Note: This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

NOTICE OF THE 73rd ORDINARY GENERAL MEETING OF SHAREHOLDERS

Japan Airlines Co., Ltd.

Dear Shareholders,

I am pleased to notify you of the 73rd Ordinary General Meeting of Shareholders of Japan Airlines Co., Ltd.

In FY2021, the airline industry continued to experience an adverse situation with the prolonged impact of the spread of the novel coronavirus (COVID-19). Nevertheless, the JAL Group has maintained its air transportation network connecting Japan and overseas destinations, while ensuring “Safety and Comfort” as our top priorities.

With passenger operations needing time to recover, we made thorough cost reductions, reining in variable costs by making flexible adjustments to supply and cutting fixed costs, while making multiple efforts to increase revenue in various ways. However, we recorded a substantial loss again this year, for a second consecutive year following FY2020.

In light of the JAL Group’s recent operating environment, with the emergence of geopolitical risks and the surging price of crude oil, among other factors, we aim to bolster our risk resilience by securing cash flow liquidity and strengthening our financial position as top priority, and have therefore decided to forego payment of dividends for FY2021. We sincerely apologies to our shareholders and ask for your understanding in this matter.

The JAL Group seeks to fulfill its responsibility as a part of the social infrastructure and a lifeline, while realizing JAL Vision 2030, which is built on the pillars of “Safety and Comfort” and “sustainability.” To achieve this, we are implementing the “Medium Term Management Plan Rolling Plan 2022.” By incorporating the surging recovery in domestic passenger service demand and the solid demand for air cargo services, and developing business in the non-airline domains such as the Mileage and Lifestyle business, in FY2022, we aim to achieve EBIT of 80.0 billion yen and profit attributable to owners of parents of 45.0 billion yen, and to resume dividend payments. All of our employees are committed to achieving this plan with a strong sense of mission.

Thank you for your continued support.

May 2022

Yuji Akasaka
Representative Director, President

«Important Notice Concerning the Novel Coronavirus (COVID-19)»

This year, we are placing first priority on ensuring the safety of our shareholders, and to prevent the spread of COVID-19, we are taking the following measures.

- The Company recommend that shareholders exercise their voting rights by mail or via the Internet instead of attending the General Meeting of Shareholders in person. For details, refer to page 5.
- For seniors, people with preexisting medical conditions, pregnant women, people who feel unwell and other shareholders who could suffer serious consequences from infection of the virus, please carefully consider whether to attend the General Meeting of Shareholders.
- On the day of the General Meeting of Shareholders, the content of the business report and the presentation from the Company will be streamed live over the Internet. In addition, the live-streaming content and the question and answer session will be available on the following dedicated website for shareholders at a later date for viewing on demand. For instructions on how to view the video stream, please refer to page 5.

<Attending Shareholders>

- Beginning with the General Meeting of Shareholders held last year, we have changed the venue in order to increase seating capacity. However, due to measures to increase the distance between seats, the seating capacity will be limited. We have therefore adopted a pre-registration system for those planning to attend the meeting, and preferential entry to the venue will be given to shareholders who have registered beforehand. For shareholders who plan on attending the General Meeting of Shareholders, please register on the dedicated website for shareholders beforehand. Pre-registration opens at 9:00 a.m., Friday, June 3, and will close once the number of available seats has been filled. (Only limited seating will be available for shareholders who arrive at the venue on the day without registering beforehand, and it is quite possible that you will not be able to enter. We ask for your understanding in this matter.)

  Dedicated website for shareholders: https://engagement-portal.tr.mufg.jp/

  For instructions on how to access the website, please refer to "Using the dedicated website for shareholders" at the end of this document or the enclosed "Creation of a dedicated website for shareholders."

  If you are not able to register by the above method, we can accept the alternative registration method described below.

  JAL shareholders call center: 03-6733-3090
  (excluding Saturdays and Sundays; 10:00 to 12:00, 13:00 to 16:00)

- If there are any changes in the situation up to the date of the General Meeting of Shareholders, the Company will notify shareholders of its response measures on the Company's website (https://www.jal.com/ja/investor/stockholders_meeting/). Therefore, please be sure to check the Company's website before attending the General Meeting of Shareholders.
- Shareholders attending the meeting are requested to wear a face mask. Also, please cooperate with any other measures that may be deployed, such as using an alcohol disinfectant and measuring your body temperature. If it is determined that a shareholder has a high body temperature or looks unwell, that person may not be allowed to attend the General Meeting of Shareholders.
- The proceedings of the General Meeting of Shareholders may be shortened compared to those in usual years.
- The usual displays of business activities will not be shown this year.
- Please note that the organizing staff may be wearing face masks and taking other measures.

Securities code: 9201

May 30, 2022

NOTICE OF THE 73rd ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

We hereby announce that the 73rd Ordinary General Meeting of Shareholders of Japan Airlines Co., Ltd. (the "Company") will be held on Tuesday, June 21, 2022, as described hereunder.

This year, placing first priority on ensuring the safety of our shareholders and in order to prevent the spread of COVID-19, we recommend that shareholders exercise their voting rights by mail or via the Internet instead of attending the General Meeting of Shareholders in person.

If you choose not to attend the meeting, please review the attached Reference Documents for General Meeting of Shareholders, and please exercise your voting rights no later than 6:00 p.m., Monday, June 20, 2022 by either procedure described in "Guide for Exercising Voting Rights" on page 5.

Sincerely yours,

Yuji Akasaka
Representative Director, President
Japan Airlines Co., Ltd.
2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo

MEETING DETAILS

1. Date and Time: 10:00 a.m., Tuesday, June 21, 2022 (The reception starts at 8:30 a.m.)

2. Venue: 2-1-6 Ariake, Koto-ku, Tokyo
TOKYO GARDEN THEATER

3. Agenda:

Items to be reported:

1. Business Report and Consolidated Financial Statements, Audit Reports of the Accounting Auditors and Board of Corporate Auditors regarding the Consolidated Financial Statements for the 73rd Fiscal Year (April 1, 2021 to March 31, 2022)
2. Non-consolidated Financial Statements for the 73rd Fiscal Year (April 1, 2021 to March 31, 2022)

Items to be proposed:

Proposal 1: Partial Amendment to the Articles of Incorporation

Proposal 2: Election of Nine (9) Directors

Proposal 3: Election of One (1) Audit & Supervisory Board Member

4. Predetermined Terms of the Convocation

- If you exercise your voting rights via the Internet or by mail more than once, your final vote shall prevail.
- If you exercise your voting rights both by mail and via the Internet, your vote via the Internet shall prevail regardless of the arrival date and time.

- If you exercise your voting rights by a proxy, in accordance with the provision of Article 29 of the Articles of Incorporation of the Company, said proxy must be another shareholder of the Company who also owns voting rights. A written power of attorney must be submitted together with the enclosed Voting Form at the reception desk on the day of the General Meeting of Shareholders.
- There are no souvenirs available for shareholders attending the General Meeting of Shareholders. It is prohibited to bring any dangerous items, canned drinks, or PET bottles etc. into the meeting place. We would appreciate your understanding.
- Proceedings on the day of the General Meeting of Shareholders will be carried out in Japanese. The Company will not be providing interpreters, however, in the event that a shareholder is accompanied by their own interpreter (including sign-language interpreters), if the shareholder informs the reception desk on the day of the General Meeting of Shareholders, it will be possible for the interpreter to enter the meeting place.
- In order to save resources, please bring this “Notice of Convocation.”
- If it becomes necessary to amend any item to be listed in the reference documents for the general meeting of shareholders, business report, consolidated financial statements, and non-consolidated financial statements occurs, we will notify you of the amendment(s) on the Company’s website (https://www.jal.com/en/investor/stockholders_meeting/).
- The resolutions adopted at the General Meeting of Shareholders will be posted on the Company’s website.

You can view the main contents of the Notice of Convocation via your smartphone or personal computer.

The Company has introduced a service that allows you to browse the main contents of the Notice of Convocation more conveniently using your smartphone, etc.

Please access the website from the URL below or QR code®.

* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

https://p.sokai.jp/9201/

[Guide for Exercising Voting Rights]

Exercise of voting rights at the Company's General Meeting of Shareholders is shareholders' important right. Please by all means exercise your voting rights.

For shareholders not visiting the venue

Request for exercising voting rights by mail or via the Internet

The Company strongly recommend that shareholders exercise their voting rights by mail or via the Internet instead of attending the General Meeting of Shareholders in person.

- Exercise of voting rights by mail

  For details, refer to page 7.

- Exercise of voting rights via the Internet

  For details, refer to page 8.

Exercise due date: No later than 6:00 p.m., Monday, June 20, 2022 (JST)
(Voting by mail must arrive no later than the due date.)

The Company will livestream the General Meeting of Shareholders
The content of the business report and the presentation from the Company will be streamed live over the Internet.

Website for viewing livestreaming: https://engagement-portal.tr.mufg.jp/
To view the live streaming, you will need to enter your shareholder number and your postcode.
Your shareholder number is provided in the "Request to Shareholders" part of the Voting Form. Please keep a record of your shareholder number for ready access on the day of the meeting.
Please direct your inquiries regarding the live streaming as follows.

For shareholder ID (shareholder number) inquiries	**For troubles with the live streaming, etc.**
Mitsubishi UFJ Trust and Banking Corporation 0120-191-060 Tuesday, June 21, 2022 (day of the meeting) From 9:00 a.m. until the meeting ends.	J-Stream Inc. 0120-676-808 Tuesday, June 21, 2022 (day of the meeting) From 9:30 a.m. until the meeting ends.

The live-streaming content will be posted on the Company's website promptly afterwards.

For shareholders visiting the venue

Request for pre-registration
In order to increase the distance between seats, the seating capacity will be limited. The Company has adopted a pre-registration system for those planning to attend the meeting, and preferential entry to the venue will be given to shareholders who have registered beforehand. Shareholders who plan on attending the General Meeting of Shareholders are kindly requested to register on the dedicated website for shareholder beforehand.

