



JAPAN AIRLINES

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

March 21, 2024



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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.

- Rolling Plan 2024 sets out specific strategies and plans for the two-year period leading up to the completion of the current medium-term management plan in FY2025, after three years since the start of the plan, with amendments based on past performance and changes in the business environment.
- This document consists of three chapters: Initiatives to Accomplish the Medium-Term Management Plan, Mid-Long Term ESG Strategies and FY2023-2024 Outlook / FY2025 Targets.
- Chapter 1 describes specific initiatives to achieve profit targets and management targets for FY2025, Chapter 2 describes ESG strategy for mid-long term growth with a view to 2030, and Chapter 3 describes business forecasts and profit targets from FY2023 to FY2025.

JAL Group
Medium-Term Management Plan
FY2021-2025

Rolling Plan 2024

On Formulating the Rolling Plan for 2024

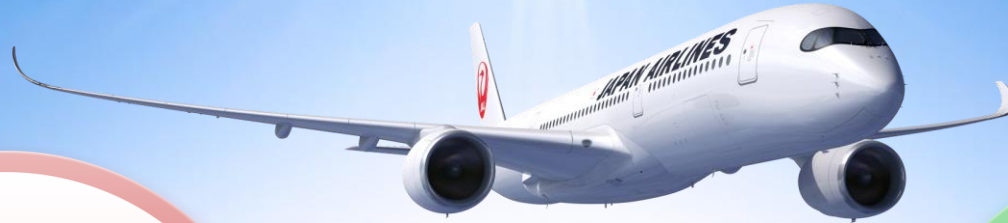
The three-year period of the JAL Group Medium-Term Management Plan for FY2021-2025 nearing the end with only two years left to go. In the new post-COVID-19 environment, the JAL Group expects to achieve higher profits in FY2023 than before the pandemic. At the same time, we are faced with new challenges 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.

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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

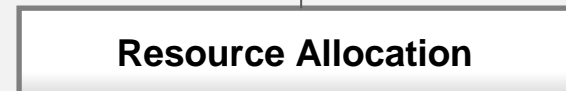
Sustainability

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

- It shows the “JAL Vision” that the JAL Group aims toward 2030. When formulating the JAL Group Medium Term Management Plan FY2021-2025 and Rolling Plan for each fiscal year, we always keep the Corporate Policy and JAL Vision in mind.
- The JAL Group will work toward “a society where everyone can live safely, securely and with peace of mind” and “a better future where everyone can feel fulfilled and hopeful” with the key themes of “Safety and Peace of Mind” and “Sustainability” as the engines of growth.
- The bottom line, “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” is positioned as the “Purpose” that the JAL Group is striving for.

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



- This is the framework of the management strategy that we presented last year in Rolling Plan 2023.
- We positioned ESG strategy as the top strategy for realizing value creation and growth, and we will implement our management strategy for mid-long term growth, with the business strategy to drive ESG strategy, with finance strategy as a support to drive it.

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

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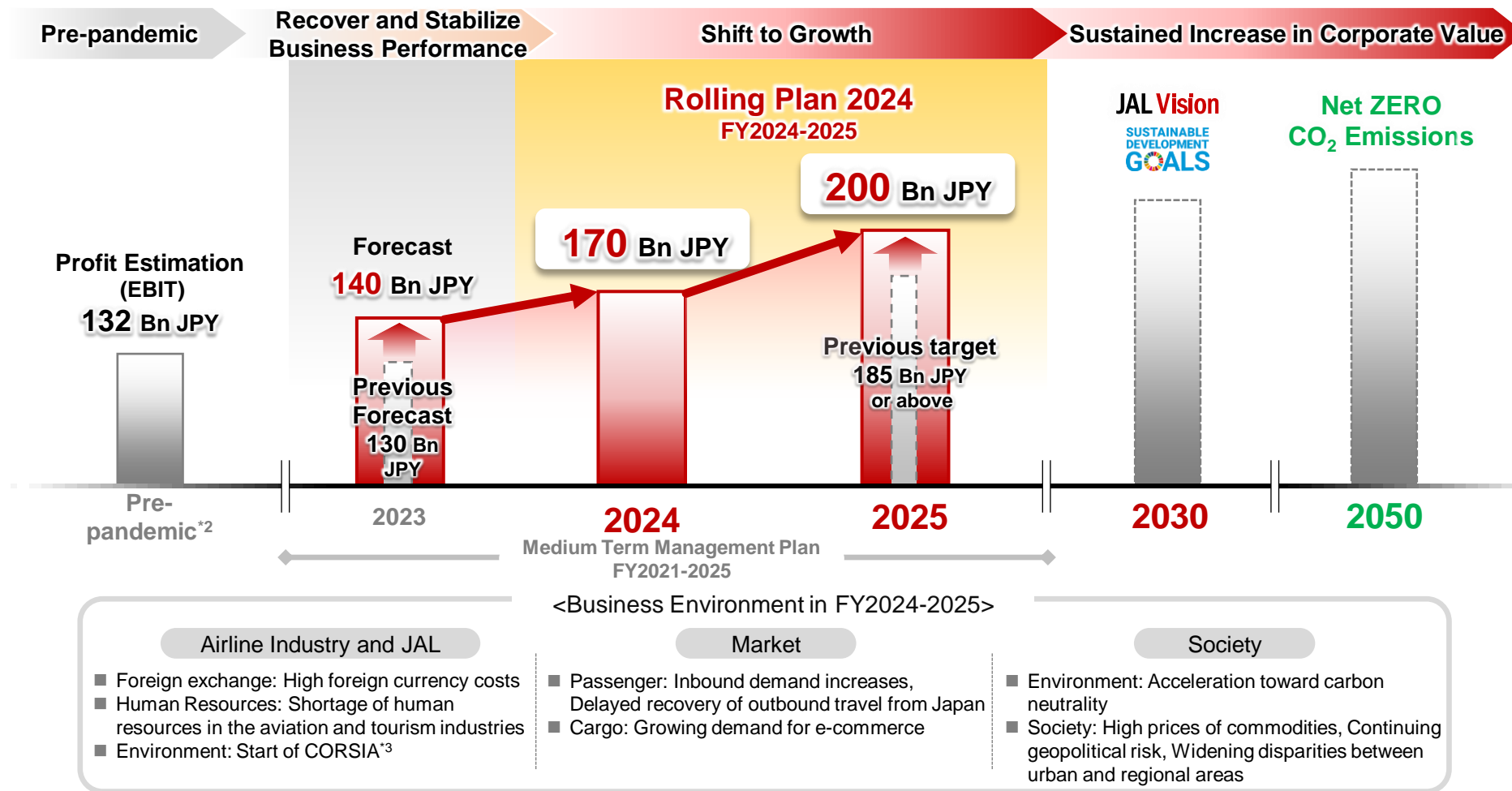
1-1 Profit Target

Rolling Plan
2024



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

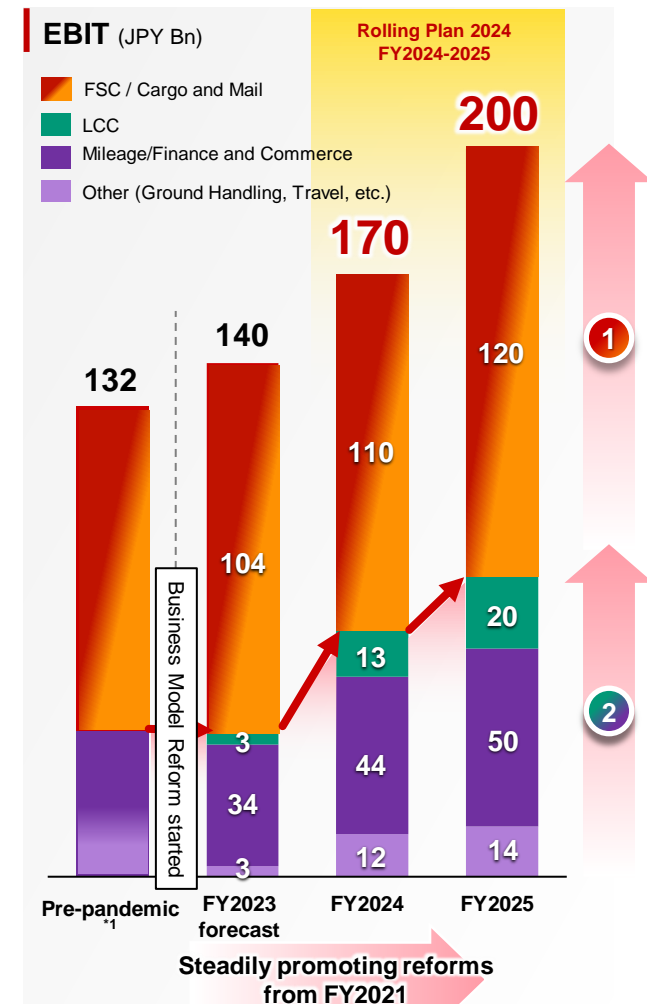


*1 EBIT: Earnings Before Interest and Taxes *2 Pre-pandemic: FY2019 actual results excluding the impact of the COVID-19 pandemic (earnings forecast disclosed at the time of announcement of FY2019 Q3 financial results (IFRS))

*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.

- FY2023 EBIT has been revised upward to "140 billion JPY" from the previous forecast of 130 billion JPY and is expected to exceed the pre-pandemic profit level.
- FY2024 EBIT target is set at "170 billion JPY," and FY2025 target is revised upward to "200 billion JPY," from the previous target of "185 billion JPY or more.
- As for the business environment prediction in FY2024 and 2025, while foreign currency denominated costs will remain high and human resource shortages will continue, passenger demand is expected to be strong with its background of strong inbound tourism demand, and outbound business demand is expected to be recovered gradually. We will achieve our profit target by responding to social environmental changes such as accelerated decarbonization and widening disparities between urban and regional areas.

