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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.

The sales and EBIT by business area in this document are estimates based on a simplified method for internal management purposes, and are not sales and profits by business segment.
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.

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.
Outline of Management Strategy

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
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
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.

### Profit Estimation (EBIT)
- Pre-pandemic: 132 Bn JPY
- Forecast: 140 Bn JPY
- Previous Forecast: 130 Bn JPY

### Business Environment in FY2024-2025
- **Airline Industry and JAL**
  - Foreign exchange: High foreign currency costs
  - Human Resources: Shortage of human resources in the aviation and tourism industries
  - Environment: Start of CORSIA\(^*3\)

- **Market**
  - Passenger: Inbound demand increases, delayed recovery of outbound travel from Japan
  - Cargo: Growing demand for e-commerce

- **Society**
  - Environment: Acceleration toward carbon neutrality
  - Society: High prices of commodities, continuing geopolitical risk, widening disparities between urban and regional areas

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\(\text{\textsuperscript{*1} EBIT: Earnings Before Interest and Taxes}\)

\(\text{\textsuperscript{*2} Pre-pandemic: FY2019 actual results excluding the impact of the COVID-19 pandemic (earnings forecast disclosed at the time of announcement of FY2019 Q3 financial results (IFRS))}\)

\(\text{\textsuperscript{*3} CORSIA: Carbon reduction scheme which requires airlines operating international flights to purchase CO}_2\text{ emissions (CO}_2\text{ credits, etc.) for amount exceeding 85% of CO}_2\text{ emitted in 2019.}\)
Achieve FY2025 profit target and business model with resilience and growth potential by promoting ESG strategies

1. Restructuring of Profit Structure
   - International Passenger
     - Strengthen competitiveness and maintain unit price
     - Capture inbound demand
     - Stimulation of outbound demand
   - Domestic Passenger
     - Strengthening profitability
     - Creation of interacting community and attracting inbound demand to local areas
     - Building a sustainable network
   - Cargo and Mail
     - Develop freighter business
     - Maintain and improve unit price by transporting strategic items

2. Profit Expansion and Growth
   - LCC
     - Expansion of business scale and aggressive international flight development
   - Mileage, Finance and Commerce
     - Expanding opportunities to accumulate miles in daily life
     - Development of exciting and special awards
     - Growth through expansion of transaction volume in commerce business
   - Ground Handling
     - Expanding business for further growth in inbound demand
   - Air Mobility Business
     - 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

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

*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))
Air Passenger (Full Service Carrier, International)

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

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

3. Stimulation of outbound demand
   - Stimulate outbound tourism demand in cooperation with national tourism bureaus and travel agencies
Air Passenger (Full Service Carrier, Domestic)

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

### 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

### 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

### 3. Building a sustainable network
- Improve profitability of regional and outlying island routes through aircrafts, and flight plans adapted to the market
Air Passenger (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
- 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
- Developing Asian routes to capture strong inbound demand

**Jetstar**

Revenue
Note: Excluding Jetstar Japan

*Contracted cargo flight operation revenue included

Capacity (ASK, vs. FY2023)