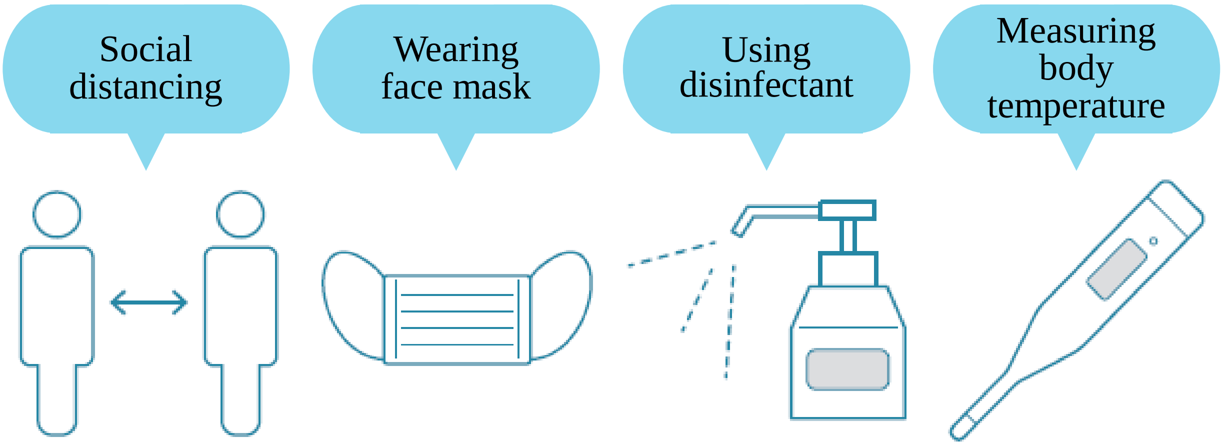
Opening date for pre-registration: 9:00 a.m., Friday, June 3, 2022 (JST)
Pre-registration will close once the number of available seats has been filled.

Dedicated website for shareholders: https://engagement-portal.tr.mufg.jp/

If you are not able to register by the above method, we can accept the alternative registration method described below.
JAL shareholders call center: 03-6733-3090
(excluding Saturdays and Sundays; 10:00 to 12:00, 13:00 to 16:00)

<u>From the standpoint of preventing the spread of infections, the following measures shall be taken.</u>

- We will secure a sufficient space between seats at the venue.
- Shareholders attending the meeting are requested to wear a face mask.
- Shareholders are requested to cooperate with using an alcohol-based disinfectant at the venue.
- Shareholders are requested to cooperate with body temperature measurement at the reception.



- If it is determined that a shareholder has a high body temperature or looks unwell, that person may not be allowed to enter the venue.
- Shareholders who arrive at the venue on the day without registering beforehand may not be allowed to enter the venue.
- The displays of business activities will not be shown.

Guide for Exercising Voting Rights

Exercise of voting rights at the Company's General Meeting of Shareholders is shareholders' important right. Please by all means exercise your voting rights.

There are three methods to exercise your voting rights as indicated below.

For Shareholders attending the General Meeting of Shareholders	For Shareholders who are voluntarily refraining from attending the General Meeting of Shareholders	
Exercise your voting rights by attending the meeting You are kindly requested to present the enclosed Voting Form at the reception desk on the day of the General Meeting of Shareholders. (Not required to place a seal.)	**Exercise your voting rights by mail** You are kindly requested to indicate your vote of approval or disapproval of each proposal on the enclosed Voting Form, and to return the completed Voting Form to the Company. You do not need to affix a stamp. * For the method to fill in the Voting Form, please refer to the following section	**Exercise your voting rights via the Internet** You are kindly requested to exercise your voting right by accessing the website designated by the Company. Exercise of Voting Rights Website: https://evote.tr.mufg.jp/ * For details, please refer to the page 8.
Date and time of the General Meeting of Shareholders	Exercise due date	Exercise due date
10:00 a.m., Tuesday, June 21, 2022 (JST)	To be arrived no later than 6:00 p.m., Monday, June 20, 2022 (JST)	To be entered no later than 6:00 p.m., Monday, June 20, 2022 (JST)

Guide for filling in the Voting Form

Please indicate your vote of approval or disapproval of each proposal.

Proposals 1 and 3

▶ If you approve ······ Put a circle in the box marked 賛 [Approve].

▶ If you disapprove ······ Put a circle in the box marked 否 [Disapprove].

Proposal 2

▶ If you approve of all of the candidates ······ Put a circle in the box marked 賛 [Approve].

▶ If you disapprove of all of the candidates ······ Put a circle in the box marked 否 [Disapprove].

▶ If you disapprove of some of the candidates ······ Put a circle in the box marked 賛 [Approve], and indicate the candidate numbers for the candidates that you disapprove of.

Use of the electronic platform for exercising voting rights

Provided that an application to use the platform has been submitted beforehand, institutional investors may use the electronic platform for exercising voting rights operated by ICJ, Inc., in which Tokyo Stock Exchange Inc. has a stake.

The Voting Rights Exercise via the Internet

Method 1: Scanning QR Code®	Method 2: Entering "Login ID" and "Temporary Password"

Method 1: Scanning QR Code®

You can login to the Exercise of Voting Rights Website without having to enter your "login ID" and "temporary password" provided on the Voting Form.

1. Please scan the QR code® located on the right-hand side of the Voting Form.

* "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

2. Please follow on-screen instructions to indicate your approval or disapproval of each item.

Note that your login by scanning QR code® is possible only at a time.
In case of re-exercising of voting rights or exercising voting right without scanning QR code®, please refer Method 2 "Entering Login ID and Temporary Password" on the right.

Method 2: Entering "Login ID" and "Temporary Password"

Exercise of Voting Rights Website

https://evote.tr.mufg.jp/

1. Please access the website for exercising voting rights.
2. Enter your "Login ID" and "Temporary Password" provided on the Voting Form, and click on Log in.
3. Please register a "new password."
4. Please follow on-screen instructions to indicate your approval or disapproval of each item.

1. You will not be able to access the website from 2:00 a.m. to 5:00 a.m. each day during the exercise period.
2. Any expenses arising from access to the voting site shall be the responsibility of the shareholder.

Voting rights may be exercised by 6:00 p.m. on Monday, June 20, 2022, but shareholders are requested to do so as early as possible. If you have any questions, please contact the Help Desk *(only in Japanese)*.

In case you need instructions for how to operate your personal computer/smartphone/mobile phone in order to exercise your voting rights via the Internet, please contact:	Help Desk, Stock Transfer Agency Department Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027 (toll free (Only within Japan)) Open: 9:00 a.m. to 9:00 p.m. (Japan Time)

Table of Contents

Proposal 1: Partial Amendment to the Articles of Incorporation

1. Reason for the proposal

Accompanying the enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on September 1, 2022, the Company proposes to make the following changes to the Articles of Incorporation because the Company will introduce a system for providing informational materials for the general meeting of shareholders in electronic format.

(1) Article 27, paragraph 1 in "Proposed amendments" below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for general meeting of shareholders, etc. in electronic format.

(2) Article 27, paragraph 2 in "Proposed amendments" below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.

(3) Since the provision for Disclosure through Internet and Deemed Delivery of Reference Documents, Etc. for General Meeting of Shareholders (Article 27 of the current Articles of Incorporation) will no longer be required, they will be deleted.

(4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendments

Details of the amendments are as follows:

Existing provisions	Proposed amendments
(Disclosure through Internet and Deemed Delivery of Reference Documents, Etc. for General Meeting of Shareholders) Article 27 In convening a general meeting of shareholders, the Company may be deemed to have provided the shareholders with necessary information that should be described or indicated in the reference documents for the general meeting of shareholders, business reports, non-consolidated financial statements and consolidated financial statements, on the condition that such information is disclosed through the Internet in accordance with Ordinances of the Ministry of Justice.	(Deleted)
(Newly added)	(Measures, etc. for Providing Information in Electronic Format) Article 27 1. In convening a general meeting of shareholders, the Company shall take measures for providing information that constitutes the content of reference documents for general meeting of shareholders, etc. in electronic format. 2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.

Existing provisions	Proposed amendments
(Newly added)	(Supplementary Provisions) 1. The deletion of Article 27 (Disclosure through Internet and Deemed Delivery of Reference Documents, Etc. for General Meeting of Shareholders) in the existing provisions and the establishment of the new Article 27 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022. 2. Notwithstanding the provision of the preceding paragraph, Article 27 in the existing provisions shall remain effective regarding any general meeting of shareholders held on a date until February 28, 2023. 3. These Supplementary Provisions shall be deleted on March 1, 2023 or the date when three (3) months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.

Proposal 2: Election of Nine (9) Directors

The Company's Articles of Incorporation sets out the term of office for Directors as one (1) year in order to clarify their management responsibility for each fiscal year. Accordingly, the terms of office of all nine (9) active Directors will expire at the conclusion of this General Meeting of Shareholders.

In the current term, the Company wishes to retain the number of Directors as the current nine (9). In terms of the composition of Directors, this will retain the current three (3) External Directors and will retain the current six (6) non-External Directors. With an emphasis put on securing diversity among members of the Board of Directors, the Company will further continue to enhance its corporate value by establishing a corporate governance system at a higher level, which enables more appropriate management decisions and an enhanced supervising of corporate management in a highly transparent manner.

Accordingly, the Company hereby proposes that you elect the nine (9) Directors including three (3) External Directors. For this proposal, the Board of Directors consulted the Nominating Committee, which comprises a majority of External Directors and is chaired by an External Director, and makes the proposal with consideration of the Committee's report.

The candidates for Directors are as follows:

No.	Name		Current position and main responsibilities at the Company	Attendance at Board of Directors meetings	Tenure
1	Yoshiharu UEKI	Reappointment	Director, Chairman Chairman of the Board of Directors	100% (19/19)	10 years
2	Yuji AKASAKA	Reappointment	Representative Director, President Safety General Manager Oversees JAL SDGs	100% (19/19)	4 years
3	Shinichiro SHIMIZU	Reappointment	Representative Director, Executive Vice President Aide to the President	100% (19/19)	4 years
4	Hideki KIKUYAMA	Reappointment	Representative Director, Senior Managing Executive Officer General Manager, Finance & Accounting	100% (19/19)	6 years
5	Ryuzo TOYOSHIMA	Reappointment	Director and Senior Managing Executive Officer General Manager, Route Marketing	100% (19/19)	3 years
6	Tadayuki TSUTSUMI	Reappointment	Director and Managing Executive Officer General Manager, Corporate Safety & Security Manager, Family Assistance & Support	100% (15/15)	1 year
7	Eizo KOBAYASHI	Reappointment, External, Independent	Director	100% (19/19)	7 years
8	Sonoko HATCHOJI	Reappointment, External, Independent	Director	100% (19/19)	4 years
9	Hiroyuki YANAGI	Reappointment, External, Independent	Director	100% (15/15)	1 year

No. 1

Yoshiharu UEKI

(September 16, 1952)

69 years old

Number of Company shares held

Ordinary shares 36,500

Tenure as Director: 10 years

Reappointment

(Career summary, position and responsibilities at the Company)

June	1975	Joined the Company
April	1994	Captain, DC10 Flight Crew Office of the Company
April	2004	Deputy General Manager, Flight Planning And Administration Office, Administration Department of the Company Deputy General Manager, Flight Planning And Administration Office, Flight Crew Planning Department of the Company
April	2005	Vice President and Deputy General Manager, Flight Operation Division of the Company General Manager, Flight Planning And Administration Office of the Company
April	2007	General Manager, Flight Crew Training Development Department of the Company
June	2008	Representative Director, Executive Vice President of J-AIR CO., LTD. (on secondment)
February	2010	Executive Officer of the Company General Manager, Flight Operations
December	2010	Senior Managing Executive Officer of the Company General Manager, Managing Division Route Marketing
February	2012	Representative Director, President of the Company General Manager, Managing Division Route Marketing
April	2013	Representative Director, President of the Company
April	2018	Representative Director, Chairman of the Company
April	2020	Director, Chairman of the Company (to present)

(Important positions concurrently assumed outside the Company)

Number of important concurrent positions assumed at other listed companies: 1

Outside Director, Japan Airport Terminal Co., Ltd.