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} 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))

1

Restructuring of Profit Structure

Full Service Carrier	International Passenger	Domestic Passenger
	<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

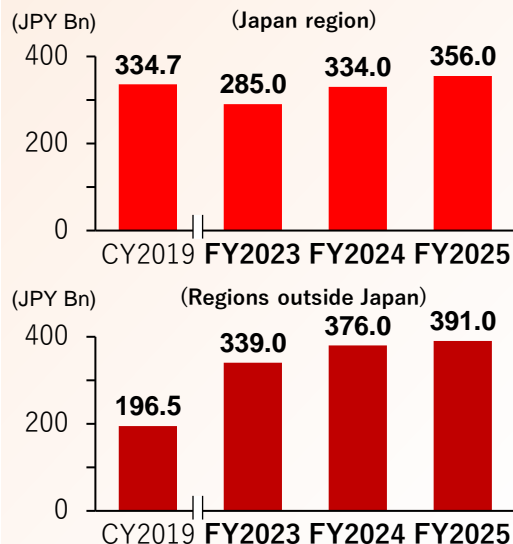
Profit Expansion and Growth

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

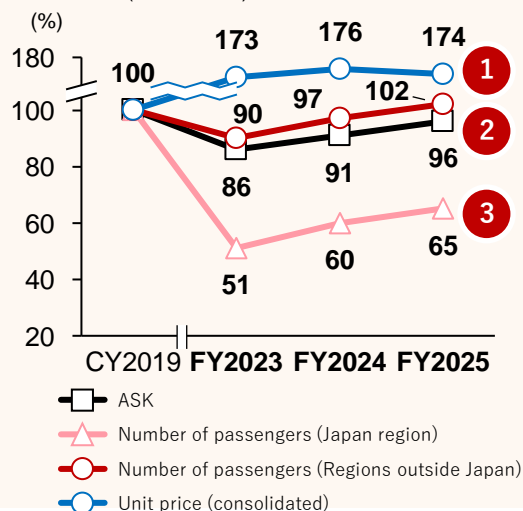
Promote Business Portfolio Management by Clarifying Profit and Loss by Business Segments

- This slide is about the “Business Model Reform”.
- Amid the COVID-19 pandemic, we have been working to reform our business models.
- To accomplish the Medium-Term Management Plan in FY2025, the Full Service Carrier (FSC) and Cargo and Mail domains will restructure profit structure to generate profits in a different environment compared to pre-pandemic.
- FSC will strengthen its competitiveness and profitability, while the Cargo and Mail business will develop new freighter business and strengthen transportation of strategic commodities.
- The main theme of LCC and Mileage, Lifestyle and Infrastructure is to grow and extend profits, to 20 billion JPY and 64 billion JPY, respectively.
- We will achieve our FY2025 profit target and create a business model with resilience and growth potential by driving the “Business Model Reform”.

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

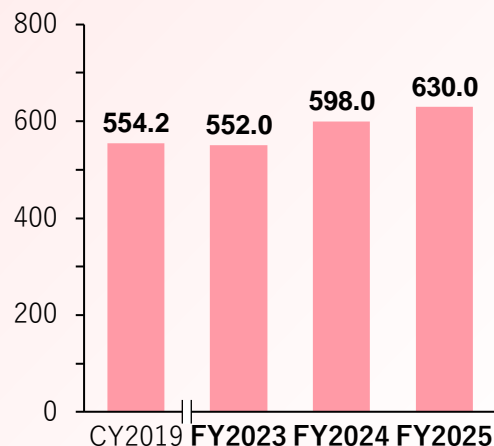


Diverse in-flight meal menu

- This slide is about international passengers on FSC.
- We will maintain the high unit-price with the continuing strong inbound demand and business demand from Japan, which is expected to recover gradually. In addition, by newly introducing 11 A350-1000, we will strengthen our competitiveness and maintain high unit prices.
- By deepening cooperation with our partnerships, we will strengthen our initiatives to capture inbound demand, especially from North America and Asia.
- In addition, through industry-wide efforts to stimulate outbound tourist demand from Japan, which has been stagnant, we will exceed the pre-pandemic sales level in both Japan and overseas regions.

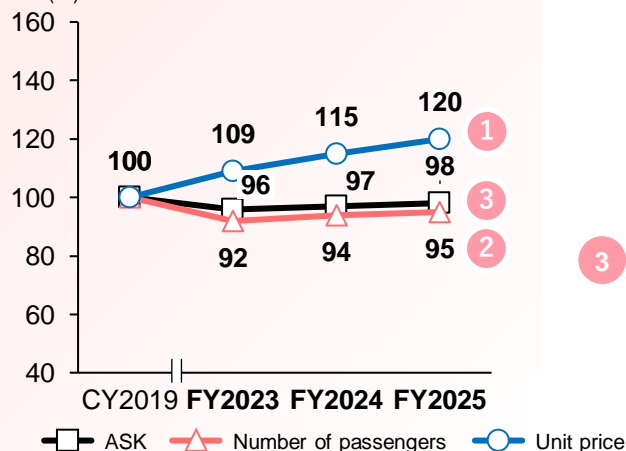
Revenue

(JPY Bn)



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

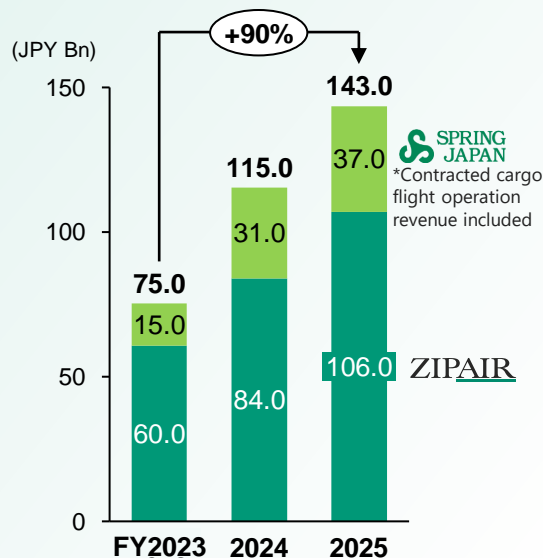


Regional Airlines

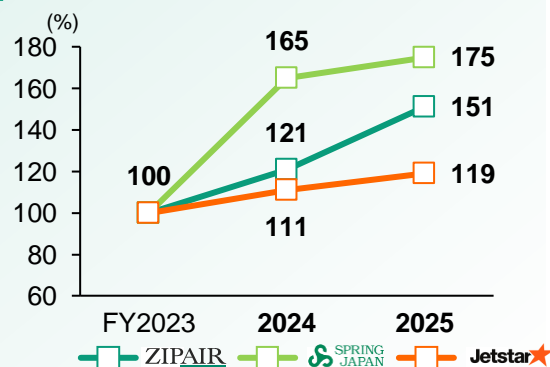
- This slide is about domestic passengers on FSC.
- After the COVID-19 pandemic, the domestic passenger operations environment is undergoing significant environmental changes due to a decline in business demand, depreciation of the yen, and soaring fuel prices. We will implement appropriate price increases, as well as proactively implement yield management and demand stimulation measures to achieve stable business operations.
- In addition, by attracting inbound demand to the region and new tourism, we will create a new flow of people and create an interacting community.
- The JAL Group has several local-based regional airlines. In addition to demand generation, we will build a sustainable network by improving profitability on flights on those regions and outlying islands, through proper flight planning matching to market demand.

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

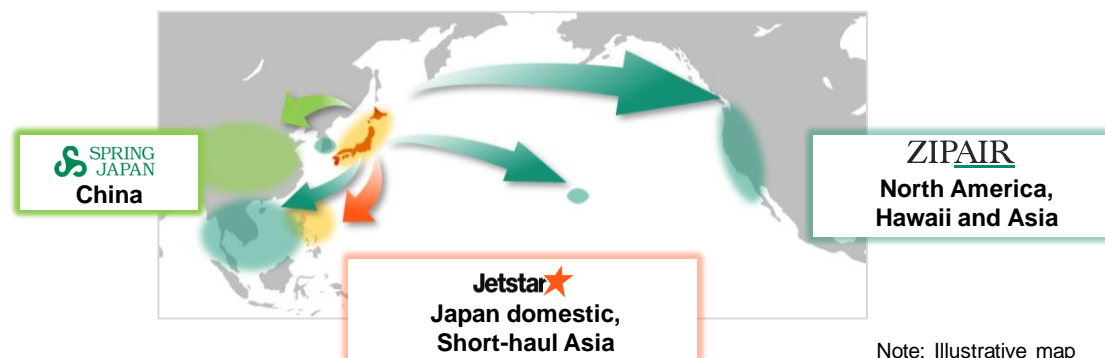
50% → 90%

Jetstar

- Developing Asian routes to capture strong inbound demand

Int'l flight ratio (ASK)
FY2023 → FY2025

15% → 30%

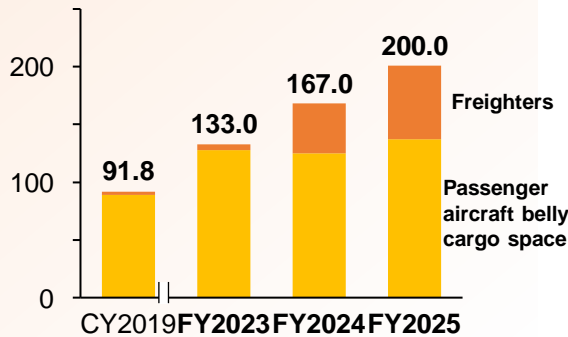


Note: Illustrative map

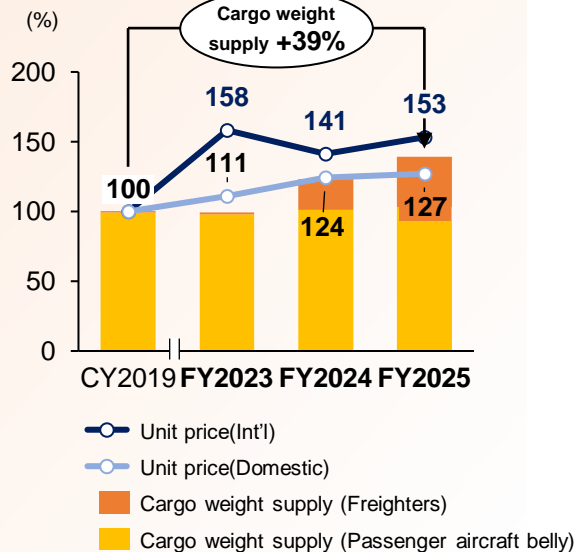
- This slide is about LCC domain.
- ZIPAIR will expand its fleet to 10 aircraft by FY2025 and will also aggressively expand its North American West Coast and Asian routes.
- SPRING JAPAN and Jetstar Japan will shift their focus from domestic to international routes to capture strong inbound demand and improve profitability.
- SPRING JAPAN will serve both major cities and regional cities in China, while Jetstar Japan will focus on short-haul Asian routes.

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

Aircraft route plan
FY2024~

International

Responding to growing international express and e-commerce demand

767BCF | 3 aircrafts



Number of destinations | 6

Seoul/Shanghai/Taipei/Hong Kong
Tokyo(Narita)/Nagoya

Other companies' cargo aircrafts

U.S. and European routes, etc.

