list-style-type: none"> Pharmaceuticals Japanese regional products/ fresh produce International express/ home delivery Chemicals

Transported weight of strategic commodities

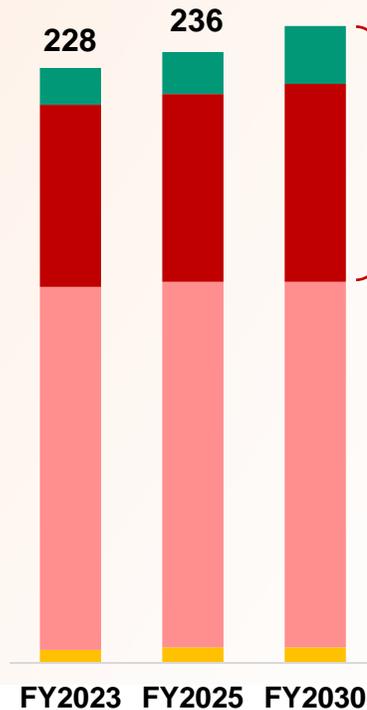


Reduce CO₂ emissions* by introducing fuel-efficient aircrafts and expand supply in the growing International flights

Changes in the number of aircraft

Note: Excluding Jetstar Japan

- LCC
- FSC International
- FSC Domestic
- Freighter



Future fleet plan (FY2024-2030)

Category	Strategy	Aircraft to be introduced
International	<ul style="list-style-type: none"> • Supply volume (ASK) increased by approx. x1.4 (FSC/LCC) by increasing the number and size of aircrafts • Route network expansion with a focus on growth markets • Focus on medium- and long-haul routes with large and medium-sized aircraft to improve profitability 	A350-1000
		A350-900
Domestic	<ul style="list-style-type: none"> • Introduce two aircraft types (737-8/A321neo) of different sizes to improve profitability and fuel consumption by matching supply to market demand 	787-9
		787-8
Freighters	<ul style="list-style-type: none"> • Agile and flexible supply through the introduction of freighters 	767BCF A321P2F



A350-1000/900

Introduced A350-900 for international flights



787-9/8

Extensive use on international/domestic/LCC flights



A321neo

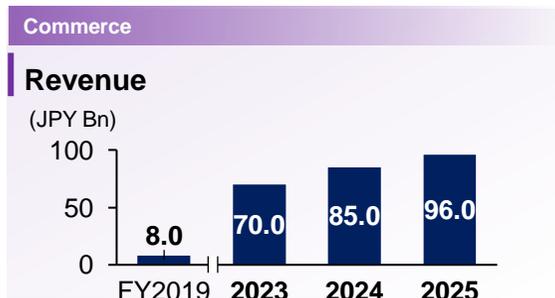
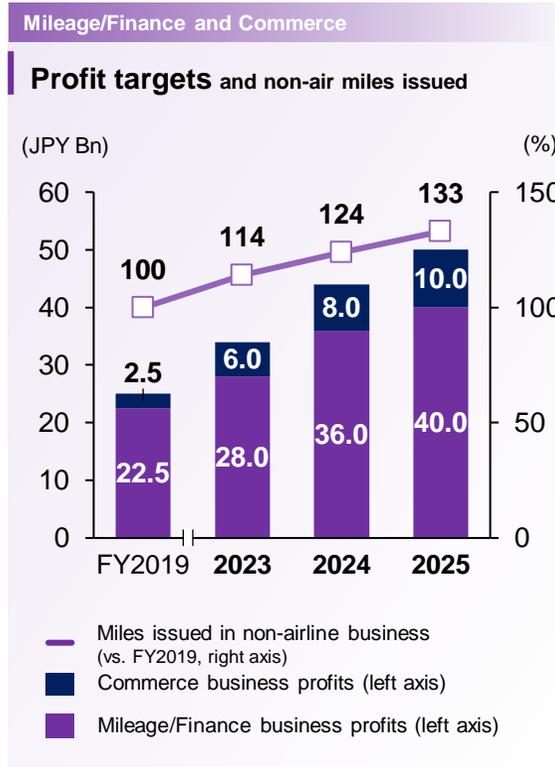
Newly introduced for domestic flights



737-8

Newly introduced for domestic flights

*In addition to fuel-efficient consumption through aircraft renewal, larger aircraft contributes reducing CO₂ emissions. (-20% per seat)



Mileage, Lifestyle and Infrastructure Create commercial activities that connect people and regional communities by developing diverse products and services

Mileage/Finance and Commerce Enriches Customers' lives through JAL Mileage and Lifestyle

Expanding opportunities to accumulate miles in daily life

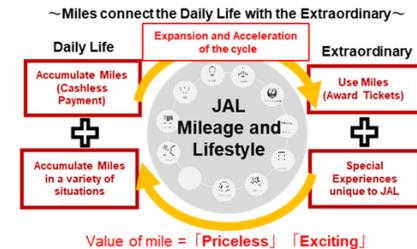
- Expand and accelerate the mileage issuance/redemption cycle by developing and expanding services such as the JMB mobile app, JAL Life Status program, and JAL Pay
- Expand JAL Card payments (acquisition of new members through the JAL Life Status program and increase average payment amount per capita driven by frequent customers increase)
- Execute strategies to expand into new business areas, including business investments and M&A

Develop exciting and special awards

- Develop extraordinary and priceless awards that are comparable to award tickets, such as rare and special experiences and products

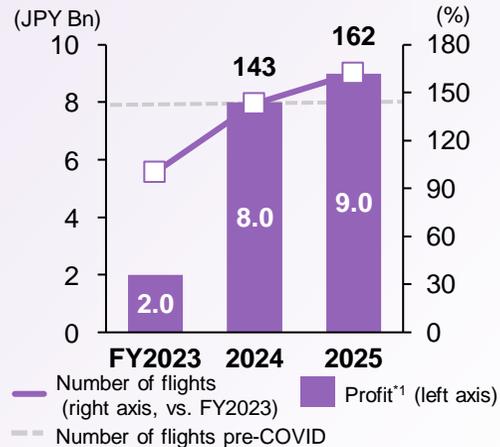
Growth through increased transaction volume in commerce business

- In-flight sales and airport retail expansion in line with the growth of the airline business
- Expand non-airline domains such as JAL Mall, *Furusato Nozei* (hometown tax program), *JAL Totteoki-no-Ippin*



Ground Handling

Profit target, number of flights commissioned



*1 Profit targets include profits from maintenance and freight handling

Mileage, Lifestyle and Infrastructure

Create commercial activities that connect people and regional communities by developing diverse products and services

Ground Handling

Contributing to increased inbound tourists

Expanding business for further growth in inbound demand

- Improve profitability through unit prices that can guarantee a sustainable production system
- Respond to strong inbound demand, including to regional destinations, in cooperation with the national/local governments, and other companies

→ Number of flights to increase over pre-pandemic level in 1H FY2024



©Volocopter GmbH

Air Mobility Business

Establish new transportation infrastructure

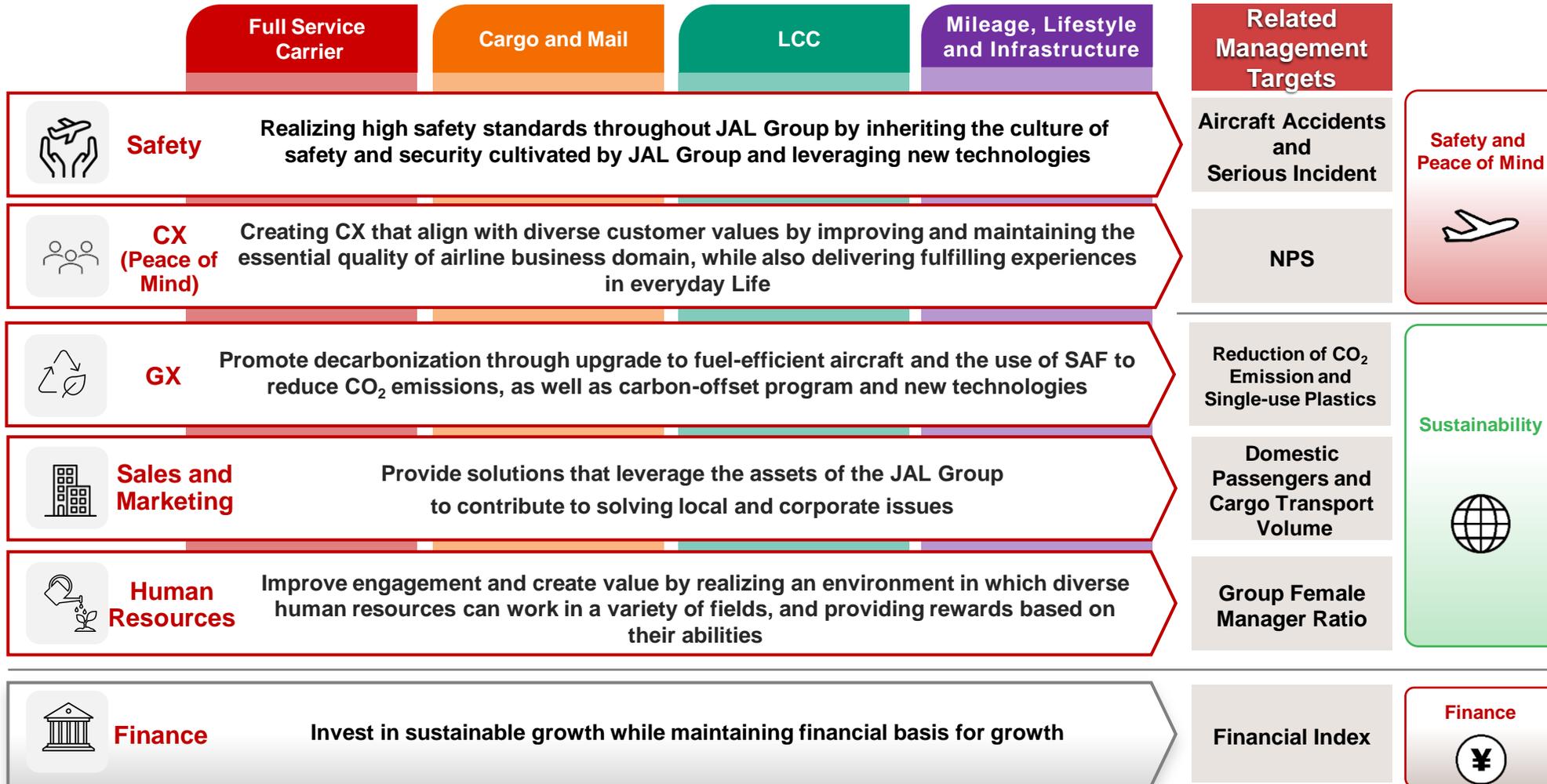
Provide solutions to local issues using drones