(Reasons for the nomination as Director)

After joining the Company, Mr. Ueki acquired insight related to safety operations, etc. and on-the-job experience as a flight crew at an extremely high level. He has taken control of developing the Medium Term Management Plan and certainly executed it, exercising strong leadership and decision-making skills, as Representative Director, President, since 2012. Furthermore, he has continued to contribute to strengthening of the supervisory function of the Board of Directors serving as Chairman of the Board of Directors and a member of the Corporate Governance Committee since 2018. For all of these reasons, he is believed to be the right person for the Company to sustainably enhance its corporate value, so the Company hereby proposes that you elect him as Director.

No. 2

Yuji AKASAKA
(January 3, 1962)
60 years old

Number of Company shares held
Ordinary shares
10,400

Tenure as Director: 4 years

Reappointment

(Career summary, position and responsibilities at the Company)

April	1987	Joined the Company
April	2009	Vice President, Corporate Safety & Security of the Company Vice President, Customer Relations of the Company
April	2014	Executive Officer of the Company General Manager, Engineering & Maintenance Representative Director, President of JAL ENGINEERING CO., LTD.
April	2016	Managing Executive Officer of the Company General Manager, Engineering & Maintenance Representative Director, President of JAL ENGINEERING CO., LTD.
April	2018	President of the Company
June	2018	Representative Director, President of the Company (to present)

(Important positions concurrently assumed outside the Company)
None.

(Reasons for the nomination as Director)
After joining the Company, Mr. Akasaka engaged mainly in Engineering & Maintenance Division, and acquired on-the-job experience and insight related to safety operations, etc. at an extremely high level as well as significant knowledge and extensive connections in the airline engineering & maintenance industry. He has strengthened the foundation for safety operations, exercising strong leadership and decision-making skills, as Representative Director, President of JAL ENGINEERING CO., LTD., since 2014. In addition, as Representative Director and President of the Company since 2018, he has worked to uphold in the JAL Group that flight safety is the foundation of the JAL Group and by “Lead by Example” through his own practicing of JAL philosophy he has aimed to greatly contribute to the realization of JAL’s corporate philosophy with all employees. For all of these reasons, he is believed to be the right person for the Company to sustainably enhance its corporate value, so the Company hereby proposes that you elect him as Director.

No. 3

Shinichiro SHIMIZU
(December 13, 1962)
59 years old

Number of Company shares held

Ordinary shares
3,700

Tenure as Director: 4 years

Reappointment

(Career summary, position and responsibilities at the Company)

April	1985	Joined the Company
October	2009	General Manager, Cabin Planning Department of the Company
April	2013	Executive Officer of the Company General Manager, Human Resources
April	2015	Managing Executive Officer of the Company General Manager, Human Resources
April	2016	Managing Executive Officer of the Company General Manager, Secretary’s Office
June	2018	Director and Managing Executive Officer of the Company General Manager, Secretary’s Office
April	2019	Director and Senior Managing Executive Officer of the Company General Manager, Secretary’s Office
April	2020	Representative Director, Executive Vice President of the Company (to present)

(Important positions concurrently assumed outside the Company)

None.

(Reasons for the nomination as Director)

After joining the Company, Mr. Shimizu successively engaged in personnel and labor affairs related to flight crews and cabin attendants, etc. and other divisions, and realized material achievements, exercising great leadership and strong planning and coordination capabilities. Having served as General Manager of Human Resources since 2013 and of Secretary’s Office since 2016, he has contributed considerably to improving and stabilizing the Company’s external presence by judging the situation which the Company is in from a higher perspective. Since April 2020, he has been assisting the President as Representative Director, Executive Vice President, and considerably contributing to further strengthening and enhancement of the management structure. For all of these reasons, he is believed to be the right person for the Company to sustainably enhance its corporate value, so the Company hereby proposes that you elect him as Director.

No. 4

Hideki KIKUYAMA
(March 19, 1960)
62 years old

Number of Company shares held

Ordinary shares
1,600

Tenure as Director: 6 years

Reappointment

(Career summary, position and responsibilities at the Company)

April	1983	Joined the Company
September	2005	General Manager, General Affairs Department, the Americas Office of the Company
April	2007	General Manager, Corporate Planning Office of the Company
February	2010	Executive Officer of the Company Deputy General Manager, Corporate Planning
February	2012	Managing Executive Officer of the Company General Manager, Managing Division Route Marketing (Domestic Route Marketing)
April	2013	Senior Managing Executive Officer of the Company General Manager, Managing Division Route Marketing
June	2016	Director and Senior Managing Executive Officer of the Company General Manager, Managing Division Route Marketing
April	2019	Director and Senior Managing Executive Officer of the Company General Manager, Finance & Accounting
April	2020	Representative Director, Senior Managing Executive Officer of the Company General Manager, Finance & Accounting (to present)

(Important positions concurrently assumed outside the Company)

None.

(Reasons for the nomination as Director)

After joining the Company, Mr. Kikuyama successively engaged in IT systems, passenger reservation, personnel and labor affairs, corporate planning, etc. in the Head Office and the Americas Offices, etc. and made achievements, exercising great leadership and strong planning and coordination capabilities. Since 2013, serving as General Manager, Managing Division Route Marketing, he has been considerably contributing to maximizing route profits. Since 2019, furthermore, serving as General Manager of Finance & Accounting, he has worked to provide highly transparent information disclosure understandable to shareholders and investors and exercise proper management decisions and decision-making skills that benefit the interests of shareholders. For all of these reasons, he is believed to be the right person for the Company to sustainably enhance its corporate value, so the Company hereby proposes that you elect him as Director.

No. 5

Ryuzo TOYOSHIMA
(August 17, 1959)
62 years old

Number of Company shares held

Ordinary shares
3,600

Tenure as Director: 3 years

Reappointment

(Career summary, position and responsibilities at the Company)

April	1983	Joined the Company
April	2007	General Manager, Labor Services Department of the Company
April	2009	Senior Vice President of Paris Branch of the Company
February	2010	Executive Officer of the Company in charge of Corporate Communications, Strategic Corporate Relations, General Administration, and Legal Compliance
December	2010	Vice President, Narita Airport of the Company
June	2012	Executive Officer of the Company President of JAL Express Co., Ltd.
October	2014	Executive Officer of the Company Assistant to General Manager, Managing Division Route Marketing
April	2015	Managing Executive Officer of the Company General Manager, Corporate Control
April	2019	Senior Managing Executive Officer of the Company General Manager, Managing Division Route Marketing
June	2019	Director and Senior Managing Executive Officer of the Company General Manager, Managing Division Route Marketing
April	2021	Director and Senior Managing Executive Officer of the Company General Manager, Route Marketing (to present)

(Important positions concurrently assumed outside the Company)

None.

(Reasons for the nomination as Director)

After joining the Company, Mr. Toyoshima successively engaged in labor affairs and served as General Manager of the Labor Services Department, realized material achievements, exercising great leadership and strong planning and coordination capabilities. Having served as General Manager of Corporate Control since 2015, he has greatly contributed to the wide-spread adoption of a divisional profitability management system across the entire JAL Group. He has been considerably contributing to maximizing route profits serving as General Manager, Managing Division Route Marketing since 2019, and as General Manager, Route Marketing since 2021. For all of these reasons, he is believed to be the right person for the Company to sustainably enhance its corporate value, so the Company hereby proposes that you elect him as Director.

No. 6

Tadayuki TSUTSUMI
(December 19, 1960)
61 years old

Number of Company shares held

Ordinary shares
700

Tenure as Director: 1 year

Reappointment

(Career summary, position and responsibilities at the Company)

September	1982	Joined the Company
April	1997	Captain, B747-400 Flight Crew Office of the Company
July	1998	Assistant to Director, Cockpit Crew, Cabin Attendants, Engineering & Maintenance Group, Administration Department, Information Systems Office, Administration, Captain, B747-400 Flight Crew of the Company Assistant to Flight Operations Division of the Company
March	2007	Assistant to Director, Corporate Safety and Security, Safety Investigations/Research of the Company
April	2011	Manager, Flight Operations Safety Promotion of the Company
April	2019	Executive Officer of the Company General Manager, Flight Operations
April	2020	Executive Officer of the Company General Manager, Corporate Safety & Security Manager, Family Assistance & Support
April	2021	Managing Executive Officer of the Company General Manager, Corporate Safety & Security Manager, Family Assistance & Support
June	2021	Director and Managing Executive Officer of the Company General Manager, Corporate Safety & Security Manager, Family Assistance & Support (to present)

(Important positions concurrently assumed outside the Company)

None.

(Reasons for the nomination as Director)

After joining the Company, Mr. Tsutsumi acquired insight related to safety operations, etc. and on-the-job experience as a flight crew at an extremely high level. As Executive Officer and General Manager, Flight Operations since 2019, General Manager, Corporate Safety & Security since 2020, and Director since 2021, he has greatly contributed to supporting flight safety with his strong sense of responsibility and sense of ethics. For all of these reasons, he is believed to be the right person for the Company to sustainably enhance its corporate value, so the Company hereby proposes that you elect him as Director.