Domestic

Responding to changes in the domestic logistics environment

A321-200P2F | 3 aircrafts



YAMATO HOLDINGS



Number of destinations | 5

Tokyo (Haneda/Narita)
Kitakyushu/Sapporo/Okinawa(Naha)

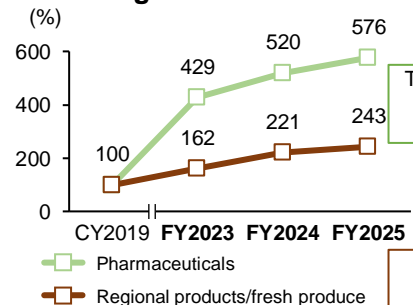
Maintain and improve unit prices by transporting strategic commodities

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

Strategic commodities

- Pharmaceuticals
- Japanese regional products/ fresh produce
- International express/ home delivery
- Chemicals

Transported weight of strategic commodities



Temperature-controlled storage for pharmaceuticals



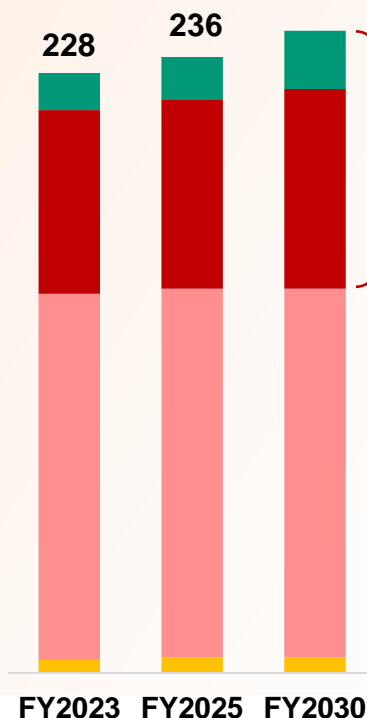
Nishikigoi
(Local specialty)

- In Cargo and Mail domain, we will expand sales by our own freighter business and maintain unit prices by transporting strategic commodities.
- 3 Boeing 767 freighters to be operated on international routes, with partnership with DHL, between 6 airports, to capture the growing demand for an international express and cross-border e-commerce.
- In domestic routes, we build partnership with Yamato Transport company and operate 3 A321 freighters served between five domestic bases to respond to Japan's logistics business environment changes and to solve social issues.
- As for cargo (belly) space on passenger aircrafts, we have been planning to improve unit price by expanding the strategic commodities handling such as medical supplies and regional products to respond to the downward trend in unit price.

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

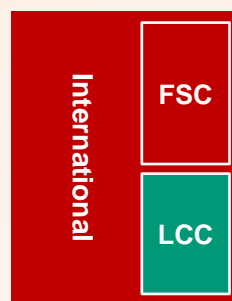


Expand the Int'l flight

Future fleet plan (FY2024-2030)

Strategy

Aircraft to be introduced



- 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
787-9
787-8



- Introduce two aircraft types (737-8/A321neo) of different sizes to improve profitability and fuel consumption by matching supply to market demand

A321neo
737-8



- 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

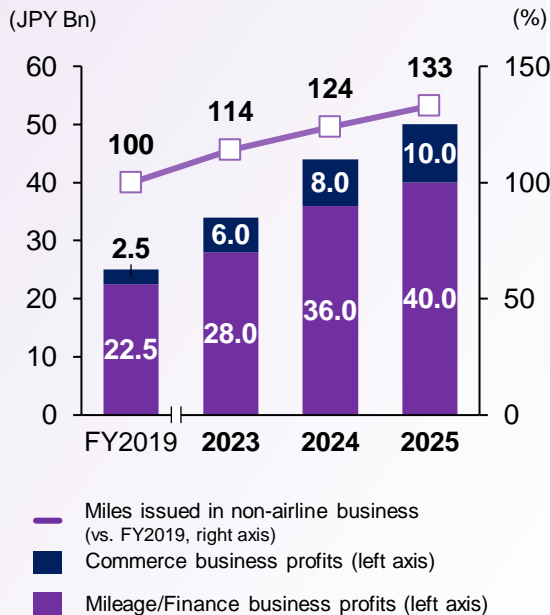
Newly introduced for domestic flights

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

- In addition to the introduction of the Boeing 737MAX 8 announced in March last year, the JAL Group has decided to introduce 21 Airbus A350-900s, 11 A321neo aircraft and 10 Boeing 787-9.
- On international routes, 20 new Airbus A350-900, currently the main aircraft of the domestic fleet, will be introduced. And 10 additional 787-9 will be introduced, while 50 787 series aircrafts are already in operation in the JAL Group. Introducing new fuel-efficient aircrafts, JAL will increase international fleet and expand the supply of both FSC and LCC domains.
- In addition, we have decided to introduce 11 Airbus A321neo aircraft to replace the medium-sized Boeing 767 aircraft currently operated on domestic routes. This will enable us to adapt to the supply and demand environment properly, increase profitability and steadily upgrade to fuel-efficient aircraft to achieve our own CO₂ emissions reduction targets.

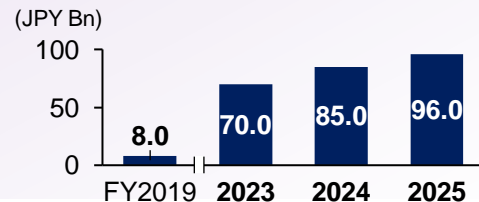
Mileage/Finance and Commerce

Profit targets and non-air miles issued



Commerce

Revenue



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

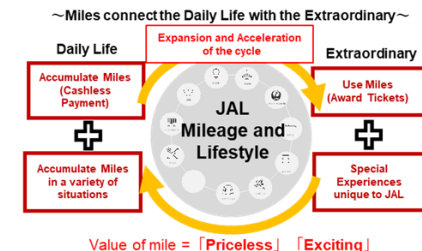
- Expand and accelerate the mileage issuance/redemption cycle by developing and expanding services such as the JMB mobile app, JAL Life Status program, and JAL Pay
- Expand JAL Card payments (acquisition of new members through the JAL Life Status program and increase average payment amount per capita 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*

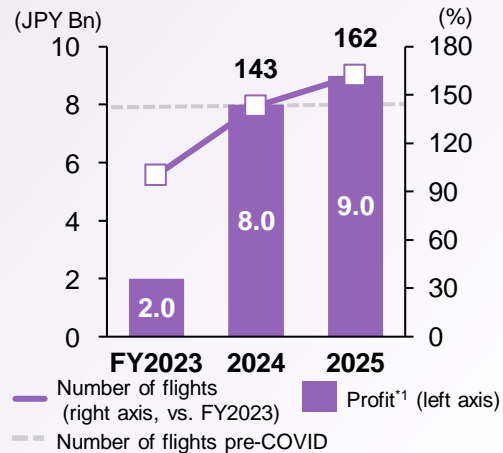


- Among the non-airline areas, the Mileage/Finance and Commerce domain is responsible for a leading role to drive “Business Model Reform”.
- The mileage/finance business will increase the number of miles issued and profits by expanding opportunities to accumulate miles in your daily life.
- In addition to award tickets, we will also develop another attractive awards for JMB members, such as experience-based awards and rare and special products, to expand the number of ways customers redeem their accumulated miles. This will double profits compared to pre-pandemic times.
- In the commerce business, we will expand in-flight sales and airport retail business sales in line with the market growth. In addition, we aim to grow and expand non-airline domains by selling attractive products through JAL Mall, *FURUSATO NOZEI* (hometown tax program), and *Totteoki-no-Ippin*, which were launched last year.

Mileage, Lifestyle and Infrastructure (Ground Handling, Air Mobility Business)

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

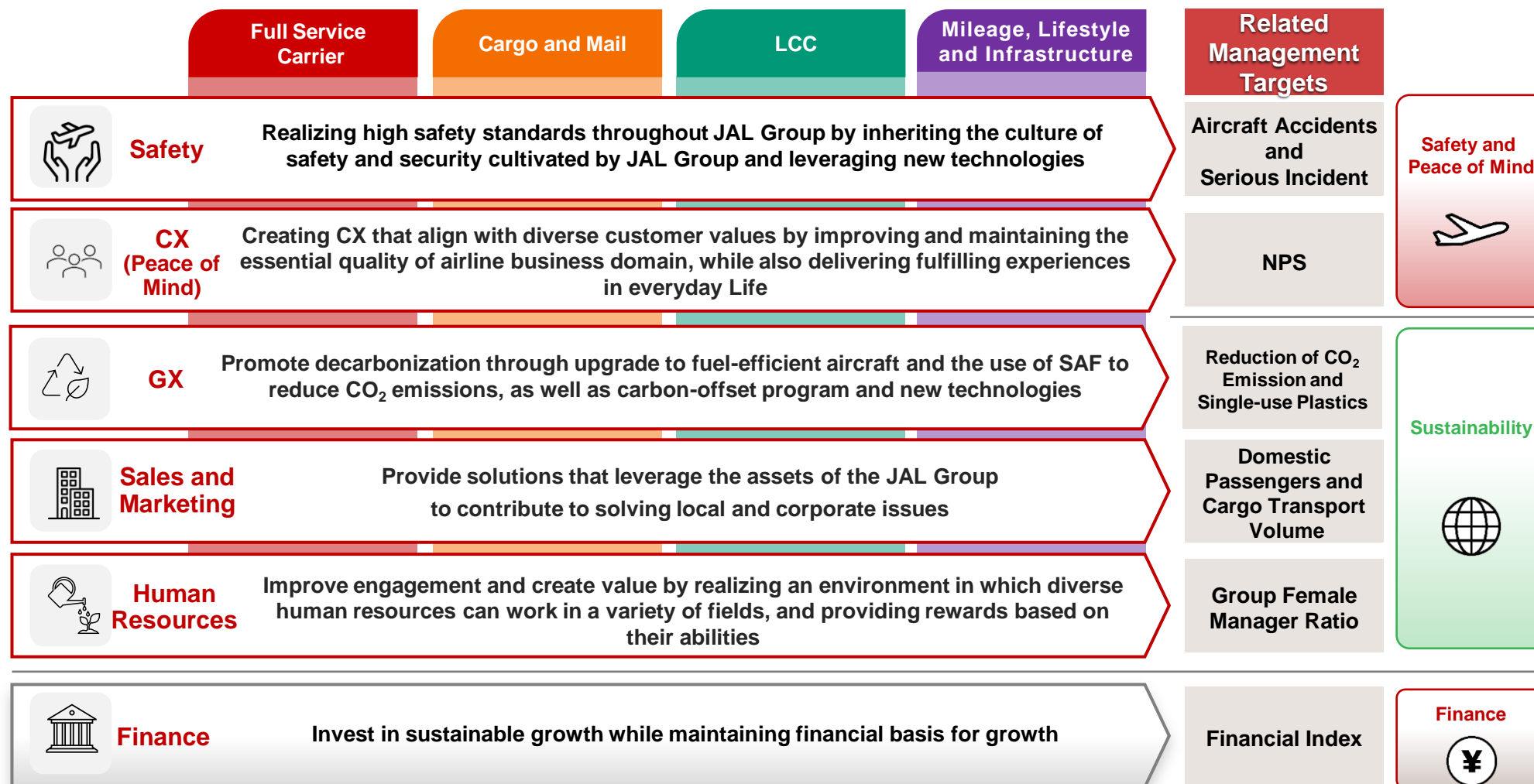
- We consider the ground handling business to be extremely important for Japan's tourism-oriented nation due to the expansion of inbound tourism. By not only expanding the number of flights of ground handling contracts, but also by its efficiently, we will realize a profit of approximately 9 billion JPY in FY2025.
- In the air mobility business, drones will be used to support regional logistics and will also be deployed for use in disaster response. In addition, we will provide new experiences in the sky with the aim of launching flying air taxis at the EXPO 2025 Osaka, Kansai, Japan.