Note: Illustrative map
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

<table>
<thead>
<tr>
<th>Aircraft route plan</th>
<th>FY2024～</th>
</tr>
</thead>
<tbody>
<tr>
<td>International</td>
<td>767BCF</td>
</tr>
<tr>
<td>Number of destinations</td>
<td>6</td>
</tr>
<tr>
<td>Seoul/Shanghai/Taipei/Hong Kong</td>
<td>Tokyo (Narita)/Nagoya</td>
</tr>
<tr>
<td>Domestic</td>
<td>A321-200P2F</td>
</tr>
<tr>
<td>Number of destinations</td>
<td>5</td>
</tr>
<tr>
<td>Kitakyushu/Sapporo/Okinawa (Naha)</td>
<td></td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Strategic commodities</th>
<th>Pharmaceuticals</th>
<th>Japanese regional products/ fresh produce</th>
<th>International express/ home delivery</th>
<th>Chemicals</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Capacity and Unit Price (vs. CY2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY2019</td>
</tr>
<tr>
<td>Cargo weight supply (Freighters)</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>158</td>
</tr>
<tr>
<td>141</td>
</tr>
<tr>
<td>124</td>
</tr>
<tr>
<td>111</td>
</tr>
<tr>
<td>91.0</td>
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<td>76.0</td>
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<td>63.0</td>
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<td>50.0</td>
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<td>37.0</td>
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<td>25.0</td>
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<tr>
<td>17.0</td>
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<td>10.0</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue (JPY Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY2019</td>
</tr>
<tr>
<td>Freighters</td>
</tr>
<tr>
<td>91.8</td>
</tr>
<tr>
<td>133.0</td>
</tr>
<tr>
<td>167.0</td>
</tr>
<tr>
<td>200.0</td>
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<tr>
<td>200.0</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th></th>
<th>FY2023</th>
<th>FY2025</th>
<th>FY2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCC</td>
<td>228</td>
<td>236</td>
<td></td>
</tr>
<tr>
<td>FSC International</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FSC Domestic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freighter</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Expand the Int’l flight

Future fleet plan (FY2024-2030)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Aircraft to be introduced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply volume (ASK) increased by approx. x1.4 (FSC/LCC) by increasing the number and size of aircrafts</td>
<td>A350-1000, A350-900</td>
</tr>
<tr>
<td>Route network expansion with a focus on growth markets</td>
<td>787-9</td>
</tr>
<tr>
<td>Focus on medium- and long-haul routes with large and medium-sized aircraft to improve profitability</td>
<td>787-8</td>
</tr>
<tr>
<td>Introduce two aircraft types (737-8/A321neo) of different sizes to improve profitability and fuel consumption by matching supply to market demand</td>
<td>A321neo, 737-8</td>
</tr>
<tr>
<td>Agile and flexible supply through the introduction of freighters</td>
<td>767BCF, A321P2F</td>
</tr>
</tbody>
</table>

*In addition to fuel-efficient consumption through aircraft renewal, larger aircraft contributes reducing CO₂ emissions. (~20% per seat)
Rolling Plan 2024

Mileage, Lifestyle and Infrastructure (Mileage/Finance and Commerce)

Profit targets and non-air miles issued

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

- 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

Revenue (JPY Bn)

Miles issued in non-airline business (vs. FY2019, right axis)
Commerce business profits (left axis)
Mileage/Finance business profits (left axis)

Profit targets and non-air miles issued

(JPY Bn)

%)

100 114 124 133
2.5 6.0 8.0 10.0
22.5 28.0 36.0 40.0
FY2019 2023 2024 2025

Enriches Customers' lives through JAL Mileage and Lifestyle
Mileage, Lifestyle and Infrastructure (Ground Handling, Air Mobility Business)

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

- 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

  \[
  \text{Number of flights to increase over pre-pandemic level in 1H FY2024}
  \]

- 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

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# Cross-domain Efforts to Achieve Management Targets

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

<table>
<thead>
<tr>
<th>Full Service Carrier</th>
<th>Cargo and Mail</th>
<th>LCC</th>
<th>Mileage, Lifestyle and Infrastructure</th>
<th>Related Management Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safety</strong></td>
<td></td>
<td></td>
<td></td>
<td>Aircraft Accidents and Serious Incident</td>
</tr>
<tr>
<td>Realizing high safety standards throughout JAL Group by inheriting the culture of safety and security cultivated by JAL Group and leveraging new technologies</td>
<td></td>
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<thead>
<tr>
<th><strong>CX (Peace of Mind)</strong></th>
<th></th>
<th></th>
<th></th>
<th>NPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating CX that align with diverse customer values by improving and maintaining the essential quality of airline business domain, while also delivering fulfilling experiences in everyday Life</td>
<td></td>
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<table>
<thead>
<tr>
<th><strong>GX</strong></th>
<th></th>
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<th></th>
<th>Reduction of CO₂ Emission and Single-use Plastics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote decarbonization through upgrade to fuel-efficient aircraft and the use of SAF to reduce CO₂ emissions, as well as carbon-offset program and new technologies</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Sales and Marketing</strong></th>
<th></th>
<th></th>
<th></th>
<th>Domestic Passengers and Cargo Transport Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide solutions that leverage the assets of the JAL Group to contribute to solving local and corporate issues</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th><strong>Human Resources</strong></th>
<th></th>
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<th>Group Female Manager Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve engagement and create value by realizing an environment in which diverse human resources can work in a variety of fields, and providing rewards based on their abilities</td>
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<table>
<thead>
<tr>
<th><strong>Finance</strong></th>
<th></th>
<th></th>
<th></th>
<th>Financial Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invest in sustainable growth while maintaining financial basis for growth</td>
<td></td>
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</tbody>
</table>