No. 7

Eizo KOBAYASHI

(January 7, 1949)

73 years old

Number of Company shares held

Ordinary shares 7,700

Tenure as Director: 7 years

Reappointment, External, Independent

(Career summary, position and responsibilities at the Company)

April	1972	Joined ITOCHU Corporation
June	2000	Executive Officer of ITOCHU Corporation
April	2002	Managing Executive Officer of ITOCHU Corporation
June	2003	Representative Director, Managing Director of ITOCHU Corporation
April	2004	Representative Director, Senior Managing Director of ITOCHU Corporation
June	2004	President and Chief Executive Officer of ITOCHU Corporation
April	2010	Representative Director Chairman of ITOCHU Corporation
July	2010	Outside Auditor of Asahi Mutual Life Insurance Company
June	2011	Director Chairman of ITOCHU Corporation
June	2013	Director (Outside) of OMRON Corporation (to present)
June	2015	External Director of the Company (to present)
June	2016	Chairman of ITOCHU Corporation Outside Director of Japan Exchange Group, Inc. (to present)
April	2018	Senior Representative for Business Community Relations of ITOCHU Corporation
April	2020	Director Emeritus of ITOCHU Corporation (to present)

(Important positions concurrently assumed outside the Company)

Number of important concurrent positions assumed at other listed companies: 2

Director (Outside) of OMRON Corporation

Outside Director of Japan Exchange Group, Inc.

(Reasons for the nomination as External Director)

Mr. Kobayashi has extensive experience in global management and leadership over multifaceted group companies and deep insight into management as a member of top management of a general trading company which develops businesses around the world. With such experience and insight, he gives advice to the Company's management and appropriately supervises the performance of duties from practical and diversified perspectives, and if he is elected, the Company expects that he will continue to fulfil those duties. For all of these reasons, he is believed to be the right person for the Company to sustainably enhance its corporate value, so the Company hereby proposes that you elect him as External Director who meets the Independence Standards of External Officers stipulated by the Company.

He is currently serving as the Company's External Director. As of the conclusion of this General Meeting of Shareholders, his tenure as External Director will be seven (7) years.

(Independent Officer)

He meets the requirements of an Independent Officer who is unlikely to have conflicts of interest with general shareholders as prescribed by the Tokyo Stock Exchange and the Independence Standards of External Officers stipulated by the Company described on page 24. The Company, therefore, has designated him as the Independent Officer and provided the notification to the stock exchange. If he is reappointed as Director and assumes the post of External Director, he will become an Independent Officer.

(Overview of limited liability agreement)

In accordance with Article 427, Paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with him to limit his liability pursuant to Article 423, Paragraph (1) of the Companies Act, setting the minimum amount stipulated by Article 425, Paragraph (1) of the said Act as the maximum liability. If he is reappointed as Director and assumes the post, the Company will continue the agreement with him.

* Japan Exchange Group, Inc., of which Mr. Kobayashi is an Outside Director, received a business improvement order on November 30, 2020 by the Financial Services Agency in relation to a system failure at its subsidiary Tokyo Stock Exchange, Inc.

No. 8

Sonoko HATCHOJI
(January 15, 1950)
72 years old

Number of Company shares held

Ordinary shares
5,100

Tenure as Director: 4 years

Reappointment, External, Independent

(Career summary, position and responsibilities at the Company)

April	1972	Joined The Industrial Bank of Japan, Limited (currently, Mizuho Bank, Ltd.)
November	1993	Director, Vice President of IBJ International plc, U.K. securities subsidiary of The Industrial Bank of Japan, Limited
June	1997	Deputy Manager and Associate Director, Market Risk Management Office of The Industrial Bank of Japan, Limited
March	2002	Executive Officer of IBJ Leasing Company, Limited (currently, Mizuho Leasing Company, Limited)
April	2004	Senior Consultant of The Kyoritsu Risk Management Co., Ltd.
January	2006	Director of Yuki Management & Research Co., Ltd.
April	2008	Part-time Internal Auditor of Aetos Japan, LLC
April	2009	Executive Officer of FUJITA KANKO INC.
March	2010	Director and Executive Officer of FUJITA KANKO INC.
March	2011	Managing Director and Managing Executive Officer of FUJITA KANKO INC.
March	2013	Managing Executive Officer of FUJITA KANKO INC.
March	2015	Advisor of FUJITA KANKO INC.
June	2016	Outside Director of Nisshin Steel Co., Ltd. (currently, NIPPON STEEL CORPORATION)
April	2017	Special Advisor to the President of Tsuda University
June	2018	External Director of the Company (to present)
June	2019	External Director of Daicel Corporation (to present) External Director of Maruha Nichiro Corporation (to present)

(Important positions concurrently assumed outside the Company)

Number of important concurrent positions assumed at other listed companies: 2

External Director of Daicel Corporation

External Director of Maruha Nichiro Corporation

(Reasons for the nomination as External Director)

Ms. Hatchoji has significant knowledge and extensive experience in the areas of financial product development, loans and risk management at banks, and customer-centric marketing and management strategy in hotel management. She has also been providing advice to the Company's management and carrying out appropriate oversight of business execution, using her diversified perspectives she has gained in the areas including educational reforms at universities, and if she is elected, the Company expects that she will continue to fulfil those duties. For all of these reasons, she is believed to be the right person for the Company to sustainably enhance its corporate value, so the Company hereby proposes that you elect her as External Director who meets the Independence Standards of External Officers stipulated by the Company.

She is currently serving as the Company's External Director. As of the conclusion of this General Meeting of Shareholders, her tenure as External Director will be four (4) years.

(Independent Officer)

She meets the requirements of an Independent Officer who is unlikely to have conflicts of interest with general shareholders as prescribed by the Tokyo Stock Exchange and the Independence Standards of External Officers stipulated by the Company described on page 24. The Company, therefore, has designated her as the Independent Officer and provided the notification to the stock exchange. If she is reappointed as Director and assumes the post of External Director, she will become an Independent Officer.

She retired from The Industrial Bank of Japan, Limited (currently, Mizuho Bank, Ltd.) in April 2002. In addition, in January 2006, she retired from all positions as officers at Mizuho Financial Group, Inc. and its consolidated subsidiaries.

(Overview of limited liability agreement)

In accordance with Article 427, Paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with her to limit her liability pursuant to Article 423, Paragraph (1) of the Companies Act, setting the minimum amount stipulated by Article 425, Paragraph (1) of the said Act as the maximum liability. If she is reappointed as Director and assumes the post, the Company will continue the agreement with her.

No. 9	(Career summary, position and responsibilities at the Company)	
 Hiroyuki YANAGI (November 20, 1954) 67 years old	April 1978	Joined Yamaha Motor Co., Ltd.
	March 2007	Executive Officer of Yamaha Motor Co., Ltd.
	March 2009	Senior Executive Officer of Yamaha Motor Co., Ltd.
	March 2010	President, Chief Executive Officer and Representative Director of Yamaha Motor Co., Ltd.
	January 2018	Chairman and Representative Director of Yamaha Motor Co., Ltd.
	March 2019	Outside Director of AGC Inc. (to present) Outside Director of Kirin Holdings Company, Limited (to present)
	March 2021	Chairman and Director of Yamaha Motor Co., Ltd.
	June 2021	External Director of the Company (to present)
	January 2022	Director of Yamaha Motor Co., Ltd.
	March 2022	Advisor of Yamaha Motor Co., Ltd.(to present)
Number of Company shares held Ordinary shares 4,000	(Important positions concurrently assumed outside the Company) Number of important concurrent positions assumed at other listed companies: 2 Outside Director of AGC Inc. Outside Director of Kirin Holdings Company, Limited	
Tenure as Director: 1 year	(Reasons for the nomination as External Director) Mr. Yanagi has deep insight and extensive experience as a member of top management in a company pushing ahead with international expansion. With such insight and experience, he gives advice to the Company's management and appropriately supervises the performance of duties from practical and diversified perspectives, and if he is elected, the Company expects that he will continue to fulfil those duties. For all of these reasons, he is believed to be the right person for the Company to sustainably enhance its corporate value, so the Company hereby proposes that you elect him as External Director who meets the Independence Standards of External Officers stipulated by the Company. He is currently serving as the Company's External Director. As of the conclusion of this General Meeting of Shareholders, his tenure as External Director will be one (1) years.	
Reappointment, External, Independent	(Independent Officer) He meets the requirements of an Independent Officer who is unlikely to have conflicts of interest with general shareholders as prescribed by the Tokyo Stock Exchange and the Independence Standards of External Officers stipulated by the Company described on page 24. The Company, therefore, has designated him as the Independent Officer and provided the notification to the stock exchange. If he is reappointed as Director and assumes the post of External Director, he will become an Independent Officer.	
	(Overview of limited liability agreement) In accordance with Article 427, Paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with him to limit his liability pursuant to Article 423, Paragraph (1) of the Companies Act, setting the minimum amount stipulated by Article 425, Paragraph (1) of the said Act as the maximum liability. If he is reappointed as Director and assumes the post, the Company will continue the agreement with him.	

(Note) There is no special interest between the candidates for Directors and the Company.

(Note) Conclusion of a directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance ("D&O insurance") policy as provided for in Article 430-3, Paragraph (1) of the Companies Act with an insurance company, thereby covering compensation for damages, litigation expenses, etc. incurred by Directors and Audit & Supervisory Board Members as a result of receiving claims for damages arising from the performance of their duties (unless a coverage exclusion in the insurance policy is applied). All of the candidates presently serving as Directors are covered under the D&O insurance policy, and if each of the candidates are reelected and assume their posts, all of them will continue to be covered by the D&O insurance policy. The full amount of the insurance premiums for the D&O insurance policy is borne by the Company.

The term of the D&O insurance policy is one (1) year, and the Company plans to renew the policy before the expiration of that term by resolution of the Board of Directors.

Proposal 3: Election of One (1) Audit & Supervisory Board Member

The term of office of Mr. Shinsuke Kubo, active Audit & Supervisory Board Member, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to reelect him as External Audit & Supervisory Board Member.

For this proposal, the Board of Directors consulted the Nominating Committee, which comprises a majority of External Directors and is chaired by an External Director, the Nominating Committee formulated their report while reviewing the requirements for candidates provided by the Audit & Supervisory Board, and the Board of Directors makes the proposal with consideration of the Committee's report.

In addition, submission of this proposal to this General Meeting of Shareholders was approved in advance by the Board of Corporate Auditors.