1-3 Cross-domain Efforts to Achieve Management Targets

Rolling Plan
2024



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



CX: Customer Experience GX: Green Transformation

- In addition to the initiatives in each business domain that I have described so far, we believe it is important to support each business domain by linking closely across all domains in 6 areas (Safety, Customer Experience (CX), Green Transformation (GX), Sales and Marketing, Human Resources, and Finance). We believe it is important to jointly process all our business areas and support each other.
- We will achieve the FY2025 management targets and enhance the sustainability of our business operations by achieving the targets in each business area and through cross-domain efforts in the 6 categories.

FY2025 Targets

Safety and Peace of Mind 	Safety	Aircraft accidents and serious incidents : 0 cases (during the entire period of the Medium-Term Management Plan)	
	CX (Peace of Mind)	Top Level Customer Experience both in air travel services and daily life NPS*¹ : +4.0 pt (FSC international and domestic)	
Sustainability 	Environment	CO₂ 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 Domestic passengers*⁴ and cargo transport volume: +10% vs FY2019	
	People	Promotion of DEI Group Female Manager Ratio*⁵ : 30% Consistent efforts to encourage various human resources to demonstrate their potential	
Finance 	EBIT Margin (Profit margin on sales)	Achieve 10% or Higher	
	ROIC* ⁶ (Return on Invested capitalst)	9%	
	EPS (Net profit per share)	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)

- These are the management targets of the Medium-Term Management Plan, which we aim to achieve in FY2025.
- We have set targets for each of “Safety and Peace of Mind”, “Sustainability”, and “Finance”, and have been working on to achieve them as our most important management targets.

Safety

Zero aircraft accidents and zero serious incidents

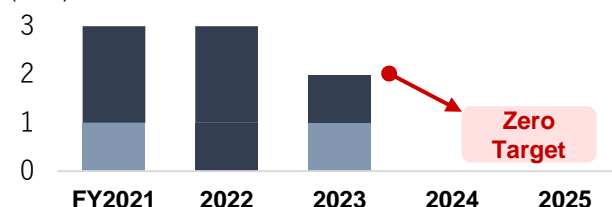
< Aircraft Accidents >

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

(case)



Accident

2

3

1

0

0

Incident

1

0

1

0

0

■ 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

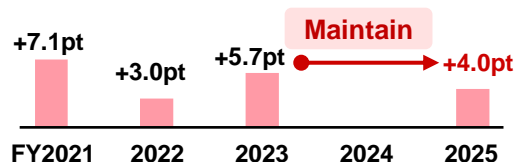
- Launch of a program to develop experts to support actual operations
- Implementation of initiatives to pass on safety to diverse human resources (Three Actuals principle)
- Establishment of a system to support the mental health of pilot crews

CX (Peace of Mind)

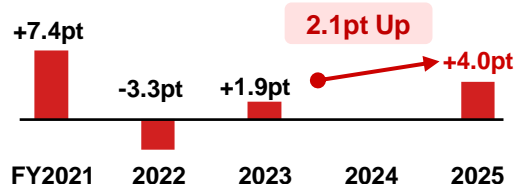
NPS +4.0pt

(FSC international and domestic routes *Compared to the beginning of FY2021)

Domestic



International



■ 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

- First, there are the non-financial targets: safety and peace of mind.
- We did not reach the Safety targets in FY2023 with one aircraft accident and one serious incident. We will strive for improvement of safety by enhancing safety utilizing digital technology and passing on our safety culture.
- For peace of mind, we will improve NPS. In addition to improving basic quality such as on-time operations and strengthening irregularity handling, we will provide a stress-free experience tailored to each individual customer at airports and in-flight services. In addition, we will achieve this goal by expanding services and products and services in the Mileage Lifestyle area, and by accelerating our efforts to revitalize local communities.

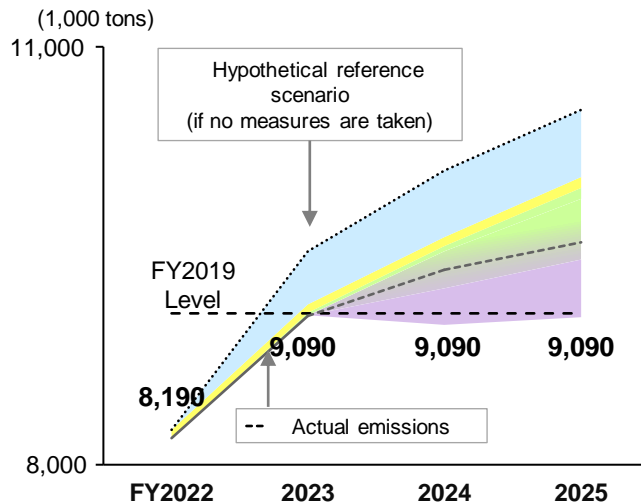
1-3 Progress in Management Targets (Sustainability)

Rolling Plan
2024



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

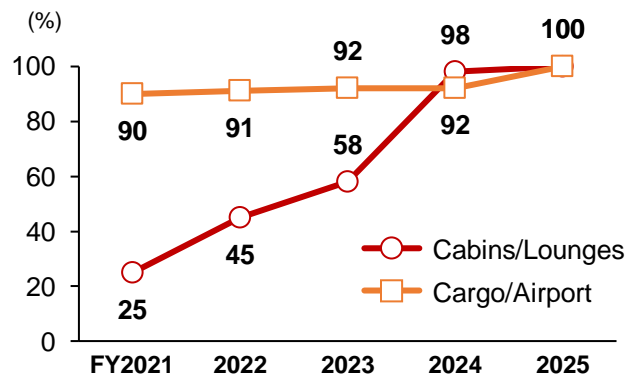
80,000 tons ~

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

- The next non-financial goal is Environment in “Sustainability” target.
- We are generally making good progress in reducing CO2 emissions, and we will strive to achieve this goal by upgrade to fuel-efficient aircrafts, improving our flight operations, and gradual replacement to SAF (Sustainable Aviation Fuels).
- The goal of reducing single-use plastics will be achieved by replacing wrapping materials and films for cargo protection.

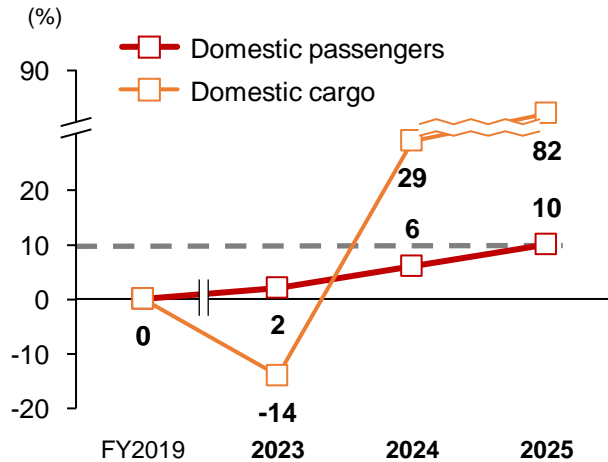
1-3 Progress in Management Targets (Sustainability)

Rolling Plan
2024



Communities

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



Expand domestic passenger transport volume

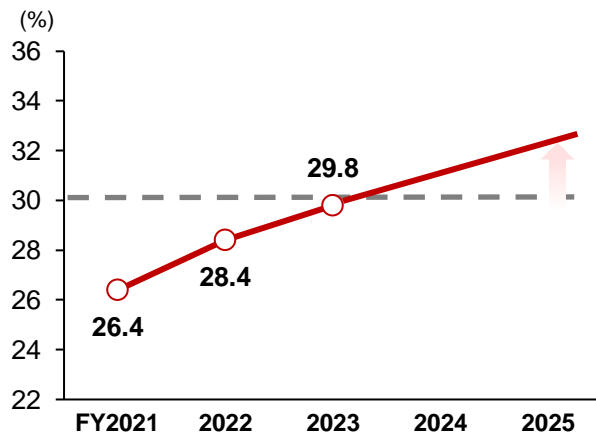
- Capture demand in the markets to/from the Kansai region on the back of EXPO 2025 OSAKA, KANSAI
- Work with partnerships to attract inbound visitors to local areas
- Strengthen sales promotion of new tourism products, etc.
- Stimulate demand for younger customers (FSCs / LCCs)

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%

- In the Communities section of Sustainability, as for the domestic passenger transport volume target, we will strive to expand people flow mainly between the metropolitan cities and regional areas. The volume of cargo transport is expected to significantly exceed the target mainly driven by new freighter business launch and expanding transportation volume of regional products and other commodities.
- As for the ratio of female managers, our target for Human Resources, we have almost achieved our goal of 30% by the end of FY2023, and we will continue to aim for even higher levels.