- Commercialize outlying islands logistics model to support island life (Setouchi Town, Amami, Kagoshima)
- Promote operation control support services for safe and efficient drone utilization
- Using drones to support disaster response

Create new air transportation value with Air Taxi

- Promote the potential of Air Taxis at EXPO 2025 OSAKA, KANSAI, Japan
- Build a business model for a regional transportation network that connects people, regions, and various modes of transportation

Achieve FY2025 management targets and improve sustainability of business operations through cross-domain initiatives



CX: Customer Experience GX: Green Transformation



FY2025 Targets

Safety and Peace of Mind 	Safety	Aircraft accidents and serious incidents : 0 cases <small>(during the entire period of the Medium-Term Management Plan)</small>
	CX (Peace of Mind)	Top Level Customer Experience both in air travel services and daily life NPS*1 : +4.0 pt <small>(FSC international and domestic)</small>
Sustainability 	Environment	CO₂ Emission Reduction Total emissions: below 9.09 million tons <small>(FY2019 results)</small>
	Communities	Reduction of Single-use Plastic*2 <small>Cabins and lounges: No use of new petroleum-based plastics</small> <small>Cargo and Airport :100% switch to eco-friendly materials*3</small>
	People	Regional Revitalization Domestic passengers*4 and cargo transport volume: +10% vs FY2019 Promotion of DEI Group Female Manager Ratio*5 : 30% <small>Consistent efforts to encourage various human resources to demonstrate their potential</small>
Finance 	EBIT Margin <small>(Profit margin on sales)</small>	Achieve 10% or Higher
	ROIC*6 <small>(Return on Invested capitalst)</small>	9%
	EPS <small>(Net profit per share)</small>	c. ¥290 level

*1: Net Promoter Score: Objective indicator of customer satisfaction (compared to the beginning of FY2021) *2: Single-use plastic products provided to our customers
 *3: Items that do not use new or reduced petroleum-derived raw materials, such as biomass, recycled plastic, and certified paper *4: Increase in passenger count between metropolitan and regional areas by stimulating tourism demand and creating new flows etc. *5: Organizational management positions *6: Return on Invested Capital (ROIC) = EBIT (after tax) / average of fixed assets (*7) at the beginning and end of the fiscal year *7: Fixed assets = Inventories + non-current assets - deferred tax assets - assets for retirement benefits
 *Aim to improve Total Shareholder Return (TSR)

Safety

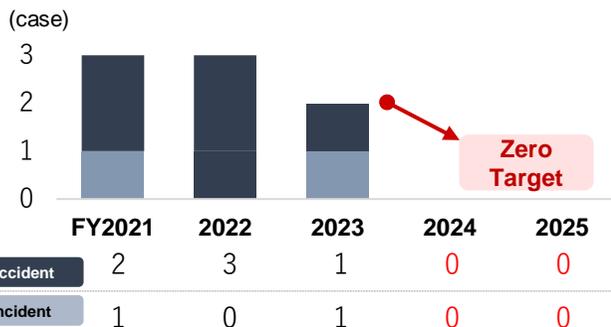
Zero aircraft accidents and zero serious incidents

< Aircraft Accidents >

Injuries due to turbulence: 4 cases
Injury due to landing impact: 1 case
Runway collision: 1 case

< Serious Incidents >

Runway Incursion: 1 case
Reserve Fuel Shortage: 1 case



■ Enhance safety with DX

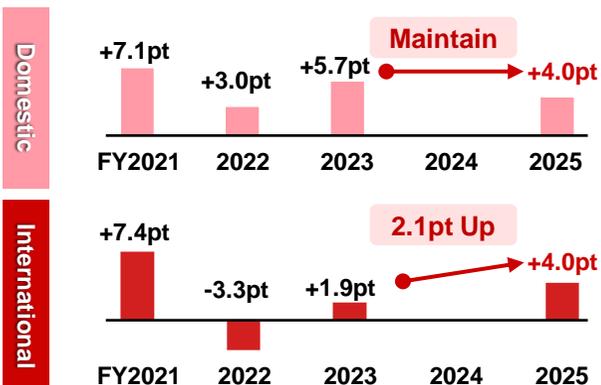
- Introduce a new system that automatically detects in-flight turbulence and shares the information with other aircrafts
- Promote efforts to predict and repair aircraft failures
- Implement industry-wide measures to prevent runway incursions

■ Pass on safety to the next generation

- Launch of a program to develop experts to support actual operations
- Implementation of initiatives to pass on safety to diverse human resources (Three Actuals principle)
- Establishment of a system to support the mental health of pilot crews

CX (Peace of Mind)

NPS +4.0pt (FSC international and domestic routes *Compared to the beginning of FY2021)



■ Improve basic quality

- Industry-wide improvements in quality of on-time operations
- Provide a mobile app for self-service during flight disruptions

■ Deliver close-to-the-heart customer experiences

- Provide onboard experiences that allows you to design your own in-flight time
- Stress-free digital experience (self-service airport procedures, mobile app/web improvements, etc.)

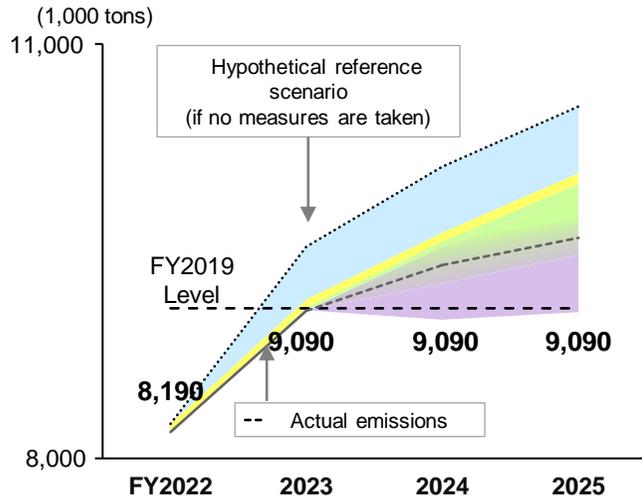
■ Provide experience of JAL's high-quality service in your daily life

- Development of a status program (JAL Life Status program) that accumulates over a lifetime, even in everyday life
- To improve the ease and usability of mileage in our daily life, and to deliver an extraordinary and special experience
- Provide new value and attraction of the region by utilizing JAL assets, such as e-commerce sales of local products

1-3 Progress in Management Targets (Sustainability)



GX (CO₂ reduction) CO₂ Emissions: Less than 9.09 million tons (FY2019 results)



Reduce CO₂ emissions exceeding FY2019 results through the following initiatives

Upgrades to fuel efficient aircrafts

- Introduce eleven A350-1000 aircrafts
- Continue to replace with new aircrafts (A350/787) until 47% of fleet will be fuel-efficient aircrafts.