The career summary, etc. of Mr. Kubo is as follows:

Shinsuke KUBO
(March 4, 1956)
66 years old

Number of Company shares held

Ordinary shares
4,900

Tenure as Audit & Supervisory Board Member: 4 years

Reappointment,
External,
Independent

(Career summary, position and responsibilities at the Company)

April	1979	Joined Sanwa & Co. Tokyo Marunouchi Office (current Deloitte Touche Tohmatsu LLC)
June	1998	Representative Partner of Tohmatsu & Co.
June	2000	Representative Director, President of Tohmatsu Venture Support Co., Ltd.
January	2003	Director of Tohmatsu Turnaround Support Co., Ltd. (current Deloitte Tohmatsu Financial Advisory LLC)
March	2010	Member of Compliance Investigations Committee of Japan Airlines Co., Ltd. as a reorganization company (Note)
October	2017	Managing Partner of Shinsuke Kubo CPA Office (to present)
January	2018	Representative Director of Japan Enterprise Sustainable Transformation Advisory Co., Ltd.
May	2018	Representative Partner of Kyoei Accounting Office (to present)
June	2018	Audit & Supervisory Board Member of the Company (to present)
June	2020	External Audit and Supervisory Board Member of KAWASAKI KISEN KAISHA, Ltd. (to present)

(Note) Compliance Investigations Committee had been active from March 2, 2010 to August 31, 2010.

(Important positions concurrently assumed outside the Company)

Number of important concurrent positions assumed at other listed companies: 1

Representative Partner of Kyoei Accounting Office

External Audit and Supervisory Board Member of KAWASAKI KISEN KAISHA, Ltd.

(Reasons for the nomination as External Audit & Supervisory Board Member)

Since joining Sanwa & Co. Tokyo Marunouchi Office (current Deloitte Touche Tohmatsu LLC), Mr. Kubo has cultivated extensive experience and achievements as well as expert insight on accounting through working on numerous corporate audits, share listings, corporate revitalizations, M&A and so forth. He now carries out audits and provides advice concerning accounting, etc. as an Audit & Supervisory Board Member of the Company. For all of these reasons, he is believed to be the right person to maintain the soundness of the Company and to achieve the sustainable enhancement of the Company's corporate value, so the Company hereby proposes that you elect him as External Audit & Supervisory Board Member who meets the Independence Standards of External Officers stipulated by the Company. He is currently serving as the Company's External Audit & Supervisory Board Member. As of the conclusion of this General Meeting of Shareholders, his tenure as External Audit & Supervisory Board Member will be four (4) years.

(Independent Officer)

He meets the requirements of an Independent Officer who is unlikely to have conflicts of interest with general shareholders as prescribed by the Tokyo Stock Exchange and the Independence Standards of External Officers stipulated by the Company described on page 24. The Company, therefore, has designated him as the Independent Officer and provided the notification to the stock exchange. If he is reelected as Audit & Supervisory Board Member and assumes the post of External Audit & Supervisory Board Member, he will become an Independent Officer.

	(Overview of limited liability agreement) In accordance with Article 427, Paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with him to limit his liability pursuant to Article 423, Paragraph (1) of the Companies Act, setting the minimum amount stipulated by Article 425, Paragraph (1) of the said Act as the maximum liability. If he is reappointed as Audit & Supervisory Board Member and assumes the post, the Company will continue the agreement with him.

(Note) There is no special interest between the candidate for Audit & Supervisory Board Member and the Company.

(Note) Conclusion of a directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance ("D&O insurance") policy as provided for in Article 430-3, Paragraph (1) of the Companies Act with an insurance company, thereby covering compensation for damages, etc. incurred by Directors and Audit & Supervisory Board Members in cases where the insureds are liable for damages arising from the performance of their duties (unless a coverage exclusion in the insurance policy is applied). The candidate is currently an insured under the D&O insurance policy as an Audit & Supervisory Board Member, and if the candidate is re-elected and assumes his post, he will continue to be included as an insured under the D&O insurance policy. The full amount of the insurance premiums for the D&O insurance policy is borne by the Company.

The term of the D&O insurance policy is one (1) year, and the Company plans to renew the policy before the expiration of that term by resolution of the Board of Directors.

(Reference)

1. External Officers who do not qualify as being highly independent within the meaning of the following Independence Standards of External Officers stipulated by the Company will not be nominated as External Directors. In addition, individuals who concurrently serve as directors or audit & supervisory board members at more than four (4) listed companies other than the Company will not be nominated.

Independence Standards of External Officers
1. An individual who has executed business (Note) of the Company and the Company's consolidated subsidiaries at present or in the past ten years. 2. An individual who corresponded to the any of the items a ~ f in the past three years. a. A business counterpart or a person who executed business of such business counterpart, whose transactions with the Company for one business year exceeded 1% of consolidated revenue of the Company or the business counterpart. b. A major shareholder or a person executing business of such shareholder having an equity ratio of 5% or more in the Company. c. A major lender of borrowings of the Company or a person executing business of such lender. d. An individual receiving contributions of over 10 million yen a year from the Company or a person belonging to an organization receiving such contributions. e. An individual receiving remuneration of over 10 million yen excluding Director's remuneration from the Company or a person belonging to an organization receiving remuneration exceeding 1% of consolidated revenue of the Company. f. In case a person executing business of the Company is assigned as External Director of another company, the person executing business of such other company. 3. The spouse or relative within second degree of kinship of individuals corresponding to 1 and 2. (Note) A person executing business refers to an Executive Director or Executive Officer.

2. With regard to the specialized knowledge and experience that Directors and Audit & Supervisory Board Members should possess, the necessary skill set includes the basic corporate management skills of “Management Experience,” “Finance & Accounting,” “Legal/Risk Management,” as well as “Safety Management,” which is particularly important given the business characteristics of the Company, and also “Global Experience,” “Sales/Marketing,” “IT/Technology,” are all vital for the promotion of the next Medium Term Management Plan.

   In the event that this proposal is approved, the skill matrix of Directors and Audit & Supervisory Board Members will be as follows.

Position at the Company	Name	Management Experience	Finance & Accounting	Legal/ Risk Management	Safety Management	Global Experience	Sales/ Marketing	IT/ Technology
Director, Chairman	Yoshiharu UEKI	○			○			
Representative Director, President	Yuji AKASAKA	○			○			○
Representative Director, Executive Vice President	Shinichiro SHIMIZU			○		○	○	
Representative Director, Senior Managing Executive Officer	Hideki KIKUYAMA		○	○		○		○
Director and Senior Managing Executive Officer	Ryuzo TOYOSHIMA	○		○		○	○	
Director and Managing Executive Officer	Tadayuki TSUTSUMI				○			
External Director	Eizo KOBAYASHI	○*				○	○	
External Director	Sonoko HATCHOJI		○			○		○
External Director	Hiroyuki YANAGI	○*				○	○	○
Audit & Supervisory Board Member	Norikazu SAITO		○					
Audit & Supervisory Board Member	Yuichi KITADA	○			○	○		○
External Audit & Supervisory Board Member	Osamu KAMO			○	○			
External Audit & Supervisory Board Member	Shinsuke KUBO		○	○		○		
External Audit & Supervisory Board Member	Joji OKADA		○	○		○		

* Experience of senior management in an industry based on level 1 classification of the Global Industry Classification Standard (GICS)

(Attached Documents)

Business Report

(April 1, 2021 to March 31, 2022)

1. Current state of the JAL Group

(1) Business progress and results

During the fiscal year under review, the airline industry continued facing challenging circumstances due to the prolonged impact of the spread of COVID-19. The JAL Group placed top priority on ensuring “safety and comfort” and strived to maintain its air transportation network on international and domestic routes.

Amid a slow recovery in passenger demand, we made thorough cost reduction efforts. We worked to control variable expenses by flexibly adjusting supply and strived to reduce fixed costs across the board, performing outsourced operations in house and reducing remuneration for directors and other officers and employee bonuses. In addition, to effectively utilize human resources, we seconded and dispatched our personnel to companies outside the Group, local governments, and other locations in the order of approximately 1,600 employees per day, and enhanced our employee education and training programs. We also stepped-up efforts to enhance earnings, capturing strong demand for cargo service and expanding the mileage and lifestyle and other non-aviation businesses, while also implementing on-line sales of inflight meals and operation of chartered tour flights, both developed from employees’ ideas, as well as sales of tours planned by JAL Furusato (Hometown) Ambassadors. In addition, we utilized public support programs offered by the Japanese government, including those for the airline industry, such as the reduction of and exemption from taxes and public charges, and we made every possible effort to bring our performance back on track as soon as possible.

As a result, the consolidated financial results of the JAL Group for the fiscal year under review were as follows.

(Billions of yen)		(Reference) FY2019	FY2020
Revenue	682.7 (+201.4 year on year)	1,385.9	481.2
Earnings before interest and taxes (EBIT)	(239.4) (an improvement of 158.8 year on year)	88.8	(398.3)
Profit attributable to owners of parent	(177.5) (an improvement of 109.1 year on year)	48.0	(286.6)

Among our management targets, “zero aircraft accidents and zero serious incidents” was not achieved. Going forward, we will continue to strive to achieve our management targets toward FY2025 regarding “safety and comfort,” “finances” and “sustainability.”

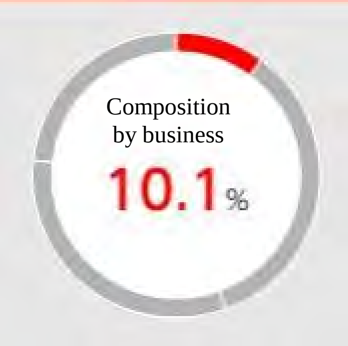
Regarding finances, we financed 441.9 billion yen in total by debt, including hybrid finance totaling 350.0 billion yen, with the aim of securing necessary liquidity on hand, strengthening our financial position, and proactively securing funds for future investments. We also have an undrawn commitment line of 300.0 billion yen.

The JAL Group posted a significant amount of loss for the fiscal year under review and for two consecutive fiscal years, due to delayed recovery of passenger demand. In view of the results and the current management environment, including geopolitical risks that have begun to make a real impact and surging crude oil prices, we have concluded that it is best to place top priority on securing liquidity on hand and strengthening our financial position, and decided not to pay a dividend for the fiscal year under review. We would like to express our most sincere apologies to our shareholders and seek their kind understanding.

(Note) Hereinafter, all mention of months falling inside FY2021 are expressed by stating only the month with the year omitted.