1-3 Progress in Management Targets (¥ Finance)

Rolling Plan
2024



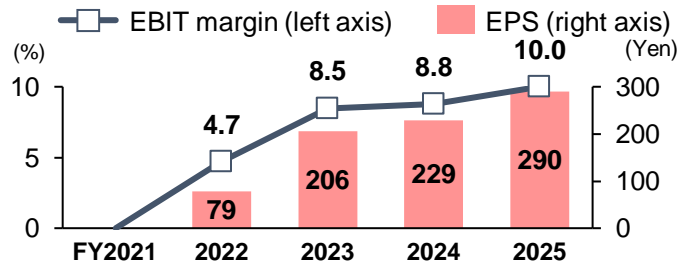
Profitability Indicator

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

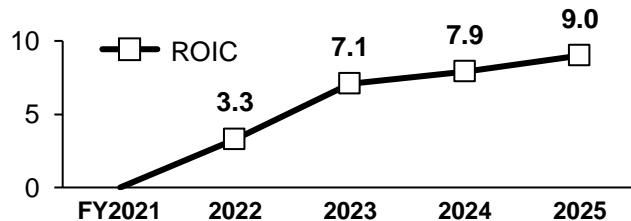
Efficiency Indicator

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)

- Regarding financial targets, we aim to achieve management targets by managing profitability and making effective investments for the FY2025.
- In addition to management targets, we will also aim to achieve the targets for each of the indicators measuring stability and efficiency that we have previously presented.

Rolling Plan 2024

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

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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

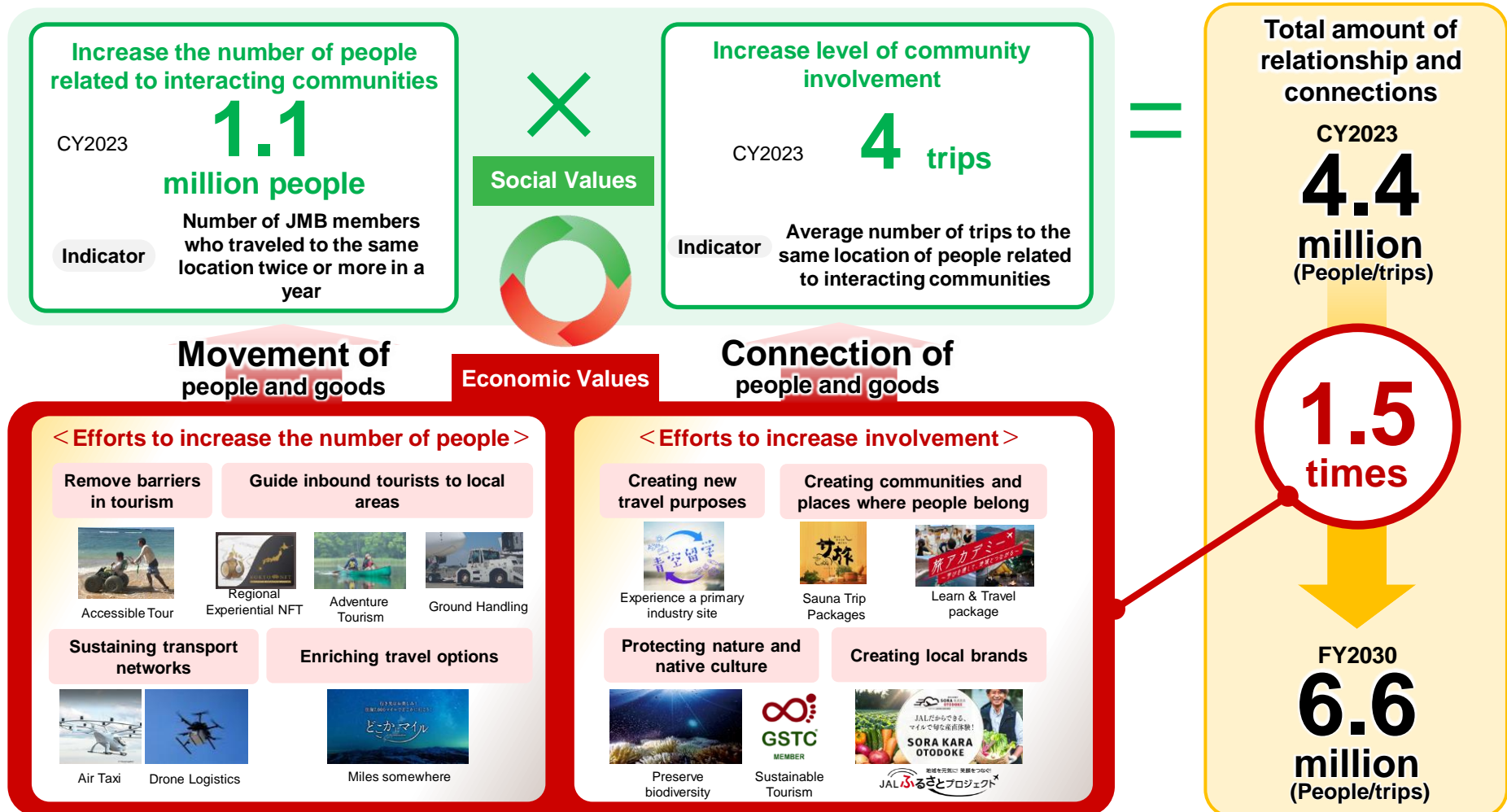
JAL

Enhance Corporate Value

GX: Green Transformation

- The JAL Group is committed to building relationships and societal connections, GX Strategy, and Human Capital Management as our mid-long term challenges to enhance business sustainability and create social and economic value in order to realize JAL Vision, the ideal vision of the JAL Group for 2030.

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

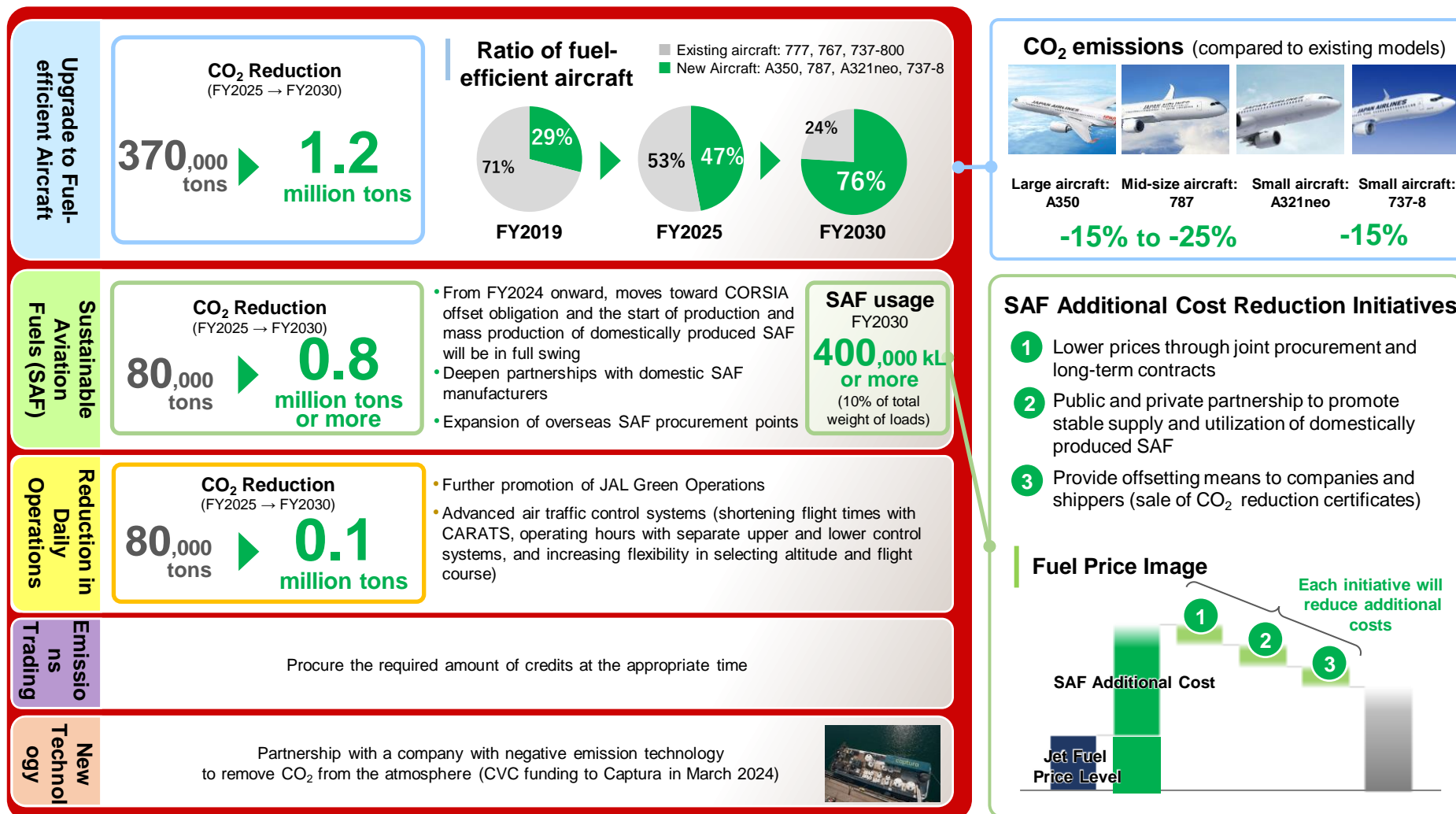


*"Interacting community" refers to those who are not immigrants, tourists, or simply returning home, but who are involved in a continuous and diverse way with a specific region outside of their daily lives or commuting area. But, in this material, it refers to "a person who visits the region more than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

- In the Medium-Term Management Plan, Rolling Plan (MRP) 2023, we presented the “Value Creation Story” creating social and economic value by creating more relationships and societal connections through air transportation to enhance corporate value.
- The JAL Group aims to derive the total amount of relationships and societal connections by improving the number of interacting communities and the level of community involvement, and to increase this total amount by 1.5 times by FY2030.
- Concretely, we aim to create social value such as revitalizing local communities by increasing relationships and societal connections, expanding flows of goods and people, and creating economic value through initiatives such as expanding accessible tours and tourism that allow everyone to travel freely. Moreover, to increase interacting communities and places where people belong. In addition, we aim to create economic value and maximize the corporate value of the JAL Group.