**CX:** Customer Experience  **GX:** Green Transformation
Management Targets

FY2025 Targets

Safety and Peace of Mind

- Aircraft accidents and serious incidents: 0 cases (during the entire period of the Medium-Term Management Plan)
- Top Level Customer Experience both in air travel services and daily life
  - NPS\(^1\): +4.0 pt (FSC international and domestic)

Sustainability

- **CO\(_2\)** Emission Reduction
  - Total emissions: below 9.09 million tons (FY2019 results)
- **Reduction of Single-use Plastic\(^2\)**
  - Cabins and lounges: No use of new petroleum-based plastics
  - Cargo and Airport: 100% switch to eco-friendly materials\(^3\)

Communities

- **Regional Revitalization**

People

- **Promotion of DEI**

Finance

- **EBIT Margin** (Profit margin on sales)
- **ROIC\(^6\)** (Return on Invested capital)
- **EPS** (Net profit per share)

- Achieve 10% or Higher
  - 9%
  - c. ¥290 level

---

\(\text{\(^1\): Net Promoter Score: Objective indicator of customer satisfaction (compared to the beginning of FY2021)}\)

\(\text{\(^2\): Single-use plastic products provided to our customers}\)

\(\text{\(^3\): Items that do not use new or reduced petroleum-derived raw materials, such as biomass, recycled plastic, and certified paper}\)

\(\text{\(^4\): Increase in passenger count between metropolitan and regional areas by stimulating tourism demand and creating new flows etc.}\)

\(\text{\(^5\): Organizational management positions}\)

\(\text{\(^6\): Return on Invested Capital (ROIC) = EBIT (after tax) / average of fixed assets (*7) at the beginning and end of the fiscal year}\)

\(\text{\(^7\): Fixed assets = Inventories + non-current assets - deferred tax assets - assets for retirement benefits}\)

\(\text{\(*\): Aim to improve Total Shareholder Return (TSR)}\)
Progress in Management Targets (Safety and Peace of Mind)

### Safety

#### Zero aircraft accidents and zero serious incidents

- **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 your 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
Progress in Management Targets (Sustainability)

**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

**Reduction of Single-use Plastics**

- FY2021: 25%
- FY2022: 45%
- FY2023: 58%
- FY2024: 92%
- FY2025: 100%

- **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%
Progress in Management Targets (Finance)

**Profitability Indicator**

- **EBIT Margin** (Management Targets)
  - Achieve 10% or Higher
  - c. ¥290 level

- **EPS** (Management Targets)
  - 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%)

**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)
1. Initiatives to Accomplish the Medium-Term Management Plan

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)

3. FY2023-2024 Outlook/FY2025 Targets
Mid-Long Term Initiatives

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

< Social Values >
- Environment
- Regional Communities
- People

< Economic Values >
- Customers
- Employees
- JAL

Enhance Corporate Value

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.