(2) State of each department

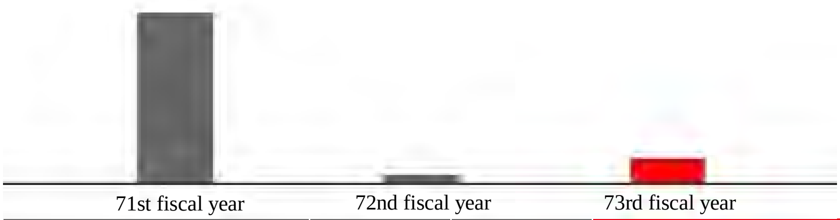
Full-service carrier international passenger operations business



Economy class seats

"World's Best Economy Class"
"Best Economy Class Airline Seat"

International passenger revenue (Billions of yen)	71st fiscal year	72nd fiscal year	73rd fiscal year
	486.2	27.9	68.7



	71st fiscal year	72nd fiscal year	73rd fiscal year (year on year)	
Available-seat-km (Million seat-km)	53,910	11,918	22,780	(191.1%)
Revenue-passenger-km (Million passenger-km)	45,551	2,196	6,027	(274.4%)
Load factor (L/F) (%)	84.5	18.4	26.5	(+8.0P)

Reference
- Available-seat-km: Unit expressing passenger capacity. Number of seats × Distance traveled (km)
- Revenue-passenger-km: Unit expressing revenue passenger transport volume. Number of revenue passengers (people) × Distance traveled (km)
- Load factor (L/F): Revenue-passenger-km ÷ Available-seat-km

For the international passenger, demand for flights between Asia and North America via Japan gradually headed toward recovery as countries relaxed restrictions on immigration. Demand for international flights from and to Japan, which had been limited to returnees and people transferring to their locations abroad due to strict restrictions on immigration in Japan, began to recover moderately after March, as the restrictions were relaxed.

Regarding business operations, we strived to reduce fixed costs by cutting back on the number of aircraft for international routes, primarily large-sized aircraft, by approximately 20% from two years before (FY2019). Meanwhile, to meet travel needs, we worked to restore the scale of operations by resuming operations, in stages, for routes where profits can be secured, along with air cargo service. For flights to Europe, which were affected by the situation in Russia and Ukraine, we continued operations by changing some routes in March, and maintained the network between Japan and Europe.

As for products and services, we strived to deliver smooth, safe, and comfortable services by implementing measures to prevent the spread of infection, launching the full-scale operation of a check-in system utilizing face authentication technology, and introducing a new application program "VeriFLY" that enables pre-flight registration of quarantine forms. At SKYTRAX World Airline Awards 2021, our economy class service was named as the World's Best Economy Class for two consecutive years, and our economy class seats as the World's Best Economy Class Airline Seat for four consecutive years and for our fifth time.

Note: The amount of revenue for each domain hereinafter shown has been calculated by a simplified method for internal control, and does not represent the amount of revenue by business segment. Each domain does not correspond one-on-one to the air transportation business segment and the other segments.

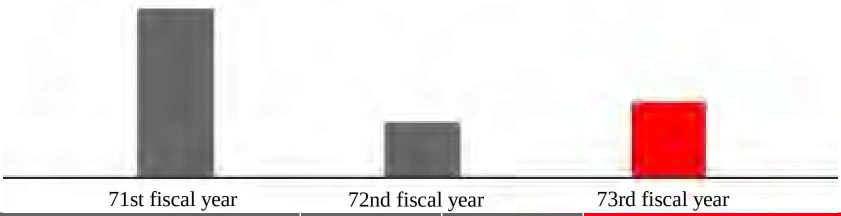
Full-service carrier domestic passenger operations business

Special aircraft painted with an Olympic Games design

ATR42-600

[JAL SMART AIRPORT]

Domestic passenger revenue (Billions of yen)	71st fiscal year	72nd fiscal year	73rd fiscal year
	529.7	174.0	235.1



	71st fiscal year	72nd fiscal year	73rd fiscal year	(year on year)
Available-seat-km (Million seat-km)	36,199	19,452	24,535	(126.1%)
Revenue-passenger-km (Million passenger-km)	27,496	9,282	12,089	(130.2%)
Load factor (L/F) (%)	76.0	47.7	49.3	(+1.6P)

Regarding the domestic passenger, demand was sluggish early in the fiscal year under review due to the state of emergency declaration and the implementation of the government-led special measures to prevent the spread of COVID-19. After the state of emergency declaration etc., were lifted, however, demand bounced back, reaching about 60% of the pre-COVID FY2019 level in the third quarter of the fiscal year under review, partly thanks to progress on vaccination efforts. Into the fourth quarter of the fiscal year under review, demand significantly declined as the government-led special measures to prevent the spread of COVID-19 came into effect due to the surge of the Omicron variant, but it came back again on track for recovery in March.

Regarding business operations, we flexibly adjusted supply in response to demand and controlled variable costs, while maintaining the operation of air transportation routes that are essential social infrastructure. When an earthquake occurred in March with an epicenter off the coast of Fukushima, the next day we started operating extra flights to and from various airports in the Tohoku region, using large-sized aircraft to offer an alternative means of transportation to substitute ground transportation.
Also, during the 2020 Tokyo Olympic and Paralympic Games, while providing domestic transportation for athletes, we operated special aircraft painted with a design of gold-colored cranes to offer hope for a bright future to all over Japan.

As for products and services, we introduced 15 units of the state-of-the-art aircraft Airbus A350-900 during the fiscal year under review, and accelerated our efforts to make flights more comfortable and reduce CO_2 emissions. We also completed the replacement of aircraft with ATR 42-600 at Hokkaido Air System. Moreover, we completed the deployment of JAL SMART AIRPORT, which enables speedy and contactless check-in procedures at five major airports, and to improve convenience for customers, and we introduced “Anytime Mileage Award Tickets,” a plan in which customers can reserve with prescribed Mileage as long as the flight they want to book has vacant seats.

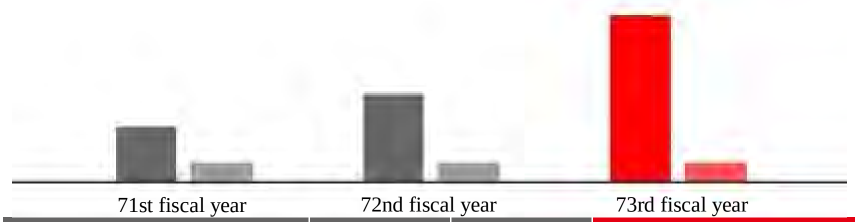
Cargo and mail business

International cargo service revenue
(Billions of yen)

71st fiscal year	72nd fiscal year	73rd fiscal year
67.3	103.8	193.9

Domestic cargo service revenue
(Billions of yen)

71st fiscal year	72nd fiscal year	73rd fiscal year
24.3	24.9	24.4



	71st fiscal year	72nd fiscal year	73rd fiscal year (year on year)	
Revenue cargo for international routes ton-km (1,000 ton-km)	2,596,648	2,103,618	3,274,145	(155.6%)
Revenue cargo for domestic routes ton-km (1,000 ton-km)	353,473	258,549	254,204	(98.3%)

Reference
Bar graphs: (the left side) International cargo service revenue
(the right side) Domestic cargo service revenue
Revenue-cargo-ton-km: Unit expressing revenue cargo transport volume.
Revenue cargo weight (ton) × Distance traveled (km)

Regarding the cargo and mail, in response to demand for higher-quality, faster transportation services, we positioned e-commerce and home delivery, healthcare, and food, which all directly support our daily lives, as strategic items, and stepped-up efforts to capture demand in these areas. In particular, for the transportation of COVID-19 vaccines, we delivered vaccines even to airports where no JAL Group regular flights are operated, in order to meet society’s needs.

For international cargos, due to marine transportation disruptions, demand remained strong not only for semiconductors, automobiles and related products, which are major items of air cargos, but also for emergency shipments of food and other products. To maximize revenue, we flexibly responded to demand by operating 14,116 cargo-only flights using our passenger aircraft for the fiscal year under review (12,625 flights for the previous fiscal year), while also operating regular flights using cargo-only aircraft of overseas airline companies. As a result of the above, the annual cargo transport volume increased, while unit prices rose due to the tightening of the demand and supply balance, and cargo service revenue significantly exceeded that of the previous year.

For domestic cargos, in order to maintain cargo transport volume while adjusting supply for passenger flights, we operated 1,564 cargo-only flights using our passenger aircraft for the fiscal year under review (2,674 flights for the previous fiscal year), mainly on the Haneda-New Chitose, Haneda-Fukuoka, and Haneda-Okinawa routes. In addition, we operated large-sized aircraft for the times when cargo transport demand was high, as an effort to capture demand. As a result of the above, we secured the same level of revenue as the previous fiscal year.

Furthermore, with the aim of building a sustainable logistics network, we have agreed with YAMATO HOLDINGS CO., LTD. to operate cargo-only aircraft for long-distance cargo transportation from the Tokyo metropolitan area to the Hokkaido, Kyushu, and Okinawa areas, and worked on preparations for the start of the service scheduled for April 2024.


Transportation of COVID-19 vaccines


Transportation of Mackerel Nouveau


Cargo-only aircraft (a conceptual image)

LCC business

ZIPAIR network

SPRING JAPAN network

Jetstar Japan Network

	73rd fiscal year
International passenger revenue (Billions of yen)	2.1
Domestic passenger revenue (Billions of yen)	0.6

	73rd fiscal year
International routes: Available-seat-km (Million seat-km)	1,829
International routes: Revenue-passenger-km (Million passenger-km)	120

	73rd fiscal year
Domestic routes: Available-seat-km (Million seat-km)	125
Domestic routes: Revenue-passenger-km (Million passenger-km)	55

Reference

LCC : Low Cost Carrier

The above include ZIPAIR Tokyo (ZIPAIR)'s full-fiscal year results and SPRING JAPAN's results from July to the end of the fiscal year under review, and do not include Jetstar Japan's results.

The fiscal year under review marked the full-scale launch of our LCC strategy, which positions Narita Airport as the mainstay of the operations, and we worked to strengthen the business foundations of each of the LCC companies in the Group. At the same time, we flexibly adjusted supply to control variable expenses and strived to improve earnings.

ZIPAIR increased the number of its aircraft (Boeing 787) from two to four, and steadily expanded its network as the first Japanese LCC that operates medium- to long-distance international flights, opening the Narita-Singapore route in September, as well as the Narita-Los Angeles route in December, which became the world's first cross-Pacific route operated by an LCC. Meanwhile, ZIPAIR flexibly adapted to the business environment through such measures as operating extra cargo flights to meet strong demand for cargo transport, and strived to maximize earnings.