CO₂ reduction in FY2025

370,000 tons

Reduction in Daily Operations

- Further promotion of JAL Green Operations^{*1}
- Optimize air traffic control systems through public-private partnerships

80,000 tons

Sustainable Aviation Fuels (SAF)

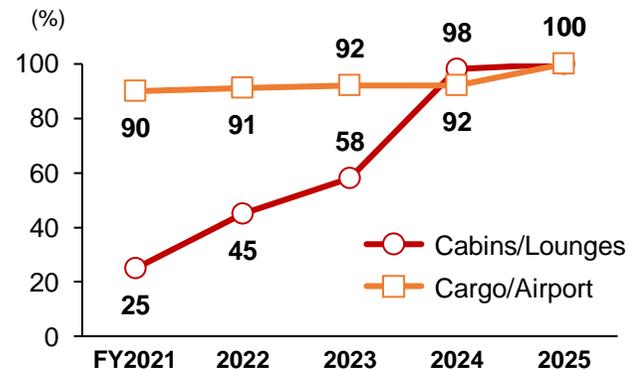
- 1% of total fuel on board is replaced with SAF

80,000 tons ~

Carbon offset programs

- Reduce CO₂ emissions through utilization of CORSIA-qualified credits, etc.

Reduction of Single-use Plastics Cabins and Lounges: No use of new petroleum-based plastics Cargo and Airport: 100% switch to eco-friendly materials



Cabins and Lounges

- Change of packaging materials (FY2024)
- Change in toothbrush materials (FY2025)

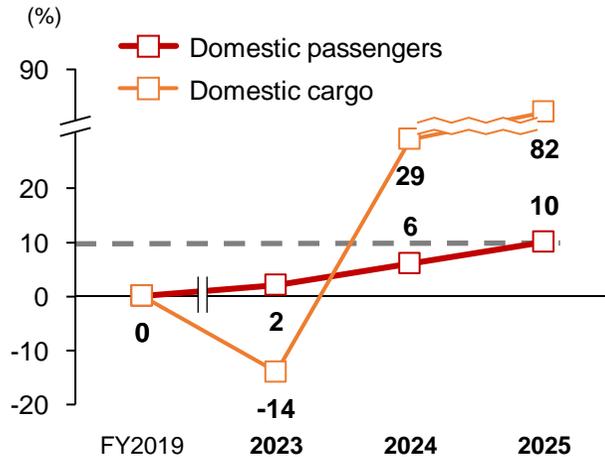
Cargo and Airport

- Airport: Achieved 100% changeover to environmentally friendly materials
- Cargo: Change to eco-friendly material for fixing film (FY2025)

*1: Cross-organizational efforts by the JAL Group to reduce CO₂ emissions through flight operation innovations

Communities

Domestic passengers and cargo transport volume +10% (vs. FY2019)



Expand domestic passenger transport volume

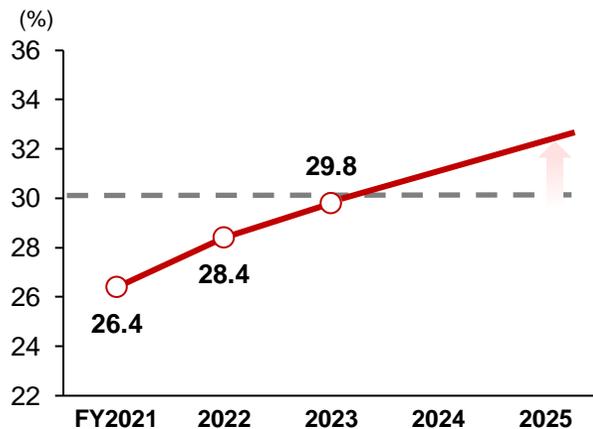
- Capture demand in the markets to/from the Kansai region on the back of EXPO 2025 OSAKA, KANSAI
- Work with partnerships to attract inbound visitors to local areas
- Strengthen sales promotion of new tourism products, etc.
- Stimulate demand for younger customers (FSCs / LCCs)

Expand domestic cargo transport volume

- Continuously capturing growing e-commerce demand, etc.
- Promote shift from land freight transportation to air cargo transportation in both passenger cargo space and freighter

People

Group Female Manager Ratio: 30%.



Promote cross-organizational women's advancement

- Provide opportunities for cross-group activities that are not restricted to job professions (Diverse assignments)
- Promote early promotion by reconsidering the current promotion requirements
- Facilitate senior employees promotion

*The proportion of female managers is calculated as organizational managers based on the September 4, 2015 "Law Concerning the Promotion of Women's Participation in the Workplace".

The ratios based on the previous calculation method are as follows
FY2020: 19.5% FY2021: 21.9% FY2022: 22.8% FY2023: 23.5%

1-3 Progress in Management Targets (👉 Finance)



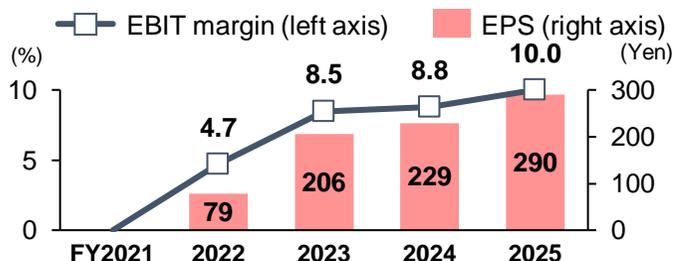
Profitability Indicator

EBIT Margin
(Management Targets)

Achieve 10% or Higher

EPS
(Management Targets)

c. ¥290 level



- Improve efficiency of FSC domain with business management using unit profits
- Improve profitability in Mileage, Lifestyle and Infrastructure business domain
- Driving proper cost saving and improve productivity

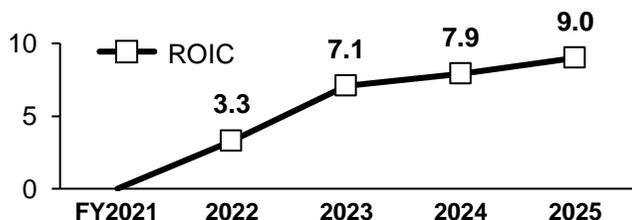
Efficiency Indicator

ROIC
(Management Targets)

9%

ROE

10% or more by surpassing cost of shareholders' equity
(FY2024: 10.9%)



- Efficient investment
 - Efficiency-oriented investment selections
 - Strengthen investment progress management and PDCA implementation

Stability Indicator

Stability
(Equity Ratio)

Approx. 50% (credit rating) (FY2024: 41.6%)

Credit Rating

Achieve "A Flat" (R&I: A minus、JCR: A flat ※as of Mar. 21, 2024)

Liquidity

Secure 5.0-5.6 months' worth of passenger revenue (including credit facility) (Secure more than 545 Bn JPY, equivalent to 5.0 months of passenger revenue in FY2024)

Rolling Plan 2024

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3. FY2023-2024 Outlook/FY2025 Targets

To realize JAL Vision 2030, the ideal vision of the JAL Group for 2030, enhance business sustainability and create social and economic value



Building relationships and societal connections

Stimulate an interacting community by increasing the “movement of goods and people”, and “connection of goods and people”