Increase the number of people related to interacting communities

- CY2023: 1.1 million people

- Indicator: Number of JMB members who traveled to the same location twice or more in a year

Increase level of community involvement

- CY2023: 4 trips

- Indicator: Average number of trips to the same location of people related to interacting communities

Move to movements of people and goods

- Social Values

- Economic Values

< Efforts to increase the number of people >

- Remove barriers in tourism
  - Accessible Tour
  - Regional Experiential NFT
- Guide inbound tourists to local areas
  - Adventure Tourism
  - Ground Handling
- Sustaining transport networks
  - Air Taxi
- Enriching travel options
  - Miles somewhere

< Efforts to increase involvement >

- Creating new travel purposes
  - Experience a primary industry site
- Creating communities and places where people belong
  - Sauna Trip Packages
  - Learn & Travel package
- Protecting nature and native culture
  - Preserve biodiversity
- Creating local brands
  - Sustainable Tourism

Total amount of relationship and connections

- CY2023: 4.4 million (People/trips)
- FY2030: 6.6 million (People/trips)

- Times: 1.5 times

**“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

**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

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

**Fuel Price Image**
- SAF Additional Cost
- Each initiative will reduce additional costs

**CO₂ emissions** (compared to existing models)
- Large aircraft: A350
- Mid-size aircraft: 787
- Small aircraft: A321neo, 737-8

**Ratio of fuel-efficient aircraft**
- FY2019: 71%
- FY2025: 53%
- FY2030: 76%

**SAF usage FY2030**
- 400,000 kL or more

**CO₂ emissions (compared to existing models)**
- -15% to -25%
- -15%

**SAF Additional Cost Reduction Initiatives**
1. Lower prices through joint procurement and long-term contracts
2. Public and private partnership to promote stable supply and utilization of domestically produced SAF
3. Provide offsetting means to companies and shippers (sale of CO₂ reduction certificates)

**Fuel Price Image**
- SAF Additional Cost
- Each initiative will reduce additional costs

*1: 10% less vs. FY2019  *2: Projected emissions without measures
Human Resources Strategy (Human Capital Management)

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.

### Investment in Human Capital

**Mid-long Term Investment Objectives**

#### Developing capabilities

- Providing opportunities for education and challenges to maximize individual potential
- Secondment and dispatch within and outside the Group: FY2023 Results 450 persons \(\rightarrow\) FY2025 Target Around 500 people
- Overseas and external assignments until the 10th year*1 of employment: FY2023 Results 46 persons \(\rightarrow\) FY2025 Target Around 100 people
- Performance-based remuneration system: FY2023 Results 9 posts \(\rightarrow\) FY2025 Target 100 posts

#### Increasing diversity

- Promoting opportunities to gain a variety of experiences regardless of attributes
- Promotion of Female to Management Posts: FY2023 Results 29.8% \(\rightarrow\) FY2025 Target 30% (proportion of women managers)
- Hiring Foreign Employees in Japan: FY2023 Results 88 persons \(\rightarrow\) FY2025 Target Around 100 people
- Dispatch of overseas employees to Japan: FY2023 Results 64 persons \(\rightarrow\) FY2025 Target Continuation of around 50 people
- Employment of people with disabilities: FY2023 Results +15% \(\rightarrow\) FY2025 Target +30% (number of employees vs. FY2022)

#### Expanding the field of success

- Eliminate restrictions that hinder success and promote employees to positions that match their abilities
- Promoting young talent by eliminating seniority-based promotions: System design
- Internal and external transfers through open recruitment: FY2023 Results 85 persons per year \(\rightarrow\) FY2025 Target 100 people per year
- Promoting active involvement of senior employees: System design

#### Gaining knowledge

- Deepen internal knowledge and acquire external knowledge
- Career recruitment: FY2023 Results 40% \(\rightarrow\) FY2025 Target 50% (percentage of total employed)
- Highly Specialized Human Resources System: System design
- DX Education: FY2023 Results 80 persons \(\rightarrow\) FY2025 Target 900 people (specialized training participants)

---

*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
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

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>FY2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>(JPY Bn)</td>
<td>1,653</td>
<td>1,930</td>
<td>2,100</td>
</tr>
</tbody>
</table>

EBIT (1)/Net Profit (2)

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>FY2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>(JPY Bn)</td>
<td>140</td>
<td>170</td>
<td>200</td>
</tr>
<tr>
<td>EBIT Margin (3)</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Fuel/FX Markets

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>FY2025 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore Kerosene (USD/bbl)</td>
<td>103.3</td>
<td>110.0</td>
<td>110.0</td>
</tr>
<tr>
<td>Dubai Crude Oil (USD/bbl)</td>
<td>82.0</td>
<td>90.0</td>
<td>90.0</td>
</tr>
<tr>
<td>FX Rate (JPY/USD)</td>
<td>143.2</td>
<td>145.0</td>
<td>145.0</td>
</tr>
</tbody>
</table>