The JAL Group has supported SPRING JAPAN (formerly Spring Airlines Japan Co., Ltd.), with safety and quality improvement by comprehensively performing the company's maintenance work on contract and through other arrangements. At the end of June, we made SPRING JAPAN a consolidated subsidiary of the JAL Group, and SPRING JAPAN changed its name to the current one and renewed its brand logo in November. Leveraging the strengths of the JAL Group, SPRING JAPAN worked to increase efficiency and improve quality.

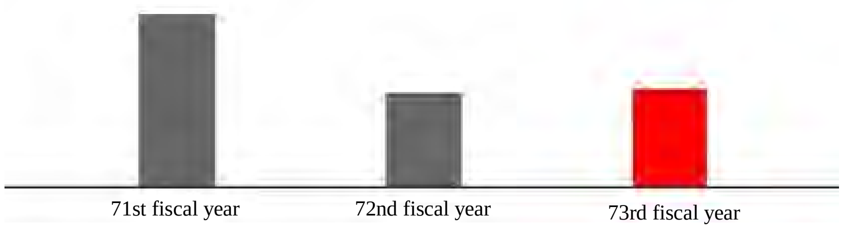
Jetstar Japan* stepped-up efforts to capture demand, which was on track for recovery, while adjusting the number of aircraft and its routes. As a result, the company recorded the highest passenger load factor (87.4%) in the year-end and New Year season among the major airline companies operating domestic flights.

* An affiliate accounted for by the equity method

Mileage, Lifestyle and Infrastructure Business

Other revenue

71st fiscal year	72nd fiscal year	73rd fiscal year
278.3	150.4	157.7



Regarding the mileage, lifestyle and infrastructure, etc., we worked to expand into growth areas, with the aim of transforming our business structure to a sustainable one that can withstand future risks, taking into consideration changes in the market due to the COVID-19 pandemic, such as “structural changes in air travel demand” and “changes in consumer behavior.”

Mileage and lifestyle business

Leveraging our customer base, we worked to expand our business domains and create new value in everyday life and various life stages.

- We launched “JAL Housing Loan” for JAL Mileage Bank members in July. In February, we announced the launch of “JAL Electricity,” an electric power sales service (scheduled to come into operation in April 2022).
- The Company made JALUX Inc. a consolidated subsidiary, making it a core company in the non-aviation business domain (in March).

Next-gen air mobility business

We worked on business development to solve regional issues and achieve seamless transportation by leveraging our aviation safety technology and expertise on flight operation management.

- Drones: We conducted pilot tests in Sumoto City, Hyogo Prefecture, and in Tokyo, with the aim of establishing a flight operation management system and transportation services for pharmaceuticals and other items.
- Flying vehicles: We conducted pilot tests and studies with local governments, with a view of introducing them at the Expo 2055 Osaka, Kansai, Japan, assuming the use in transportation from airports and tourism and in the event of natural disasters.

Regional business

As part of “JAL FURUSATO PROJECT,” our initiative to promote sustainable development of Japan’s regional economies, we worked to support sales channels and logistics for reginal specialties.

- We launched a cross-border e-commerce mini-program on “WeChat,” the largest social media app in China, and created an e-commerce platform for selling regional specialties from around Japan and communicating attractive features and tourism information of each region across borders.

Contract services business (airport, maintenance, cargos)

We provided extensive support through contract services for quarantine at airports, which plays an important role in international travel amid the COVID-19 pandemic. Meanwhile, we implemented measures to make our operations ready to respond to post-COVID recovery of inbound demand.

JAL Electricity

“BLUE SKY” airport kiosk operated by the JALUX Group

Pilot test of delivery of pharmaceuticals by drone in Tokyo

(3) Initiatives related to safety and comfort

Detailed safety information and our Safety Report are available on our corporate website: https://www.jal.com/ja/flight/

Amid extensive restrictions on international and domestic travel, while fulfilling our responsibility as a social infrastructure lifeline such as by providing swift and safe transportation of the COVID-19 vaccine, we provided safety and peace of mind to society through safe air travel.

Ongoing initiatives for enhancing safety

Safety: The protection of lives. This is the critical premise for the continuity of the JAL Group. All officers and employees of the Group constantly carry out their operations with that in mind. Aiming to be the leading company in safety, we have strived to achieve “zero aircraft accidents and zero serious incidents” as our management target while working to “accumulate safety layers” to prevent unsafe events from occurring. In our Medium-Term Management Plan, we established priority issues based on these goals and proceeded with their execution.

Moreover, considering the normalization of communication via non face-to-face methods arising through the popularization of telework, etc., we worked on cultivating a sense of unity through communication that considers the feelings of fellow workers. Moreover, concerning the air travel environment, which is undergoing dramatic changes due to the emergence of geo-political risks, we have formulated measures such as strengthening our systems for collecting and analyzing information through cooperation with countries and other companies, and establishing detour routes to avoid risks.

Regarding our measures concerning alcohol consumption, we have established a stricter inspection system that incorporates advanced testing devices, and we continued to implement awareness education, etc. to establish strict social codes regarding alcohol consumption.

■ Important issues and major initiatives

Achieving high-level of safety by leveraging digital technology and information

- We introduced a system for aircraft to detect airflow turbulence and automatically issue an alert to prevent pitching during flight.
- We worked to deepen our technology for predicting malfunctions of aircraft utilizing AI-aided data analytics.
- We strengthened measures to prevent the fall-off of components from aircraft, such as inspection utilizing hazard maps to detect signs of the fall-off of components.

Responding to various changes in the environment surrounding aviation

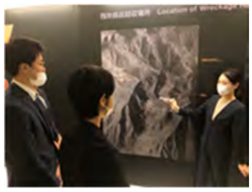
- To prepare for diversifying threats such as terrorism, we began to prepare for the introduction of “JAL SMART SECURITY,” which enables advanced and smooth security inspection.
- We conducted pilot tests for drones toward the commercialization of the next-gen air mobility.

Developing human resources that think and act by putting safety first

- We developed a program to support flight crews’ health and started its trial run.
- We launched an initiative to pass the lessons learned from past experience, including accidents, on to the next generation, in which employees working on the frontline and in other various fields engage in the operation of the Safety Promotion Center and in our memorial mountain climbing to console the spirits of victims of accidents.

Utilization of digital technology and information

[JAL SMART SECURITY]



Safety Promotion Center

Despite our strenuous efforts, however, an aircraft accident[*1] due to sudden pitching during flight occurred twice[*2] in the fiscal year under review. The Company will cooperate in investigations by the Transport Safety Board and strive to prevent recurrence of accidents.

*1: Aircraft accident: A human death or injury (serious injury or beyond) due to flight of aircraft, a crash or collision of aircraft, a fire in aircraft, damage to aircraft that occurred during flight (a major repair), etc.

*2: The case in February in which a customer was hard struck on the waist due to sudden pitching during flight and received a compression fracture in the bone of the second lumbar vertebra and the case in March in which a cabin attendant fell due to sudden pitching during flight and received a fracture in the sacrum were designated as aircraft accidents by the Ministry of Land, Infrastructure, Transport and Tourism.

Initiatives to enhance “safety and comfort” for customers

Detailed information on “JAL FlySafe,” our initiatives to enhance "safety and comfort" for customers, is available on our corporate website: https://www.jal.co.jp/jp/ja/info/2020/other/flysafe/

We operated stringent infection prevention practices based on our JAL FlySafe initiative in order to ensure all our customers can use our services with peace of mind.

As measures to further ensure sanitation and cleanliness, in addition to applying antiviral and antibacterial coatings to all touch points in the airport terminals, aircraft, etc., we cooperated with the Kao Group to provide infection prevention measures and realized a high level of sanitary quality based on expert knowledge.

For domestic routes, we completed our rollout of JAL SMART AIRPORT, which allows procedures to be carried out in a quick and contactless manner (implemented in five airports: Shin Chitose, Haneda, Fukuoka and Naha), while for international routes, we proceeded to make procedures contactless and automated through utilizing the latest technology, which included the adoption of the app VeriFLY, which allows documentation required for quarantine to be recorded beforehand, thereby allowing smooth entry and exit into and out of countries.

These efforts led to JAL being recognized as a world’s top-tier airline in an assessment of its safety and well-being, high service quality, and sustainability, and becoming the first Japanese airline to be awarded the APEX(*) WORLD CLASS award. The APEX WORLD CLASS award was newly established in 2021, and JAL is among only seven airlines to have received the rating.

*APEX: A U.S.-based non-profit organization working to improve customers’ flight experience, which comprises airline companies, aviation-related manufacturers, travel-related companies, etc.

We have received the world’s best ratings in terms of infection prevention measures.

*1 *2 *3

*1 SKYTRAX “World Airline Awards2021”: Covid-19 Excellence Award
*2 SKYTRAX “COVID-19 Airline Safety Rating”: 5-Star
*3 APEX “Health Safety powered by SimpliFlying”: Diamond

(4) Initiatives related to ESG

Detailed information on our initiatives related to ESG is available on our corporate website:
https://www.jal.com/ja/sustainability/

In order to increase its corporate value and realize a sustainable society, the JAL Group has set the following 22 important issues in four fields toward achieving the SDGs from an ESG management perspective, and strives to solve these issues through business activities. In the Medium-term Management Plan, we have designated four sustainability initiatives, which should be our highest priority issues, as our management targets, and we advanced our initiatives to achieve them.