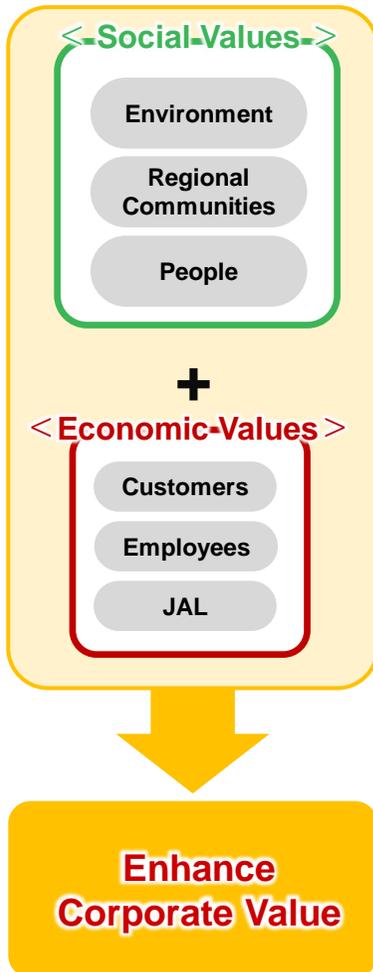
GX Strategy

Environmental measures to achieve Net Zero CO₂ emissions in FY2050



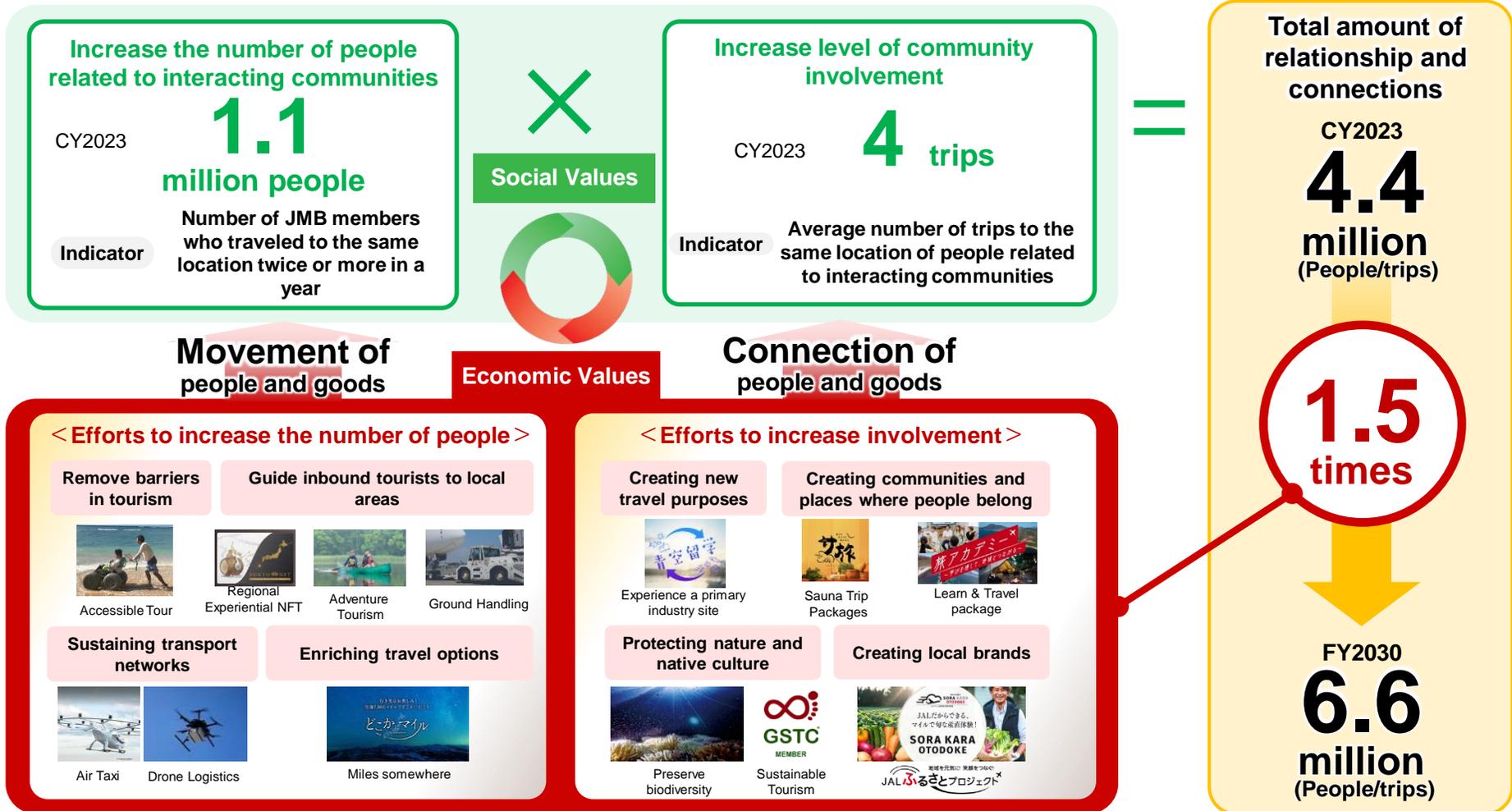
Human Capital Management

Foster an environment and culture in which diverse human resources can play diverse roles



GX: Green Transformation

Create social and economic values by increasing the level of involvement of the interacting community*, through the expansion of overall relationships and connections



*"Interacting community" refers to those who are not immigrants, tourists, or simply returning home, but who are involved in a continuous and diverse way with a specific region outside of their daily lives or commuting area. But, in this material, it refers to "a person who visits the region more than once a year, including returning home and business trips, and who has a continuous and diverse relationship with the region."

*Cooperation from University of Tsukuba

Accelerate initiatives to reduce CO₂ emissions*¹ from the projected emissions*² of 11 million tons in FY2030

Upgrade to Fuel-efficient Aircraft

CO₂ Reduction (FY2025 → FY2030)

370,000 tons → **1.2 million tons**

Ratio of fuel-efficient aircraft

Existing aircraft: 777, 767, 737-800
New Aircraft: A350, 787, A321neo, 737-8

71% Existing / 29% New

FY2019

53% Existing / 47% New

FY2025

24% Existing / 76% New

FY2030

CO₂ emissions (compared to existing models)

Large aircraft: A350

-15% to -25%

Mid-size aircraft: 787

-15%

Small aircraft: A321neo

-15%

Small aircraft: 737-8

-15%

Sustainable Aviation Fuels (SAF)

CO₂ Reduction (FY2025 → FY2030)

80,000 tons → **0.8 million tons or more**

- From FY2024 onward, moves toward CORSIA offset obligation and the start of production and mass production of domestically produced SAF will be in full swing
- Deepen partnerships with domestic SAF manufacturers
- Expansion of overseas SAF procurement points

SAF usage FY2030

400,000 kL or more
(10% of total weight of loads)

Reduction in Daily Operations

CO₂ Reduction (FY2025 → FY2030)

80,000 tons → **0.1 million tons**

- Further promotion of JAL Green Operations
- Advanced air traffic control systems (shortening flight times with CARATS, operating hours with separate upper and lower control systems, and increasing flexibility in selecting altitude and flight course)

Emissions Trading

Procure the required amount of credits at the appropriate time

New Technology

Partnership with a company with negative emission technology to remove CO₂ from the atmosphere (CVC funding to Captura in March 2024)

SAF Additional Cost Reduction Initiatives

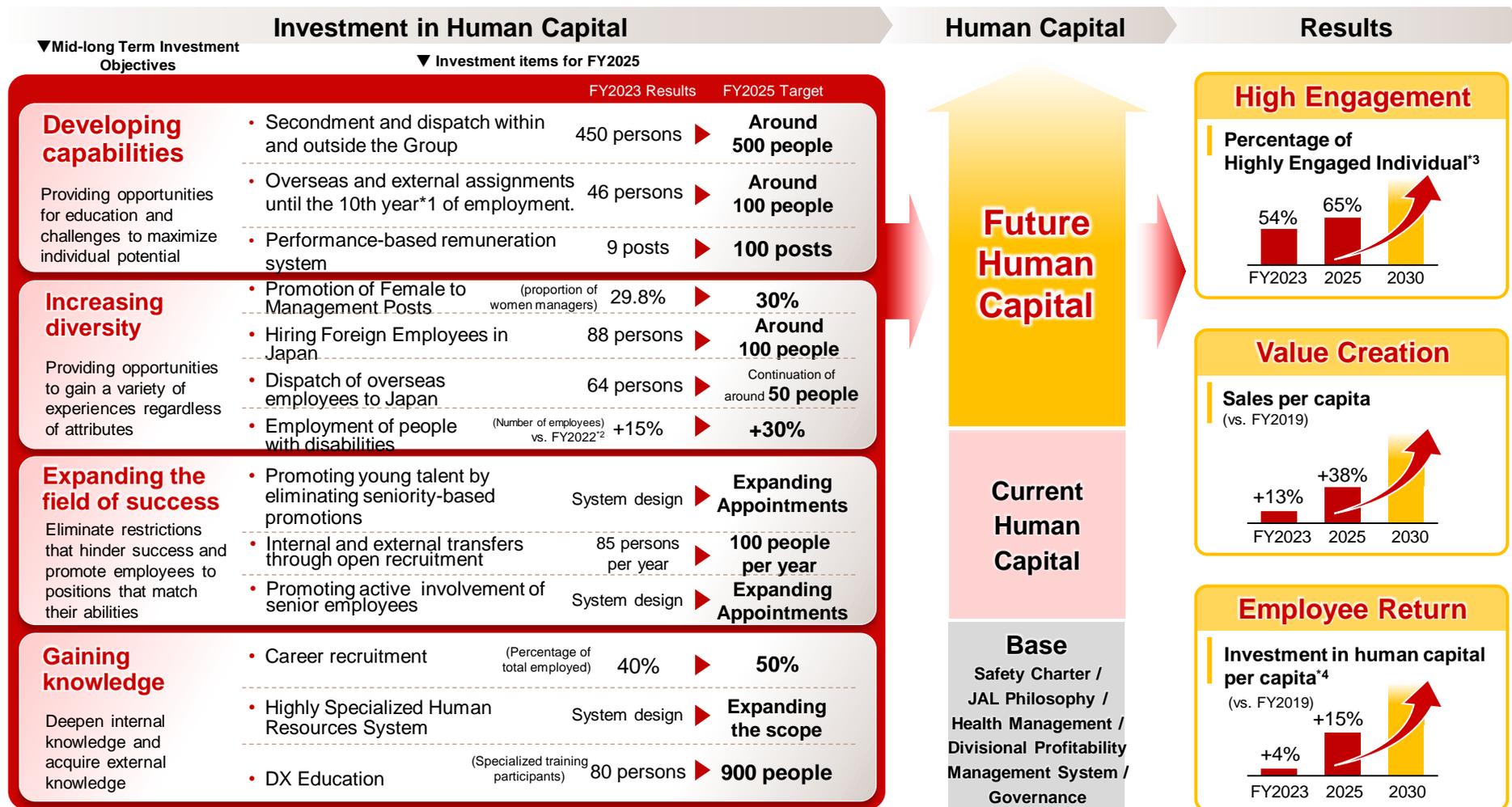
- Lower prices through joint procurement and long-term contracts
- Public and private partnership to promote stable supply and utilization of domestically produced SAF
- Provide offsetting means to companies and shippers (sale of CO₂ reduction certificates)