Operational Preconditions/ASK

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>FY2025 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>vs. FY23 Forecast (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Service Carrier Int'l</td>
<td>100</td>
<td>106</td>
<td>112</td>
</tr>
<tr>
<td>Full Service Carrier Domestic</td>
<td>100</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>LCC</td>
<td>100</td>
<td>127</td>
<td>154</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>106</td>
<td>112</td>
</tr>
</tbody>
</table>

(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

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

• 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

EBIT by Business Domain

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>FY2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Service Carrier</td>
<td>104.0</td>
<td>110.0</td>
<td>120.0</td>
</tr>
<tr>
<td>Cargo and Mail</td>
<td>3.0</td>
<td>13.0</td>
<td>14.0</td>
</tr>
<tr>
<td>LCC (1)</td>
<td>3.0</td>
<td>13.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Mileage/Finance and Commerce</td>
<td>34.0</td>
<td>44.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Other (Ground Handling, Travel, etc.)</td>
<td>3.0</td>
<td>12.0</td>
<td>14.0</td>
</tr>
<tr>
<td>Adjustment</td>
<td>▼4.0</td>
<td>▼9.0</td>
<td>▼4.0</td>
</tr>
</tbody>
</table>
## FY2023-2024 Outlook Details

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

(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)

ASK y/y: +6%

+ stands for profit increase (revenue increase, cost decrease)
▼ stands for profit decrease (revenue decrease, cost increase)

Int'l Passenger +86.0
Domestic Passenger +46.0
Cargo and Mail +34.0
Full Service Carrier Other +14.0
LCC +32.0
Fuel ▼78.0

Other (Ground Handling, Travel, etc.) +70.0 ▼45.0
Mileage/Finance and Commerce +32.0
Adjustment ▼45.0

Other Expenses ▼152.0
Others ▼17.0

Other than above ▼110.0
 Personnel ▼19.0
 Aircraft ▼4.0
 Maintenance ▼19.0
 Other than above ▼110.0
 Total ▼152.0

Revenue +277.0 Bn (+16.8%)

Expenses, Other Profit ▼247.0 Bn (▼16.3%)
FY2024 EBIT Forecast

FY2023 EBIT Forecast

+30.0 Bn JPY

(JPY Bn)
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))

- **International**
  - Full-Year Approx. 76%
  - Q1: 74%, Q2: 76%, Q3: 79%, Q4: 77%

- **Domestic**
  - Full-Year Approx. 94%
  - Q1: 94%, Q2: 95%, Q3: 95%, Q4: 93%

### Revenue per Passenger (vs. CY2019(1))

- **International**
  - Market: +35pt, Route: +10pt, Net Unit Price etc.: +28pt
  - Full-Year Approx. 76%

- **Domestic**
  - Net Unit Price etc.: +9pt
  - Full-Year Approx. 94%

---

(1) CY2019 = Jan to Dec 2019
## International Passenger

<table>
<thead>
<tr>
<th></th>
<th>CY2019 (1) Result</th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>FY2025 Target vs. FY2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Revenue (JPY Bn)</td>
<td>531.2</td>
<td>624.0</td>
<td>710.0</td>
<td>+33.6% +13.8%</td>
</tr>
<tr>
<td>Passengers (‘000)</td>
<td>9,796</td>
<td>6,639</td>
<td>7,459</td>
<td>▼23.9% +12.4%</td>
</tr>
<tr>
<td>RPK (MN passenger km)</td>
<td>48,822</td>
<td>36,574</td>
<td>40,689</td>
<td>▼16.7% +11.3% + 6.9%</td>
</tr>
<tr>
<td>ASK (MN seat km)</td>
<td>55,177</td>
<td>47,324</td>
<td>49,997</td>
<td>▼9.4% +5.6% + 6.1%</td>
</tr>
<tr>
<td>L/F (%)</td>
<td>88.5</td>
<td>77.3</td>
<td>81.4</td>
<td>▼7.1pt +4.1pt + 0.6pt</td>
</tr>
<tr>
<td>Revenue per Passenger (JPY) (2)</td>
<td>54,229</td>
<td>93,576</td>
<td>95,281</td>
<td>+75.7% +1.8%</td>
</tr>
<tr>
<td>Yield (JPY) (3)</td>
<td>10.9</td>
<td>17.0</td>
<td>17.5</td>
<td>+60.5% +2.8%</td>
</tr>
<tr>
<td>Unit Revenue (JPY) (4)</td>
<td>9.6</td>
<td>13.1</td>
<td>14.2</td>
<td>+47.7% +8.3%</td>
</tr>
</tbody>
</table>