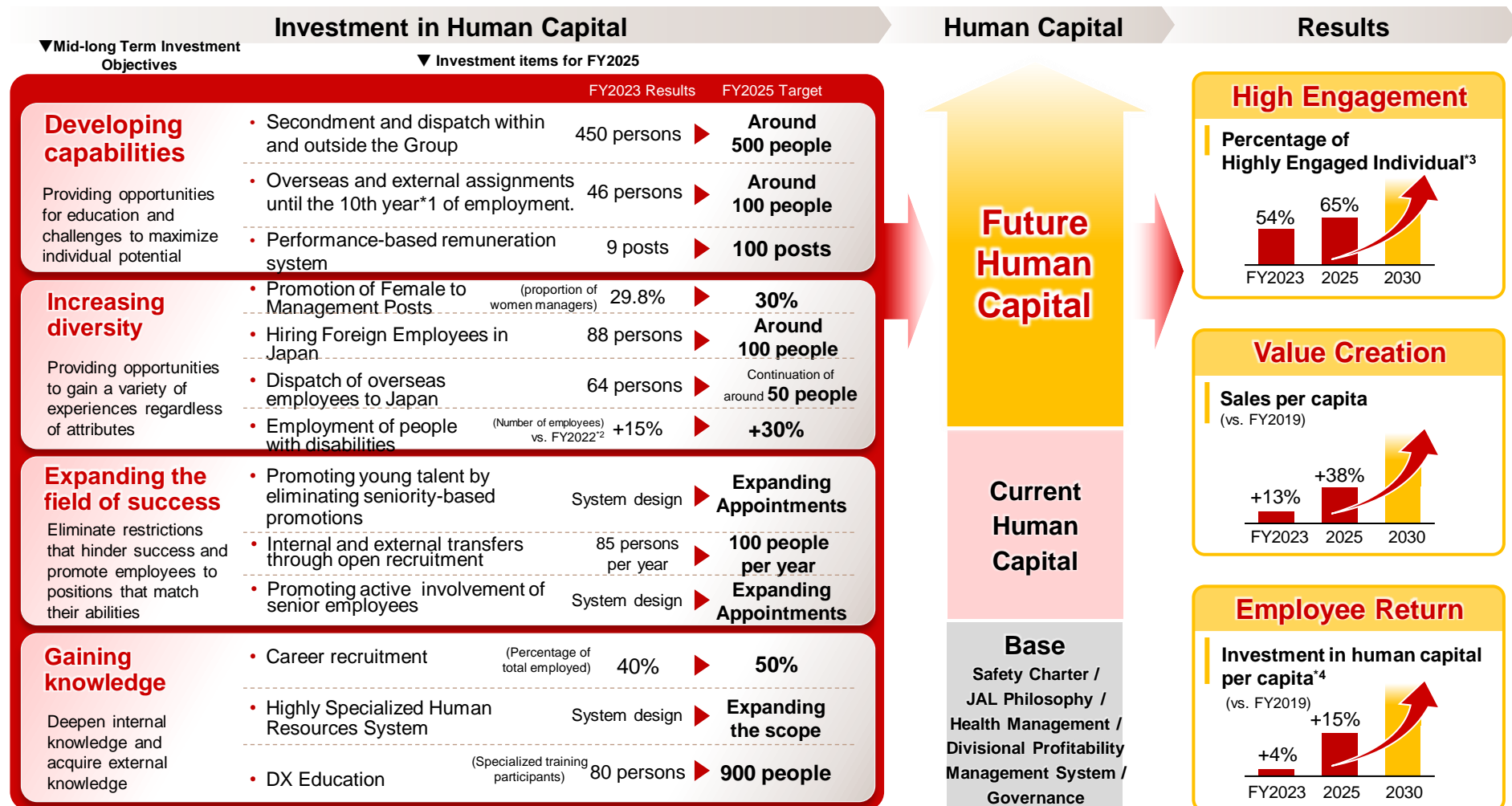
Accelerate initiatives to reduce CO₂ emissions*¹ from the projected emissions*² of 11 million tons in FY2030



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

- Our GX strategy aims to achieve carbon neutral by 2050.
- With the announcement of the mid-size aircraft renewal, we will accelerate the fleet renewal to fuel-efficient aircraft, with 76% of our fleet to be replaced to new aircrafts in FY2030.
- As for the SAF, the movement for domestic mass production started in earnest, and we will work to deepen partnerships with manufacturers for reliable procurement. In addition, we will drive public-private partnerships to make SAF cost reasonable, and work to promote initiatives to reduce cost by launching the “JAL Corporate SAF program”, which is a project to sell certificate documents for the CO₂ reductions achieved by SAF.
- In addition, we will also procure the required amount of credits at the appropriate time to achieve our goals and meet CORSIA. Also, we will fund CVC for Captura, a U.S. based company with advanced technology that removes CO₂ from the atmosphere. We plan to actively utilize new technologies too.

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

- The greatest strength of the JAL Group is its human resources. We create an environment in which diverse human resources can work in a variety of fields and provide rewards based on their abilities, thereby improving engagement and creating value.
- To this end, we will actively invest in human capital to “Develop capabilities”, “Increase diversity”, “Expand action area”, and “Gain knowledge”.
- By investing in human capital, we will enrich our human capital to achieve high employee engagement and value creation as well as providing rewards based on their abilities.

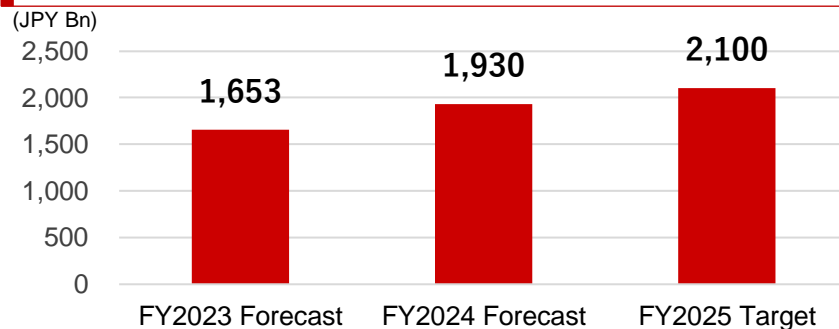
Rolling Plan 2024

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

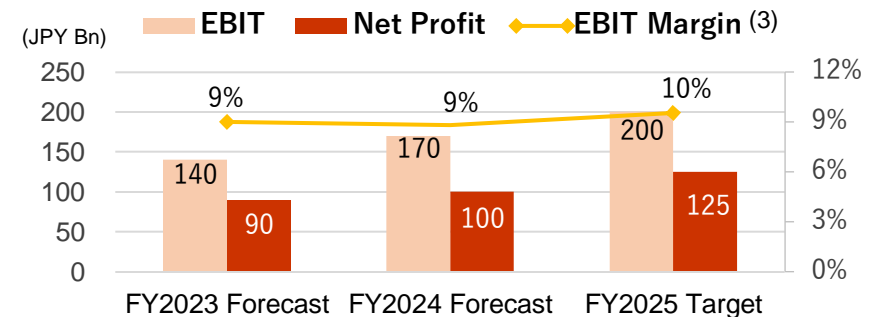
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- **FY2023:** Full-year EBIT forecast revised to 140 Bn yen, recovering to pre-pandemic profit levels.
- **FY2024:** Full-year EBIT forecast is 170 Bn yen. **FY2025:** Forecast revised upward to 200 Bn yen.
- **FY2023 Dividend per share forecast:** 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

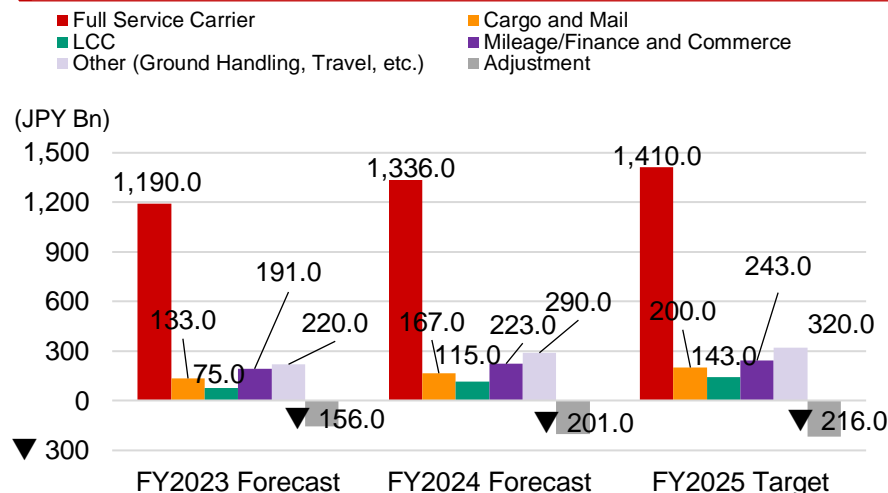
(1) EBIT=Profit before Financing and Income tax (Profit before Tax – Finance Income and Expenses) (2) Net Profit = Profit attributable to Owners of Parent

(3) EBIT Margin = EBIT/Revenue

- In this part, I will present our FY2023 and FY2024 business forecast, as well as the financial targets for FY2025.
- For FY2023, we are forecasting revenue of 1653 billion JPY and EBIT of 140 billion JPY, reflecting the current situation.
- As a result, the annual dividend forecast for FY2023 has been increased from 60 JPY to 70 JPY per share.
- For FY2024, we forecast revenue of 1930 billion JPY and EBIT of 170 billion JPY. The annual dividend forecast is 80 JPY per share.
- The EBIT target for FY2025, which was previously set at 185 billion JPY or more, has been revised upward to 200 billion JPY.
- As shown in the lower left-hand corner, the market conditions on which these forecasts and targets are based are 110 USD per barrel for Singapore kerosene, 90 USD per barrel for Dubai crude oil, and 145 JPY per USD for both FY2024 and FY2025.
- The operating parameters are as shown on the lower right.

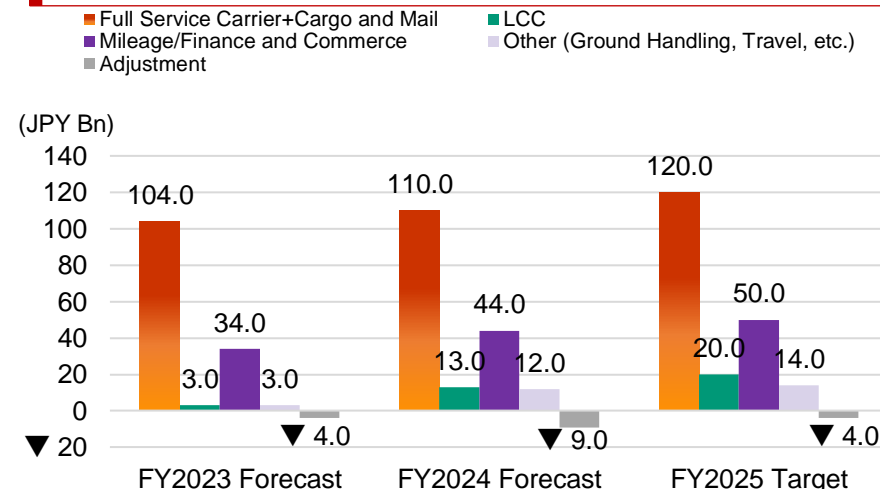
■ Full Service Carrier to increase profitability, while other domains achieve expansion and profit growth

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

- I would like to explain our earnings forecasts for FY2023 and FY2024, as well as our targets of FY25 by business domain, using our internal management figures.
- In FSC domain, we plan to aim for the higher profitability. In FY25, we forecast revenue of 1410 billion JPY from passenger services, 200 billion JPY from cargo business, and EBIT of passenger and cargo combined full-service carrier business domain is planned to be 120 billion JPY.
- In LCC domain, we plan to achieve significant growth, with revenue of 143 billion JPY and EBIT of 20 billion JPY by FY2025.
- We also expect growth in the mileage/finance and commerce and travel and ground handling domains, and plan to achieve EBIT of 50 billion JPY in the mileage/finance and commerce domain and 14 billion JPY in the travel/ground handling business domains in FY2025.