Fuel Price Image

Each initiative will reduce additional costs

*1: 10% less vs. FY2019 *2: Projected emissions without measures

Improve engagement and create value by realizing an environment in which diverse human resources can work in a variety of fields, providing rewards based on their abilities



*1: JAL business planning staff *2: As of June 1, 2022 *3: Percentage of employees who selected 4 or 5 out of 5 in the employee awareness survey *4: Per capita base salary + training expenses



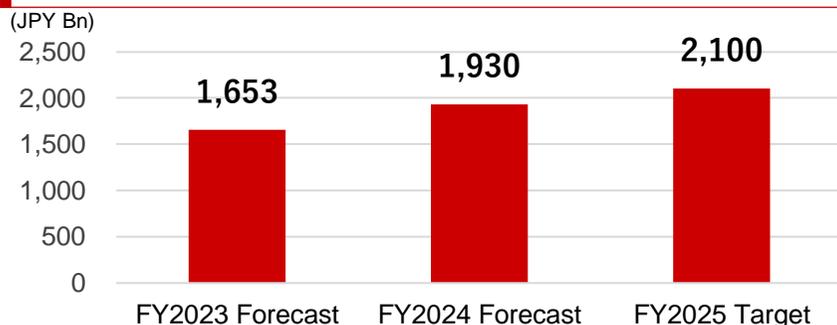
Rolling Plan 2024

1. Initiatives to Accomplish the Medium-Term Management Plan
2. Mid-Long Term ESG Strategies
3. **FY2023-2024 Outlook/FY2025 Targets**

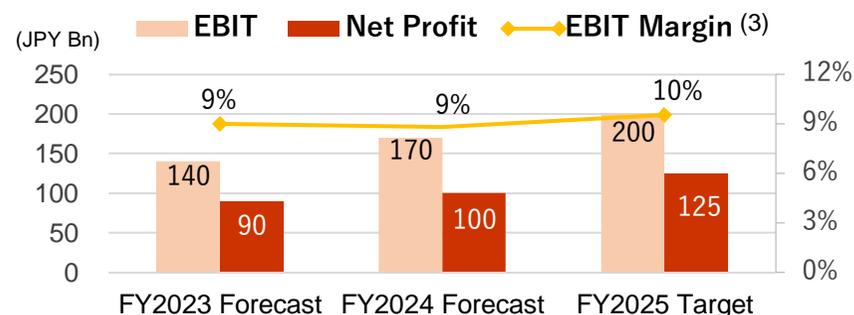


- **FY2023: Full-year EBIT forecast revised to 140 Bn yen, recovering to pre-pandemic profit levels.**
- **FY2024: Full-year EBIT forecast is 170 Bn yen. FY2025: Forecast revised upward to 200 Bn yen.**
- **FY2023 Dividend per share forecast: increased from 60 to 70 yen (Payout ratio approx. 33%)**
FY2024 Dividend per share forecast: 80 yen (Payout ratio approx. 35%)

Revenue



EBIT (1)/Net Profit (2)



Fuel/FX Markets

	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
Singapore Kerosene (USD/bbl)	103.3	110.0	110.0
Dubai Crude Oil (USD/bbl)	82.0	90.0	90.0
FX Rate (JPY/USD)	143.2	145.0	145.0

Operational Preconditions/ASK

vs. FY23 Forecast (%)	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
Full Service Carrier Int'l	100	106	112
Full Service Carrier Domestic	100	101	101
LCC	100	127	154
Total	100	106	112

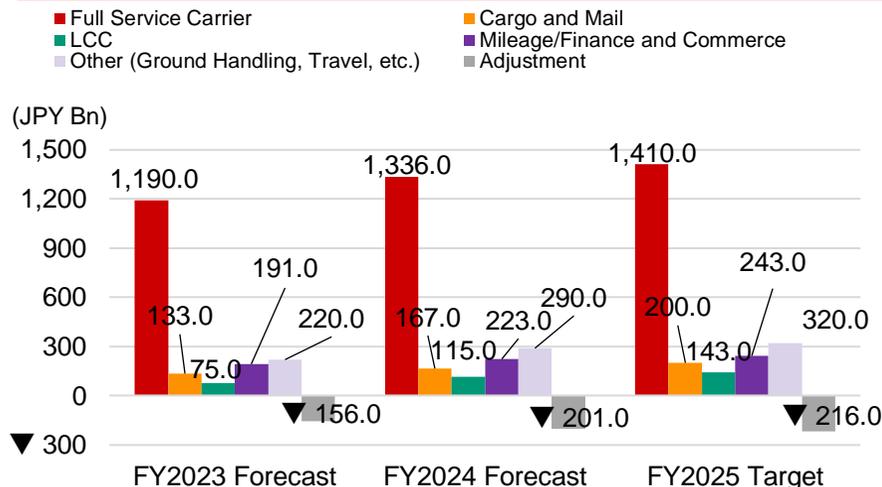
(1) EBIT=Profit before Financing and Income tax (Profit before Tax – Finance Income and Expenses) (2) Net Profit = Profit attributable to Owners of Parent

(3) EBIT Margin = EBIT/Revenue



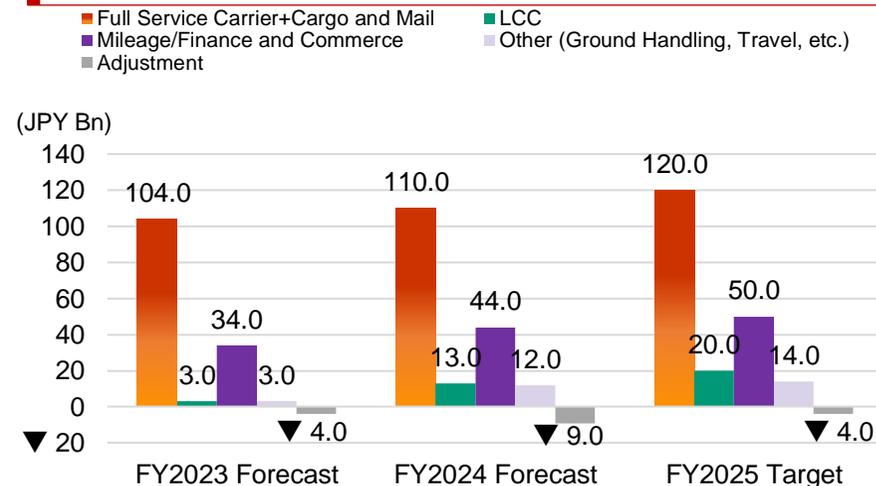
Full Service Carrier to increase profitability, while other domains achieve expansion and profit growth

Revenue by Business Domain



(JPY Bn)	FY2023 Forecast	FY2024 Forecast	FY2025 Target
Full Service Carrier	1,190.0	1,336.0	1,410.0
Cargo and Mail	133.0	167.0	200.0
LCC ⁽¹⁾	75.0	115.0	143.0
Mileage/Finance and Commerce	191.0	223.0	243.0
Other (Ground Handling, Travel, etc.)	220.0	290.0	320.0
Adjustment	▼156.0	▼201.0	▼216.0

EBIT by Business Domain



(JPY Bn)	FY2023 Forecast	FY2024 Forecast	FY2025 Target
Full Service Carrier			
Cargo and Mail	104.0	110.0	120.0
LCC ⁽¹⁾	3.0	13.0	20.0
Mileage/Finance and Commerce	34.0	44.0	50.0
Other (Ground Handling, Travel, etc.)	3.0	12.0	14.0
Adjustment	▼4.0	▼9.0	▼4.0

• The revenue and EBIT by each business domain shown above are calculated by a virtual method; Not showing the actual Revenue and EBIT

• The criteria shown above does not match Air Transport Business Segment or Others

• The figures may be changed because of the internal change of accounting rules ex post

(1) Revenues of the two consolidated subsidiaries, ZIPAIR and SPRING JAPAN. EBIT of the two subsidiaries and any factors related to the affiliated company accounted for by the equity-method, Jetstar Japan