(1) CY2019 = Jan to Dec 2019  (2) Revenue per Passenger = Passenger Revenue / Passenger  
(3) Yield = Passenger Revenue / RPK  (4) Unit Revenue = Passenger Revenue / ASK

## Domestic Passenger

<table>
<thead>
<tr>
<th></th>
<th>CY2019 (1) Result</th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>FY2025 Target vs. FY2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Revenue (JPY Bn)</td>
<td>554.2</td>
<td>552.0</td>
<td>598.0</td>
<td>+7.9% +8.3%</td>
</tr>
<tr>
<td>Passengers (‘000)</td>
<td>38,368</td>
<td>35,214</td>
<td>36,129</td>
<td>▼5.8% +2.6%</td>
</tr>
<tr>
<td>RPK (MN passenger km)</td>
<td>29,070</td>
<td>26,052</td>
<td>27,384</td>
<td>▼5.8% +5.1% + 1.6%</td>
</tr>
<tr>
<td>ASK (MN seat km)</td>
<td>36,539</td>
<td>35,162</td>
<td>35,457</td>
<td>▼3.0% +0.8% + 0.5%</td>
</tr>
<tr>
<td>L/F (%)</td>
<td>79.6</td>
<td>74.1</td>
<td>77.2</td>
<td>▼2.3pt +3.1pt + 0.8pt</td>
</tr>
<tr>
<td>Revenue per Passenger (JPY)</td>
<td>14,445</td>
<td>15,686</td>
<td>16,574</td>
<td>+14.7% +5.7%</td>
</tr>
<tr>
<td>Yield (JPY) (3)</td>
<td>19.1</td>
<td>21.2</td>
<td>21.9</td>
<td>+14.7% +3.1%</td>
</tr>
<tr>
<td>Unit Revenue (JPY) (4)</td>
<td>15.2</td>
<td>15.7</td>
<td>16.9</td>
<td>+11.3% +7.5%</td>
</tr>
</tbody>
</table>

(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

<table>
<thead>
<tr>
<th></th>
<th>CY2019(^{(1)}) Result</th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>vs. CY2019(^{(1)})</th>
<th>vs. FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargo Revenue (JPY Bn)</td>
<td>59.7</td>
<td>100.0</td>
<td>122.0</td>
<td>+104.1%</td>
<td>+22.0%</td>
</tr>
<tr>
<td>Carried Cargo Weight (Thousand ton)</td>
<td>398</td>
<td>425</td>
<td>569</td>
<td>+42.9%</td>
<td>+33.8%</td>
</tr>
<tr>
<td>Revenue Ton (JPY/kg)</td>
<td>150</td>
<td>235</td>
<td>214</td>
<td>+42.8%</td>
<td>▼9.0%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) CY2019 = Jan to Dec 2019