3-3 FY2023-2024 Outlook | Details

Rolling Plan
2024

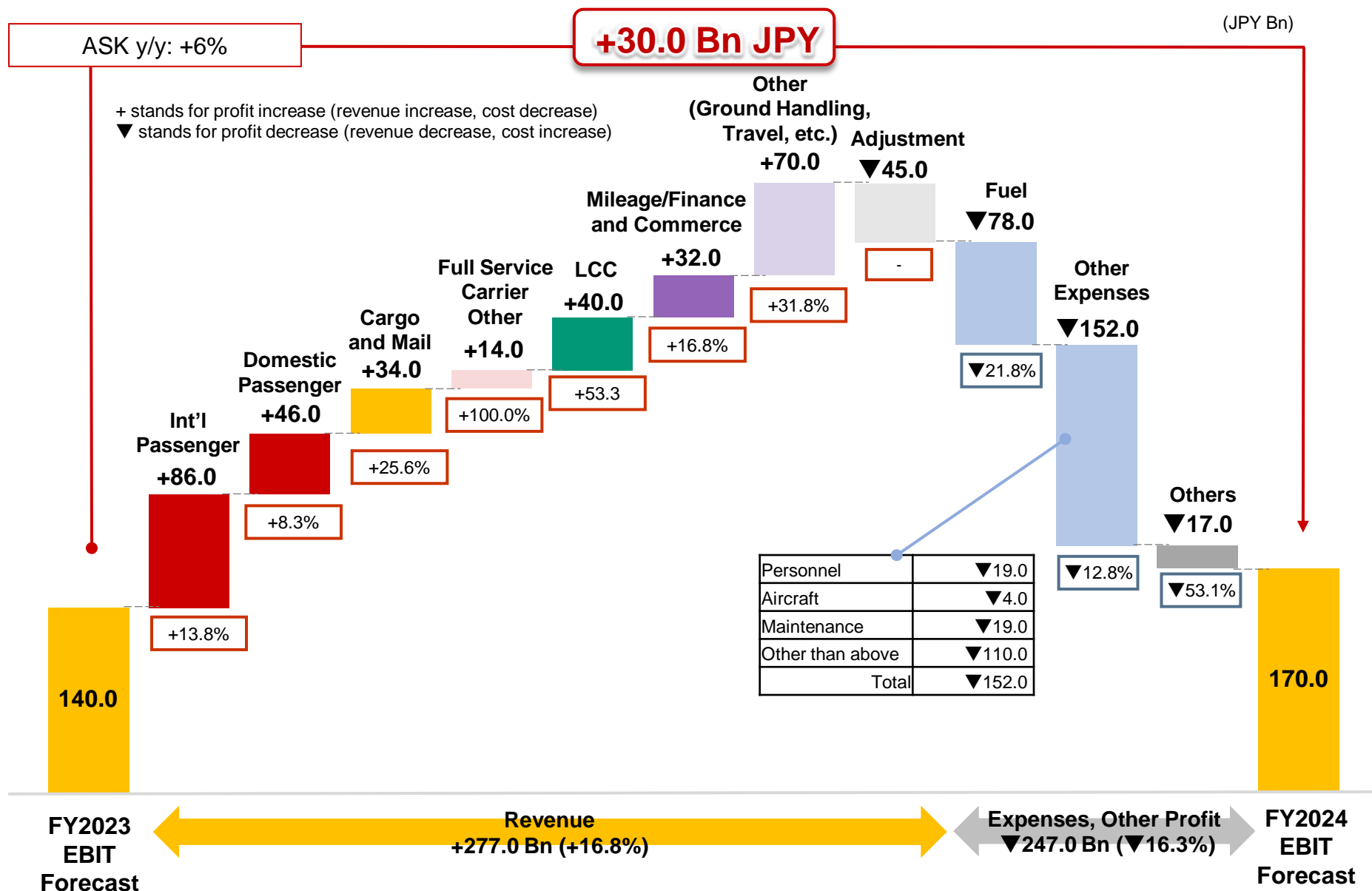


(JPY Bn)		FY2023	FY2024		
		Forecast	Forecast	Diff. vs. FY2023	y/y vs. FY2023
Revenue		1,653.0	1,930.0	+277.0	+16.8%
	Full Service Carrier	1,323.0	1,503.0	+180.0	+13.6%
	International PAX	624.0	710.0	+86.0	+13.8%
	Domestic PAX	552.0	598.0	+46.0	+8.3%
	Cargo and Mail	133.0	167.0	+34.0	+25.6%
	Other Revenue	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

- From this page, I will show you the detail of our forecast of FY2023 and FY2024.
- This page shows our consolidated forecasts.

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

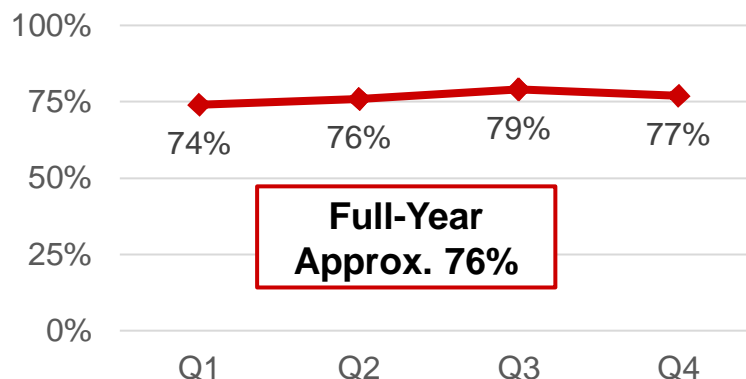


- This page explains our EBIT forecast for FY2024, showing the factors that will cause a change from the previous year, broken down into revenues and expenses.
- As for revenues, we plan to increase it in all business domains, including international and domestic passenger revenues, and plan to increase revenues by 277 billion JPY.
- For expenses, costs linked to the scale of operations and the number of passenger are increasing in line with the increase in the number of passengers and supply.
In addition, maintenance and fuel costs are expected to increase reflecting the market trend.
- As a result, we plan to increase EBIT by 30 billion JPY from FY23 to FY2024.

- 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

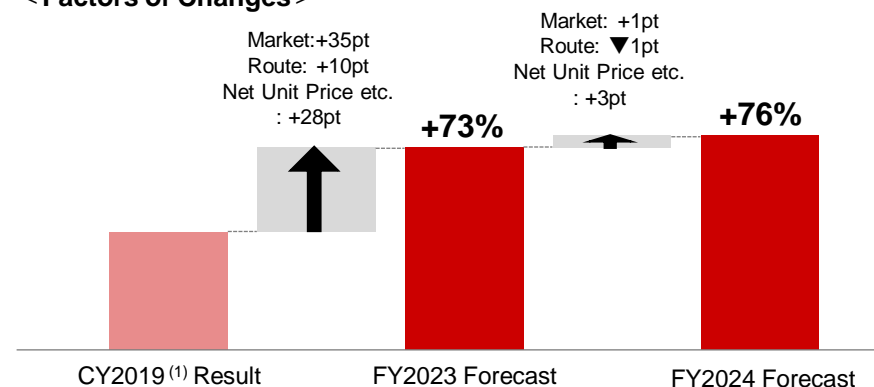
Passenger Demand (vs.CY2019⁽¹⁾)

International

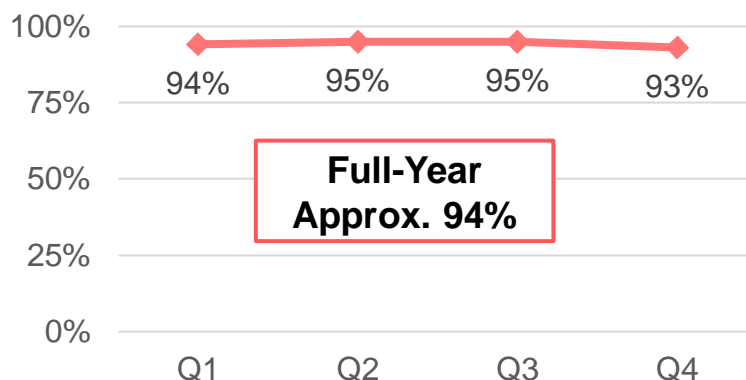


Revenue per Passenger (vs.CY2019⁽¹⁾)

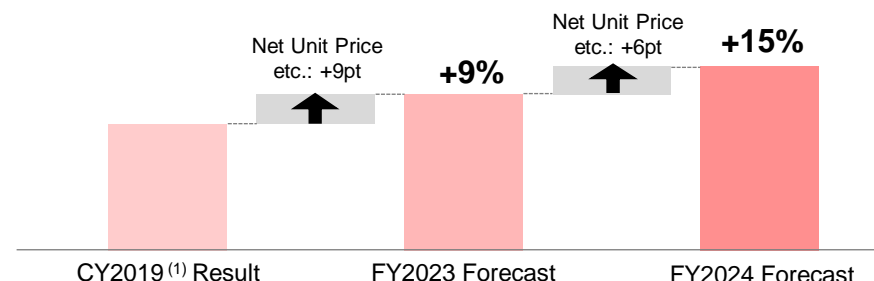
< Factors of Changes >



Domestic



< Factors of Changes >



(1) CY2019 = Jan to Dec 2019

- This page shows demand and unit price assumptions for FY2024.
- As for the demand of the international passenger, we expect a gradual recovery throughout the fiscal year, with a full-year-based recovery of approximately 76% vs. CY19 level.
- For domestic passengers, we expect the total passengers to be about 94% of the 2019-year level for the full year.
- Next, I will explain the unit price.
- For international, we will continue to maintain high unite price, reflecting the tight balance of supply and strong demand on routes to/from Japan, while steadily capturing recovering passenger demand.
- For domestic routes, we will continue to improve the unit price through appropriate revenue management.