3-3 FY2023-2024 Outlook | Details

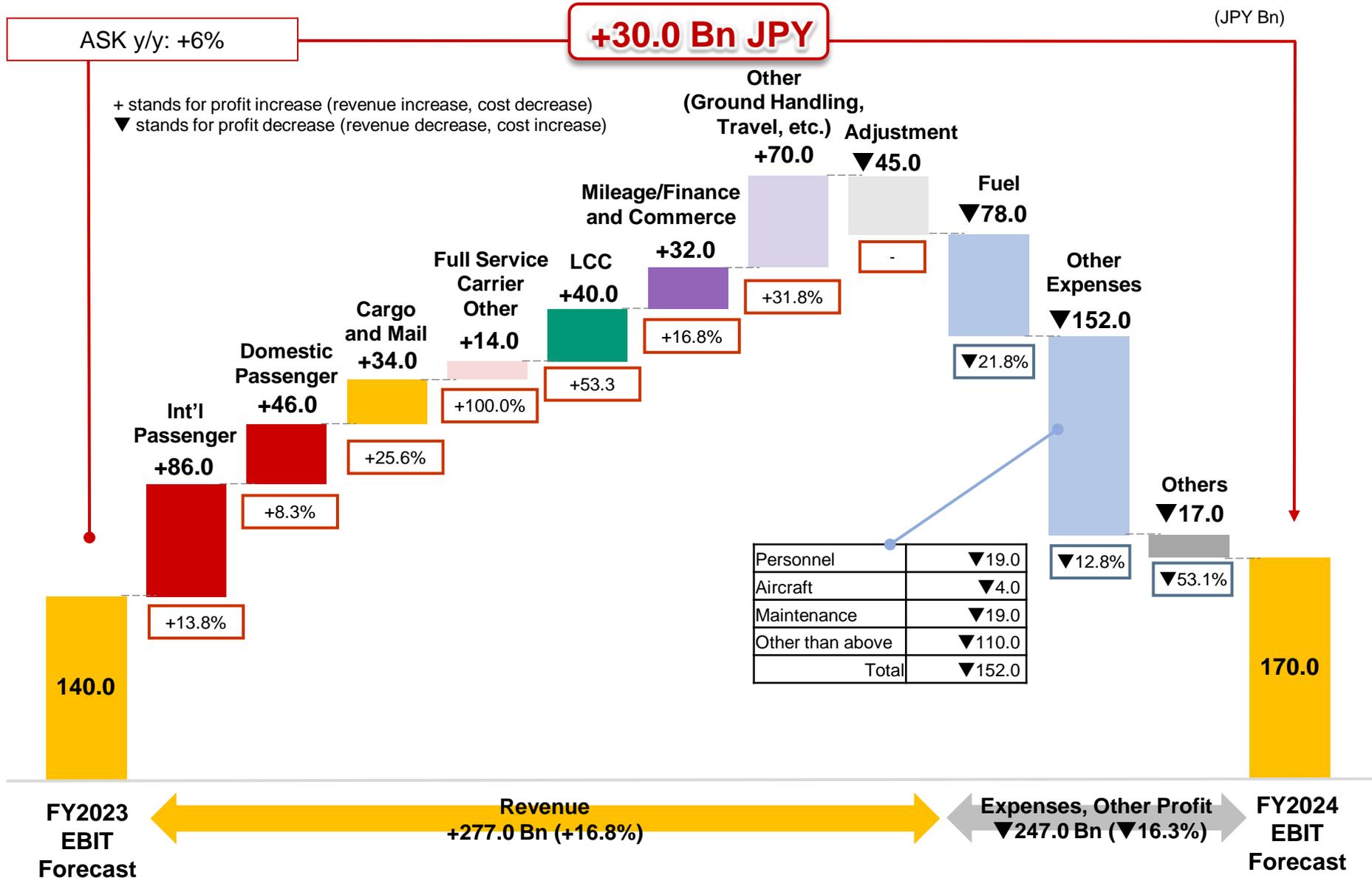
Rolling Plan
2024



(JPY Bn)		FY2023	FY2024		
		Forecast	Forecast	Diff. vs. FY2023	y/y vs. FY2023
Revenue		1,653.0	1,930.0	+277.0	+16.8%
Full Service Carrier		1,323.0	1,503.0	+180.0	+13.6%
International PAX		624.0	710.0	+86.0	+13.8%
Domestic PAX		552.0	598.0	+46.0	+8.3%
Cargo and Mail		133.0	167.0	+34.0	+25.6%
Other Revenue		14.0	28.0	+14.0	+100.0%
LCC		75.0	115.0	+40.0	+53.3%
Mileage/Finance and Commerce		191.0	223.0	+32.0	+16.8%
Other (Ground Handling, Travel, etc.)		220.0	290.0	+70.0	+31.8%
Adjustment		▼156.0	▼201.0	▼45.0	-
Operating Expense		1,545.0	1,775.0	+230.0	+14.9%
Fuel		357.0	435.0	+78.0	+21.8%
Excluding fuel		1,188.0	1,340.0	+152.0	+12.8%
Others⁽¹⁾		32.0	15.0	▼17.0	▼53.1%
EBIT		140.0	170.0	+30.0	+21.4%
Full Service Carrier		104.0	110.0	+6.0	+5.8%
LCC		3.0	13.0	+10.0	+333.3%
Mileage/Finance and Commerce		34.0	44.0	+10.0	+29.4%
Other (Ground Handling, Travel, etc.)		3.0	12.0	+9.0	+300.0%
Adjustment		▼4.0	▼9.0	▼5.0	-
Net Profit		90.0	100.0	+10.0	+11.1%

(1) Others = Gain on Sales of Aircraft, Other Income, Share of Profit or Loss of Investment and Income/Expenses from Investment

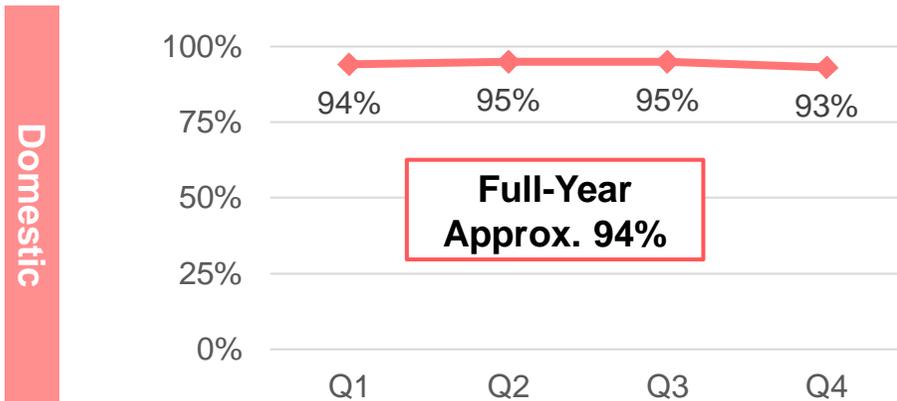
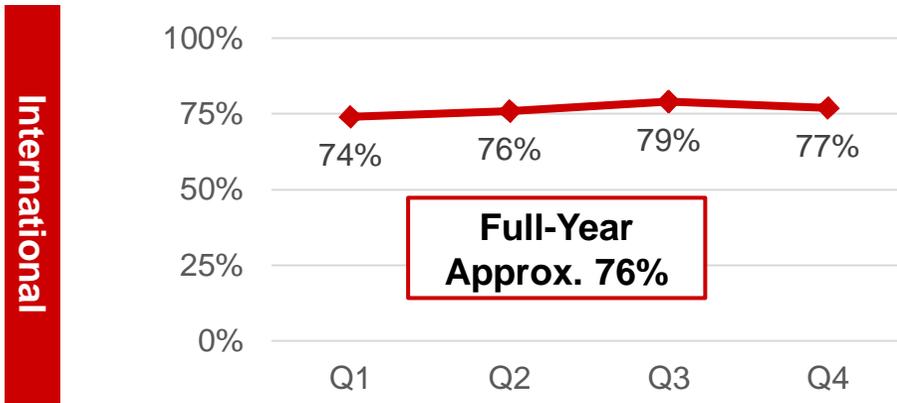
FY2023-2024 Outlook | Changes in EBIT (Revenues/Expenses)



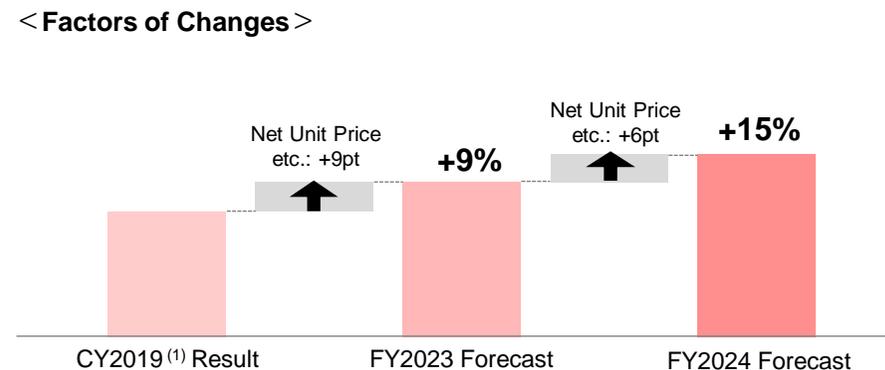
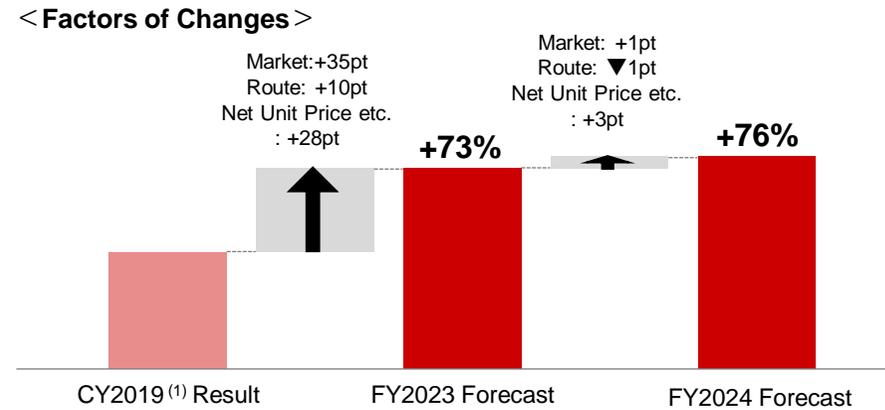