### Domestic Cargo

<table>
<thead>
<tr>
<th></th>
<th>CY2019(^{(1)}) Result</th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>vs. CY2019(^{(1)})</th>
<th>vs. FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargo Revenue (JPY Bn)</td>
<td>20.9</td>
<td>20.0</td>
<td>34.0</td>
<td>+62.5%</td>
<td>+70.0%</td>
</tr>
<tr>
<td>Carried Cargo Weight (Thousand ton)</td>
<td>359</td>
<td>307</td>
<td>457</td>
<td>+27.5%</td>
<td>+48.9%</td>
</tr>
<tr>
<td>Revenue Ton (JPY/kg)</td>
<td>58</td>
<td>64</td>
<td>75</td>
<td>+29.1%</td>
<td>+16.9%</td>
</tr>
<tr>
<td>ZIPAIR</td>
<td>FY2023 Forecast</td>
<td>FY2024 Forecast</td>
<td>vs. FY2023 Forecast</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>----------------</td>
<td>----------------</td>
<td>-------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Revenue (JPY Bn)</td>
<td>55.0</td>
<td>75.0</td>
<td>+36.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger ('000)</td>
<td>1,126</td>
<td>1,320</td>
<td>+17.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RPK (MN passenger km)</td>
<td>6,126</td>
<td>7,257</td>
<td>+18.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASK (MN seat km)</td>
<td>7,980</td>
<td>9,627</td>
<td>+20.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L/F (%)</td>
<td>76.8%</td>
<td>75.4%</td>
<td>▼1.4pt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue per Passenger (JPY)(^{(1)})</td>
<td>48,470</td>
<td>56,708</td>
<td>+17.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yield (JPY)(^{(2)})</td>
<td>8.9</td>
<td>10.3</td>
<td>+15.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Revenue (JPY)(^{(3)})</td>
<td>6.8</td>
<td>7.8</td>
<td>+13.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

\(^{(1)}\) Revenue per Passenger = Passenger Revenue / Passenger  
\(^{(2)}\) Yield = Passenger Revenue / RPK  
\(^{(3)}\) Unit Revenue = Passenger Revenue / ASK
Profitability improvement in the Full Service Carrier Domain

- 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**

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>FY2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Profit 0.9 JPY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Profit 1.1 JPY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Profit 1.2 JPY</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Forecast</th>
<th>Increased Unit Cost</th>
<th>Reduced Unit Cost</th>
<th>Increased Unit Revenue</th>
<th>FY2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.9 JPY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.2 JPY</td>
</tr>
</tbody>
</table>

**Initiatives to improve Unit Profit**

- Effects of FX, Inflation
- Increased human capital investment
- Reduced fuel consumption from introduction of fuel-efficient aircrafts
- Improved productivity through DX and Business Process Reform
- Refurbishment of aircraft for additional seating
- Continued cost management efforts
- Maintained/Improved yield from strong revenue management
- Improved load factor by strengthened competitiveness

**Headcount Forecast for Full Service Carrier (FSC) Domain**

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2023</th>
<th>FY2024</th>
<th>FY2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC Headcount(Active)</td>
<td>28,000</td>
<td>27,000</td>
<td>27,200</td>
<td>27,100</td>
</tr>
<tr>
<td>Non-FSC Headcount(Active)</td>
<td>35,500</td>
<td>37,000</td>
<td>37,900</td>
<td>38,100</td>
</tr>
<tr>
<td>ASK CY2019=100%</td>
<td>100%</td>
<td>93%</td>
<td>97%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(1) Unit Revenue = Passenger Revenue / ASK
(2) Unit Cost = (Operating Expenses – Revenue other than Passenger) / ASK
(3) Unit Profit = Unit Revenue - Unit Cost
### Conceptualization of FY2024-2025

<table>
<thead>
<tr>
<th>&lt;Cash In&gt;</th>
<th>&lt;Cash Distribution&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invest in human resources and expenses incurred to push forward with ESG</td>
<td>Invest in human resources and expenses incurred to push forward with ESG</td>
</tr>
<tr>
<td>Investment in Assets</td>
<td>Investment in Assets</td>
</tr>
<tr>
<td>FY2024 310 Bn JPY</td>
<td>FY2024 310 Bn JPY</td>
</tr>
<tr>
<td>FY2025 240 Bn JPY</td>
<td>FY2025 240 Bn JPY</td>
</tr>
<tr>
<td>Shareholder Return</td>
<td>Shareholder Return</td>
</tr>
<tr>
<td>Dividend payout ratio of about 35% or more</td>
<td></td>
</tr>
<tr>
<td>Debt Repayment</td>
<td>Debt Repayment</td>
</tr>
<tr>
<td>FY2024 100 Bn JPY</td>
<td>FY2024 100 Bn JPY</td>
</tr>
<tr>
<td>FY2025 100 Bn JPY</td>
<td>FY2025 100 Bn JPY</td>
</tr>
</tbody>
</table>