Premises of Performance Forecast for FY2023-2024 | Int'l & Domestic Passenger Operations (Full Service Carrier)

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

- On this page, I will explain our earnings forecast assumptions for international and domestic FSC business for FY2024.
- Total passengers on international routes are assumed to increase 12.4% over the FY23 forecast. Together with the assumed 1.8% increase in unit price, passenger revenue is expected to increase 13.8% vs. FY23 forecast.
- The total passengers on domestic routes are expected to increase by 2.6% compared to FY23 forecast, and together with the assumed 5.7% increase in unit price, passenger revenues are expected to increase by 8.3% vs. FY23 forecast.

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


- This page shows the earnings forecast for the FY2024 Cargo business.
- Although the unit weight price of international cargo is expected to decline 9% from the FY2023 forecast, mainly due to an increase in the composition of short-haul routes the launch of our freighter business
- As a result, international cargo revenue is expected to increase 22% from FY2023 forecast combined with a 33.8% increase in the weight carried.

3-8 Premises of Performance Forecast for FY2023-2024 | LCC

Rolling Plan
2024



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%

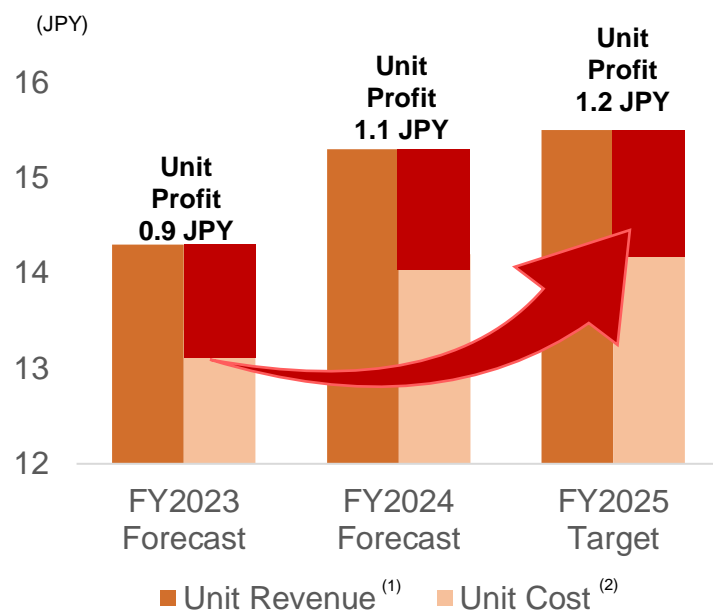
SPRING JAPAN 	FY2023 Forecast	FY2024 Forecast	vs. FY2023 Forecast
Passenger Revenue (JPY Bn)	12.5	20.0	+60.0%
Passenger ('000)	837	1,072	+28.1%
RPK (MN passenger km)	891	1,607	+80.3%
ASK (MN seat km)	1,289	2,123	+64.7%
L/F (%)	69.1%	75.7%	+6.6pt
Revenue per Passenger (JPY) ⁽¹⁾	14,673	18,403	+25.4%
Yield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

- This page presents earnings forecasts for LCC domain for 2024.
- ZIPAIR plans to continue to expand their business steadily, both in total number of passengers and revenue. We expect it to be one of our growth drivers.
- As for SPRING JAPAN, we are also aiming for an early return to profitability capturing growing inbound travel from China.

- 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⁾

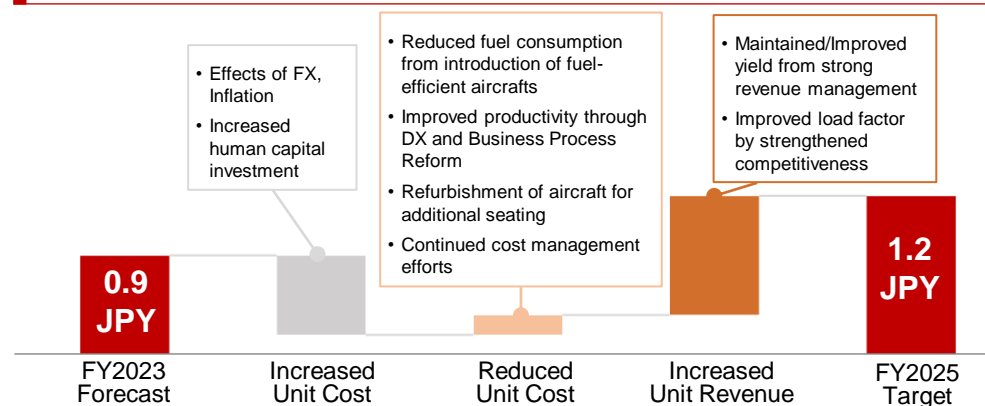


(1) Unit Revenue= Passenger Revenue / ASK

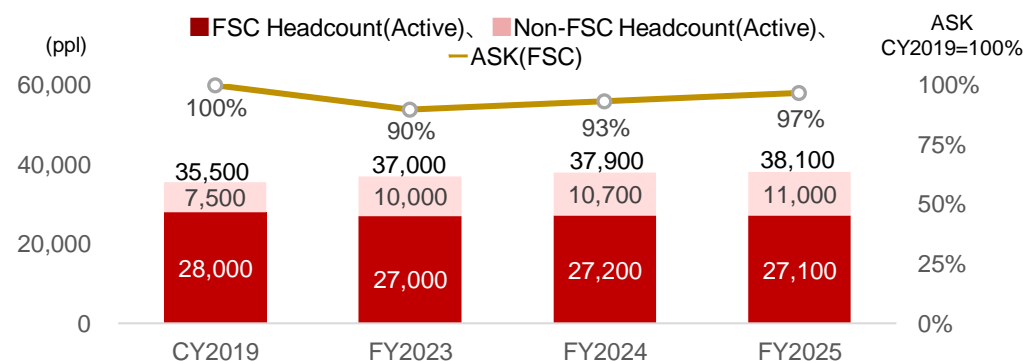
(2) Unit Cost= (Operating Expenses – Revenue other than Passenger) / ASK

(3) Unit Profit= Unit Revenue - Unit Cost

Initiatives to improve Unit Profit⁽³⁾



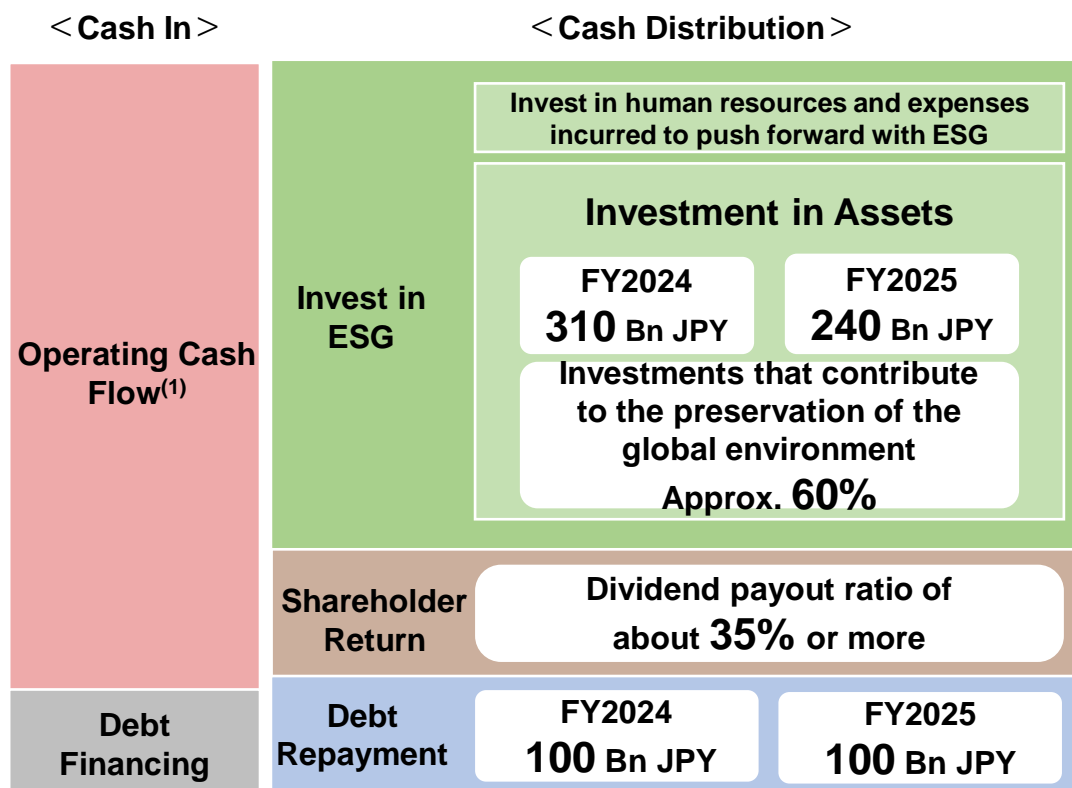
Headcount Forecast for Full Service Carrier (FSC) Domain



- On this page, I will explain our initiatives to improve profitability in the FSC business domain.
- Until this fiscal year, we have defined “actual fixed cost” as a cost control indicator and disclosed its amount.
- However, with the prospect of rising prices and personnel expenses, we believe it is necessary not only to focus on the cost itself, but also to look at the aspect of recovering increased costs through revenues.
- Thus, we will track the unit profit, which is calculated by subtracting the unit cost from the unit revenue, as a measure of profitability.
- We will secure profitability by improving unit price and productivity to offset higher costs due to such as jet fuel market prices, foreign exchange rates, and inflation.
- In addition, the bottom right-hand chart shows the headcount trend in FSC business domain.
- We will strive for efficient operations and will allocate personnel resources in growing areas.

- 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



■ 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

- On this page, I will explain our cash allocation plan.
- We plan to invest 310 billion JPY in assets in FY2024 and 240 billion JPY in FY2025.
- In FSC business domain, we plan to introduce new aircraft and expand our business in the LCC business to accelerate our growth.
- In addition, the dividend payout ratio for FY2024 and FY2025 is set at 35% or more.
- We will continue to provide appropriate shareholder returns.

Balance Sheet	FY2023 Forecast	FY2024 Forecast	Diff.	(JPY Bn)
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	

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

- Finally, I will explain our balance sheet and cash flow.
- As of the end of FY2024, we will continue to maintain Capital Adequacy Ratio of 41.6% and Net Debt Equity Ratio of 0.0x based on a credit rating basis.
- In addition, we expect operating cash flow of 332.0 billion JPY in 2024, and free cash flow of 24.0 billion JPY, even as investment cash flow is expanding compared to FY2023.
- The next page is attached for your references.

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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