- Int'l PAX will maintain its high yield due to factors such as the tighter supply-demand balance of routes to/from Japan, while steadily capturing the recovering passenger demand
- Domestic PAX to further accelerate efforts to increase yield

Passenger Demand (vs.CY2019⁽¹⁾)



Revenue per Passenger (vs.CY2019⁽¹⁾)



(1) CY2019 = Jan to Dec 2019

International Passenger	CY2019 ⁽¹⁾ Result	FY2023 Forecast	FY2024			FY2025 Target vs. FY2024
			Forecast	vs. CY2019 ⁽¹⁾	vs. FY2023	
Passenger Revenue (JPY Bn)	531.2	624.0	710.0	+33.6%	+13.8%	
Passengers ('000)	9,796	6,639	7,459	▼23.9%	+12.4%	
RPK (MN passenger km)	48,822	36,574	40,689	▼16.7%	+11.3%	+ 6.9%
ASK (MN seat km)	55,177	47,324	49,997	▼9.4%	+5.6%	+ 6.1%
L/F (%)	88.5	77.3	81.4	▼7.1pt	+4.1pt	+ 0.6pt
Revenue per Passenger (JPY) ⁽²⁾	54,229	93,576	95,281	+75.7%	+1.8%	
Yield (JPY) ⁽³⁾	10.9	17.0	17.5	+60.5%	+2.8%	
Unit Revenue (JPY) ⁽⁴⁾	9.6	13.1	14.2	+47.7%	+8.3%	
Domestic Passenger	CY2019 ⁽¹⁾ Result	FY2023 Forecast	FY2024			FY2025 Target vs. FY2024
			Forecast	vs. CY2019 ⁽¹⁾	vs. FY2023	
Passenger Revenue (JPY Bn)	554.2	552.0	598.0	+7.9%	+8.3%	
Passengers ('000)	38,368	35,214	36,129	▼5.8%	+2.6%	
RPK (MN passenger km)	29,070	26,052	27,384	▼5.8%	+5.1%	+ 1.6%
ASK (MN seat km)	36,539	35,162	35,457	▼3.0%	+0.8%	+ 0.5%
L/F (%)	79.6	74.1	77.2	▼2.3pt	+3.1pt	+ 0.8pt
Revenue per Passenger (JPY)	14,445	15,686	16,574	+14.7%	+5.7%	
Yield (JPY) ⁽³⁾	19.1	21.2	21.9	+14.7%	+3.1%	
Unit Revenue (JPY) ⁽⁴⁾	15.2	15.7	16.9	+11.3%	+7.5%	

(1) CY2019 = Jan to Dec 2019 (2) Revenue per Passenger = Passenger Revenue / Passenger

(3) Yield = Passenger Revenue / RPK (4) Unit Revenue = Passenger Revenue / ASK



International Cargo	CY2019 ⁽¹⁾ Result	FY2023 Forecast	FY2024		
			Forecast	vs. CY2019 ⁽¹⁾	vs. FY2023
Cargo Revenue (JPY Bn)	59.7	100.0	122.0	+104.1%	+22.0%
Carried Cargo Weight (Thousand ton)	398	425	569	+42.9%	+33.8%
Revenue Ton (JPY/kg)	150	235	214	+42.8%	▼9.0%

Domestic Cargo	CY2019 ⁽¹⁾ Result	FY2023 Forecast	FY2024		
			Forecast	vs. CY2019 ⁽¹⁾	vs. FY2023
Cargo Revenue (JPY Bn)	20.9	20.0	34.0	+62.5%	+70.0%
Carried Cargo Weight (Thousand ton)	359	307	457	+27.5%	+48.9%
Revenue Ton (JPY/kg)	58	64	75	+29.1%	+16.9%

(1) CY2019 = Jan to Dec 2019



ZIPAIR	FY2023 Forecast	FY2024 Forecast	vs. FY2023 Forecast
Passenger Revenue (JPY Bn)	55.0	75.0	+36.4%
Passenger ('000)	1,126	1,320	+17.1%
RPK (MN passenger km)	6,126	7,257	+18.5%
ASK (MN seat km)	7,980	9,627	+20.6%
L/F (%)	76.8%	75.4%	▼1.4pt
Revenue per Passenger (JPY) ⁽¹⁾	48,470	56,708	+17.0%
Yield (JPY) ⁽²⁾	8.9	10.3	+15.7%
Unit Revenue (JPY) ⁽³⁾	6.8	7.8	+13.6%

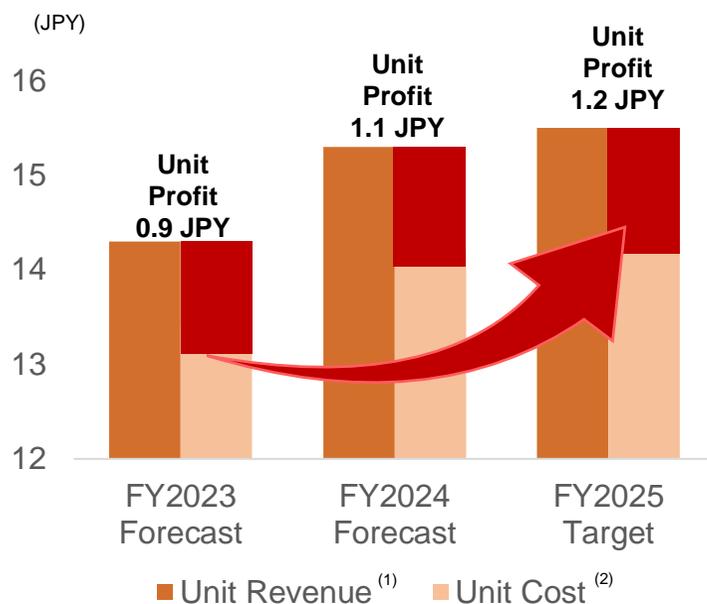
SPRING JAPAN	FY2023 Forecast	FY2024 Forecast	vs. FY2023 Forecast
Passenger Revenue (JPY Bn)	12.5	20.0	+60.0%
Passenger ('000)	837	1,072	+28.1%
RPK (MN passenger km)	891	1,607	+80.3%
ASK (MN seat km)	1,289	2,123	+64.7%
L/F (%)	69.1%	75.7%	+6.6pt
Revenue per Passenger (JPY) ⁽¹⁾	14,673	18,403	+25.4%
Yield (JPY) ⁽²⁾	13.8	12.3	▼10.9%
Unit Revenue (JPY) ⁽³⁾	9.5	9.3	▼2.5%

(1) Revenue per Passenger = Passenger Revenue / Passenger (2) Yield = Passenger Revenue / RPK (3) Unit Revenue = Passenger Revenue / ASK



- For the Full Service Carrier domain, focus will be on Unit Profit as a profitability indicator
- Increased costs from fuel/FX markets will be countered by improved yield & productivity

FY2023-2025 Forecast of Unit Profit⁽³⁾

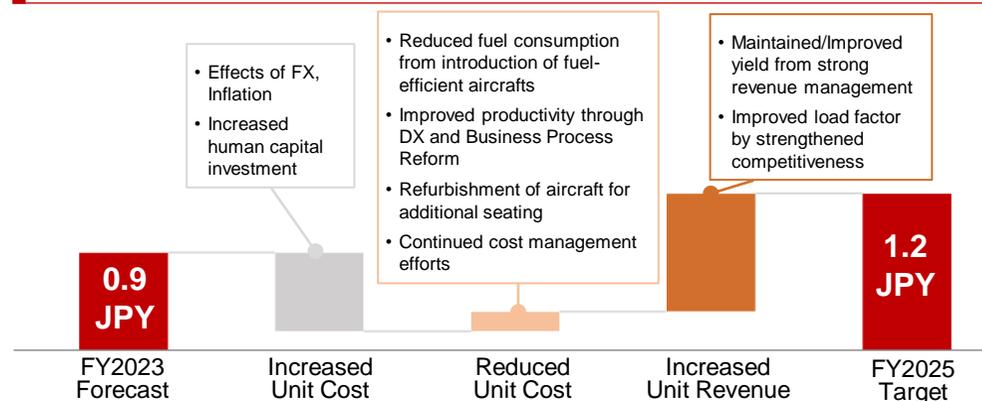


(1) Unit Revenue= Passenger Revenue / ASK

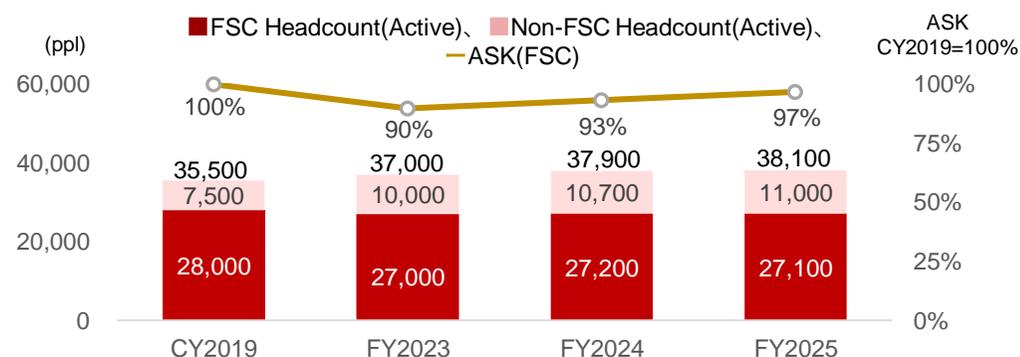
(2) Unit Cost= (Operating Expenses - Revenue other than Passenger) / ASK