#### Acceleration of Growth
- Full Service Carrier to introduce new aircrafts
- Expansion of LCC Business Domain
- Strengthening of non-aviation domains with a focus on the Mileage business

#### Improved Productivity & Efficiency
- Enhance engagement and employee returns by improving human capital
- Approx. 30% improved human productivity in airports, sales and reservation operations (FY2030)
- Approx. 20% improved human productivity in reducing staff number in ramp handling (FY2030)

#### Driving Environmental Responsiveness
- FY2024-2030: Reduction of approx. 7.5 million tons of cumulative CO₂ emissions
- Social Value created\(^{(2)}\): approx. 110 Bn JPY

---

(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
## Balances Sheet and Cash Flow

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>2,634.0</td>
<td>2,717.0</td>
<td>+83.0</td>
</tr>
<tr>
<td>Balance of Interest-bearing Debt</td>
<td>879.0</td>
<td>886.0</td>
<td>+7.0</td>
</tr>
<tr>
<td>Shareholders’ Equity&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>884.0</td>
<td>955.0</td>
<td>+71.0</td>
</tr>
<tr>
<td>Shareholders’ Equity Ratio (%)&lt;sup&gt;(2)(5)&lt;/sup&gt;</td>
<td>33.6% (40.2%)</td>
<td>35.1% (41.6%)</td>
<td>+1.6pt (+1.4pt)</td>
</tr>
<tr>
<td>D/E Ratio (x)&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>1.0x</td>
<td>0.9x</td>
<td>▼0.1x</td>
</tr>
<tr>
<td>Net D/E Ratio (x)&lt;sup&gt;(4)(5)&lt;/sup&gt;</td>
<td>0.2x (0.0x)</td>
<td>0.2x (0.0x)</td>
<td>+0.0x (+0.0x)</td>
</tr>
<tr>
<td>ROIC&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>7.1%</td>
<td>7.9%</td>
<td>+0.8pt</td>
</tr>
<tr>
<td>ROE&lt;sup&gt;(7)&lt;/sup&gt;</td>
<td>10.6%</td>
<td>10.9%</td>
<td>+0.3pt</td>
</tr>
</tbody>
</table>

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

### Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>FY2023 Forecast</th>
<th>FY2024 Forecast</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operating Activities</td>
<td>375.0</td>
<td>332.0</td>
<td>▼43.0</td>
</tr>
<tr>
<td>Cash Flow from Investing Activities</td>
<td>▼230.0</td>
<td>▼308.0</td>
<td>▼78.0</td>
</tr>
<tr>
<td>Free Cash Flow&lt;sup&gt;(8)&lt;/sup&gt;</td>
<td>145.0</td>
<td>24.0</td>
<td>▼121.0</td>
</tr>
<tr>
<td>Cash Flow from Financing Activities</td>
<td>▼101.0</td>
<td>▼58.0</td>
<td>+43.0</td>
</tr>
<tr>
<td>EBITDA&lt;sup&gt;(9)&lt;/sup&gt;</td>
<td>288.0</td>
<td>331.0</td>
<td>+43.0</td>
</tr>
</tbody>
</table>
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

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

### EBIT by Business Domain

<table>
<thead>
<tr>
<th>(JPY Bn)</th>
<th>FY2023 Before Revision</th>
<th>FY2023 After Revision</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full Service Carrier Cargo and Mail</strong></td>
<td></td>
<td>96.0</td>
</tr>
<tr>
<td><strong>LCC (1)</strong></td>
<td></td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Mileage/Finance and Commerce</strong></td>
<td></td>
<td>42.0</td>
</tr>
<tr>
<td><strong>Other (Ground Handling, Travel, etc.)</strong></td>
<td>42.0</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Adjustment</strong></td>
<td></td>
<td>▼4.0</td>
</tr>
</tbody>
</table>

- 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.

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