(3) Unit Profit= Unit Revenue - Unit Cost

Initiatives to improve Unit Profit⁽³⁾

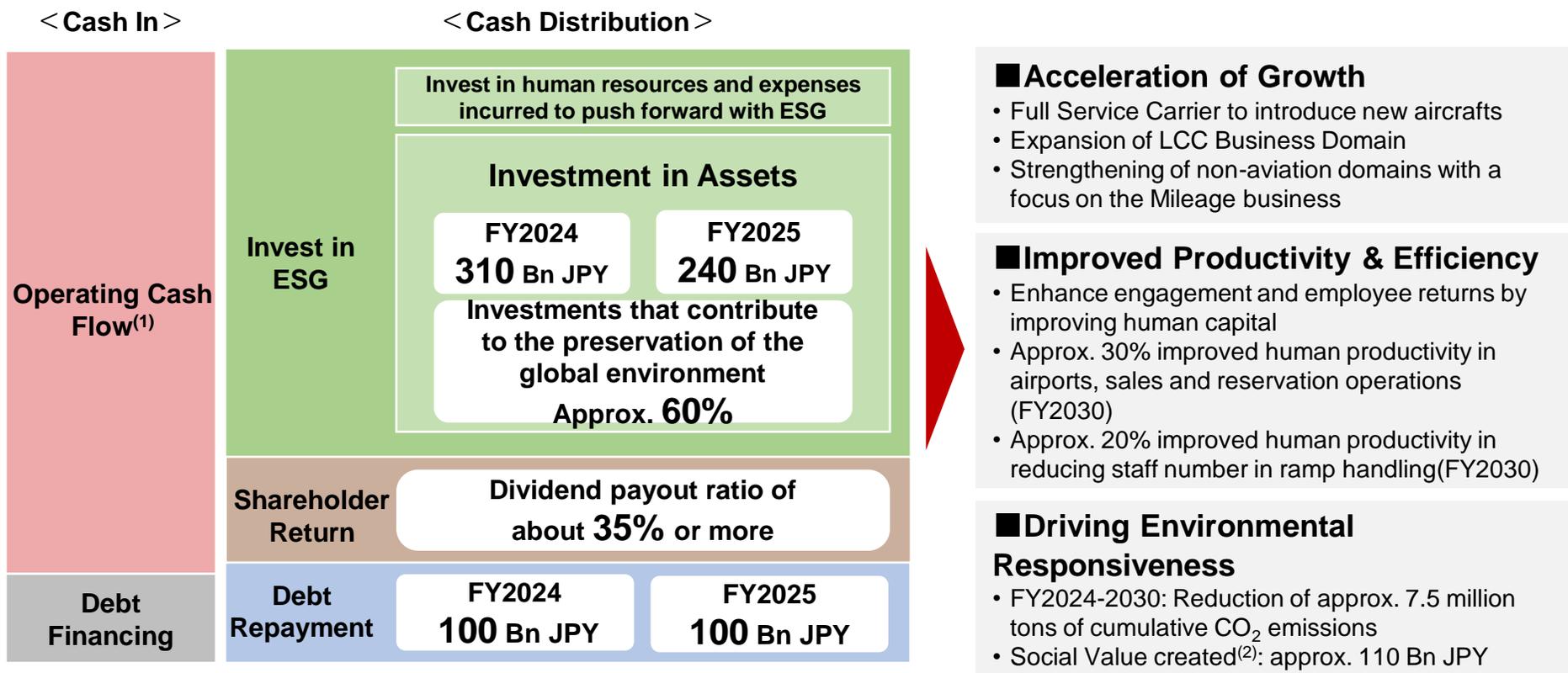


Headcount Forecast for Full Service Carrier (FSC) Domain



- Enhance ESG investment, including human investment, to accelerate growth, improve productivity and drive environmental responses
- Dividend payout ratio of about 35% or more, to continue appropriate shareholder returns

Conceptualization of FY2024-2025



(1) Operating CF excludes investment in human resources and expenses incurred in pushing forward with ESG

(2) ICP (Internal Carbon Pricing) calculated with the base price of 15,000 JPY/ton



Balance Sheet	FY2023 Forecast	FY2024 Forecast	Diff.
Total Assets	2,634.0	2,717.0	+83.0
Balance of Interest-bearing Debt	879.0	886.0	+7.0
Shareholders' Equity ⁽¹⁾	884.0	955.0	+71.0
Shareholders' Equity Ratio (%) ⁽²⁾⁽⁵⁾	33.6% (40.2%)	35.1% (41.6%)	+1.6pt (+1.4pt)
D/E Ratio (x) ⁽³⁾	1.0x	0.9x	▼0.1x
Net D/E Ratio (x) ⁽⁴⁾⁽⁵⁾	0.2x (0.0x)	0.2x (0.0x)	+0.0x (+0.0x)
ROIC ⁽⁶⁾	7.1%	7.9%	+0.8pt
ROE ⁽⁷⁾	10.6%	10.9%	+0.3pt

(JPY Bn)

Cash Flow	FY2023 Forecast	FY2024 Forecast	Diff.
Cash Flow from Operating Activities	375.0	332.0	▼43.0
Cash Flow from Investing Activities	▼230.0	▼308.0	▼78.0
Free Cash Flow ⁽⁸⁾	145.0	24.0	▼121.0
Cash Flow from Financing Activities	▼101.0	▼58.0	+43.0
EBITDA ⁽⁹⁾	288.0	331.0	+43.0

- (1) Equity Attributable to Owners of the Parent
- (2) Ratio of Equity Attributable to Owners of the Parent to Total Assets
- (3) Interest-Bearing Debt/Shareholders' Equity
- (4) (Interest-Bearing Debt - Cash and Deposits) /Shareholders' Equity
- (5) Figures in () represent figures based on credit rating evaluation considering Hybrid Finance
- (6) EBIT (after tax) /Average Fixed Assets* at the beginning and end of a fiscal year
*Fixed Assets = Inventory Assets + Non-Current Assets - Deferred Tax Assets - Net Defined Benefit Asset
- (7) Profit attributable to owners of the parent / Average of shareholder's equity at beginning and end of a fiscal year
- (8) Cash Flow from Operating Activities + Cash Flow from Investment Activities
- (9) EBITDA = EBIT + Depreciation and Amortization

3-12 FY2023 Outlook | Income/Expenses by Business Domain (Before/after comparison of management method changes)

Business portfolio will be further promoted through a revised categorization of the performance for the business domains of LCC, Mileage/Finance and Commerce and Other (Ground Handling, Travel, etc.) from FY2024, for business restructuring and expanding profits and growth of each business domain

Revenue by Business Domain

(JPY Bn)	FY2023	
	Before Revision	After Revision
Full Service Carrier	1,193.0	1,190.0
Cargo and Mail	133.0	133.0
LCC ⁽¹⁾	67.0	75.0
Mileage/Finance and Commerce		191.0
Other (Ground Handling, Travel, etc.)	260.0	220.0
Adjustment		▼156.0

EBIT by Business Domain

(JPY Bn)	FY2023	
	Before Revision	After Revision
Full Service Carrier Cargo and Mail	96.0	104.0
LCC ⁽¹⁾	2.0	3.0
Mileage/Finance and Commerce		34.0
Other (Ground Handling, Travel, etc.)	42.0	3.0
Adjustment		▼4.0

- The revenue and EBIT by each business domain shown above are calculated by a virtual method; Not showing the actual Revenue and EBIT
- The criteria shown above does not match Air Transport Business Segment or Others
- The figures may be changed because of the internal change of accounting rules ex post

(1) Revenues of the two consolidated subsidiaries, ZIPAIR and SPRING JAPAN. EBIT of the two subsidiaries and any factors related to the affiliated company accounted for by the equity-method, Jetstar Japan

Fly into tomorrow.



JAPAN AIRLINES

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