The 4 Priority Areas and 22 Issues being addressed by JAL Group

		Issues to be addressed			Related SDGs
E	Environment	Address to Climate Change	Effective Use of Limited Resources	Prevention of Environmental Pollution	6, 7, 11, 12, 13, 14, 15
		Noise Reduction	Biodiversity Conservation		
S	People	Improving Accessibility	Workstyle Innovation	Promotion of D&I	3, 4, 5, 8, 10, 16
		Respect for Human Rights	Human Resources Development	Promotion of Wellness	
		Prevent the Spread of Infectious Diseases			
	Communities	Increase Inbound Tourism	Regional Revitalization	Disaster Restoration Assistance	1, 2, 3, 4, 8, 9, 11, 17
		Route Network Expansion	Improving Convenience in Travel/Lifestyle	Community Relations	
G	Governance	Fair Business Practices	Responsible Procurement		4, 8, 9, 12, 16
		Promotion of BCM	Disclosure		

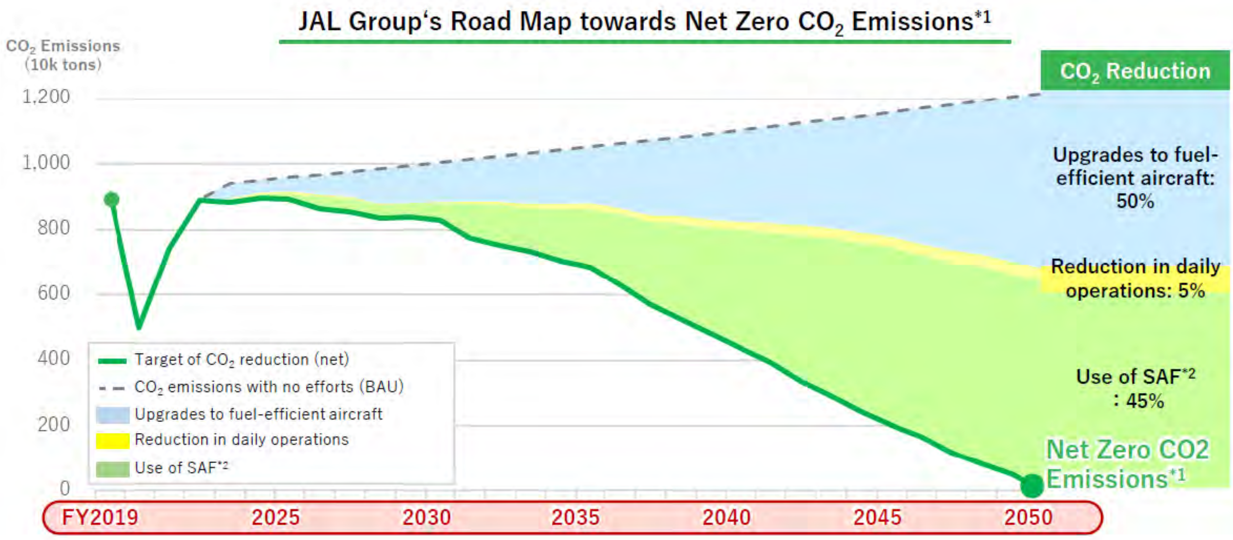
FY 2025 target value

Sustainability	Environment	CO_2 Emission Reduction Total emissions: below **9.09 million** tons	Reduction of Single-use Plastic Cabin and Lounge: No use of virgin petroleum-based plastic Cargo and Airports: 100% switch to eco-friendly materials
	Communities	Regional Revitalization Domestic passenger*2 and Cargo transport volume + 10% vs FY2019	
	People	Promotion of D&I Group Female Managers Ratio: 30%	

* An increase in the number of passengers resulting from stimulation of tourism demand and creation of new movements

a. Environment

Response to climate change



* Net zero emissions: the actual amount of CO_2 emissions from business activities and the amount of CO_2 emissions reduced by measures balance out. (Reduction measures include emissions trading and the utilization of carbon capture and storage (CCS) technology.)

Replacing our fleet by more fuel-efficient aircraft

We made solid progress on the replacement of our fleet with fuel-efficient aircraft such as Airbus A350 and Boeing 787. We also financed 10 billion yen by issuing transition bonds, the first transition bonds in the airline industry. For the bonds, we obtained recognition from a global third-party assessment body as meeting the criteria for transition eligibility.

Reducing emissions in daily operations

At Haneda Airport, we launched an initiative to shorten the distance of aircraft pushback for achieving both the reduction of CO_2 emissions and the improvement of punctuality in flight operations at the same time. In addition, we introduced foam washing for engines to improve fuel efficiency.

Utilizing SAF ("SAF": Sustainable Aviation Fuel)

We announced group purchasing of SAF through the oneworld® Alliance from Gevo Inc. (U.S.). Together with Aemetis Inc. (U.S.), which has likewise announced it would to supply through oneworld, and Fulcrum BioEnergy. Inc. (U.S.), which has been investing in oneworld since 2018, we have been working to expand SAF suppliers. Moreover, on Japan's domestic front, ACT FOR SKY, a voluntary organization was established by joint efforts across industry lines with the aim of commercializing, popularizing and expanding domestically produced SAF.

Effective use of limited resources

As part of our "3Rs (Reduce, Reuse, Recycle) + 1 (Redesign)" initiative, we stopped providing plastic bags for baggage at airport counters, with cooperation from our customers. Regarding the reduction of single-use plastics, we have set management targets at the end of the fiscal year under review of "eliminating 25% of virgin petroleum-derived plastics" and "switching 90% of single-use plastics to environmentally sustainable materials" by FY2025.

b. Human and communities

Improving accessibility

Toward "creating a society where everyone can enjoy a more fulfilling life through travel," we worked on initiatives to improve accessibility. We improved the service environment for customers by renewing "JAL

Special Assistance," our special counter dedicated to serving customers who need assistance, while also offering accessible tours in which customers using wheelchairs can freely choose travel dates.

"JAL Special Assistance," our special counter dedicated to serving customers who need assistance


"Traveling in Okinawa by wheelchair —3 days and 4 days" tour

Respect for human rights

To fulfill our responsibilities concerning the universal value of respect for human rights, we established "JAL Group Regulations Concerning Respect for Human Rights" in September, and put in place mechanisms for human rights due diligence. The process of this mechanism is based on a PDCA cycle comprising "Examine human rights risks and identify problems," "Formulate and implement improvement plans," "Review the status of implementation," and "Reflect the review findings in the next annual plan." During the fiscal year under review, we determined important issues in terms of "supply chain management," "products and services," and the "enhancement of our internal environment," and advanced our efforts for respect for human rights.

Promotion of Diversity & Inclusion (D&I)

We worked on various initiatives to become a company where diverse human resources can realize their full potential.

On the management level in the fiscal year under review, we appointed our first foreign-region personnel to an Executive Officer position and since fiscal 2022, we have one more female appointee to make five women in Executive Officer positions.

For the advancement of female employees, in addition to raising employees' awareness and offering outside training programs for young and mid-level female employees in order to reach a female managers ratio of 30%, we started study meetings for woman at leadership level at which the management top personnel themselves perform the role of instructor. As a result, the female managers ratio improved to 21.9% (an increase of 2.4 percentage points year on year) and female employees were newly appointed to general manager positions in the areas of human resources, and ESG promotion.

Furthermore, to provide more opportunities for employees with disabilities, we opened a new shoeshine (shoe-polishing) rooms in our office. As a result of these D&I promotion efforts, we were selected in the Metropolis of Tokyo "Barrier-Free Mindset Good Practice Company," while in "D&I Award2021" hosted by JobRainbow Co., Ltd. we were named as "Best Workplace," the highest rating, as well as "D&I Award" in the sector of large-scale corporations.

Wellness promotion

Under the strong leadership of the Chief Wellness Officer, we started our new medium-term health promotion project for the five years from the fiscal year under review, which is based on the concept that health is what supports safety flight operations. As a result of the above, the Company was selected as “2022 Health & Productivity Stock” by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, and 20 JAL Group companies were selected as “2022 Certified Health & Productivity Management Outstanding Organization” by NIPPON KENKO KAIGI.

Regional revitalization

Special aircraft painted with a design celebrating the registration as World Heritage sites

We advanced regional revitalization efforts to contribute to the realization of sustainable regional economies by leveraging the JAL Group’s strengths, such as our route network and human resources. Our diverse human resources made contributions to various regions, serving as Furusato (Hometown) Ambassadors to support regional revitalization and as members of Furusato (Hometown) Cheering Party, an initiative in which our cabin attendants engage in regional revitalization activities while performing inflight work. In addition, we implemented initiatives to communicate information about attractive features of each region as well as regional environmental protection and preservation efforts, including providing “Learn Farming,” a training program for young people to experience farming, and commissioning special aircraft painted with a design celebrating the registration of Amami-Oshima Island, Tokunoshima Island, the northern part of Okinawa Island, and Iriomote Island as World Heritage sites and opening a dedicated portal site. We also launched “JAL Group Amami Islands Sustainable Project,” an initiative to continuously support sustainable development of Amami Islands.

c. Governance

Fair Business Practices

Regarding the corporate governance code that strives for a 100% conformity rate in order to establish a corporate governance system that can effect a high level of management transparency, and strong management surveillance function while engaging in speedy and appropriate decision making, we continue to have a conformity ratio of 100% even after the revision of the corporate governance code in June.
(Please refer to pages 58 for details on the corporate governance system)

Responsible Procurement

In order to construct a sustainable supply chain together with our suppliers, we have been proceeding with confirming our approximately 500 major suppliers' status of compliance with the "JAL Group Sustainability Code of Conduct," which sets forth initiatives of sustainability awareness relating to the environment, human rights and labor, and the rate of confirmed suppliers was 62% at the end of the fiscal year under review.

Disclosure

So that our stakeholders can understand the corporate stance of JAL Group, we have taken measures to improve the quality of our disclosure information and enhance communication in both directions. We were rated highly for our efforts in this regard, getting selected in first place in the transportation industry category in the Security Analysts Association of Japan's "2021 Award for Excellence in Corporate Disclosure," which is the third time we have received the award in the past four years. In addition, "JAL REPORT 2021," which is the integrated report published by JAL, received the excellence award at the NIKKEI Integrated Report Award 2021, hosted by Nikkei Inc., in recognition of its high standard of information disclosure.

Enhancing Business Continuity Management (BCM)

Please refer to page 61.

<“Fundamental Policies on the Internal Controls System” are established as follows.>

For Internet disclosure only

To provide unparalleled service to the customers, increase corporate value, and contribute to the betterment of society, JAL Group has established the Fundamental Policies of Corporate Governance.

To increase its effectiveness, we have established rules and organizations concerning the following systems and matters, and ensure that business operations are conducted appropriately in accordance with the Companies Act and Companies Act Enforcement Regulations. We evaluate and verify development and operation of the internal control system and implement corrective action when correction is required.

1) We have developed a system to ensure compliance with the Articles of Incorporation and laws and regulations governing the execution of the duties of Directors and employees.

a. We have established JAL Philosophy as behavioral guidelines of the Company. Directors and employees are encouraged to abide by these practices.

b. The Board of Directors decides the Fundamental Policies on the Internal Controls System and the General Affairs Department promotes development of the internal control system.

c. The Risk Management Department supervises compliance operations and monitors development and operation of relevant company regulations.

d. We have developed an audit system to ensure the duties of Directors and employees are executed in compliance with applicable laws and regulations.

2) We have developed a system concerning the preservation and management of information concerning the execution of the duties of Directors

We preserve and manage information concerning the performance of duties of Directors in compliance with applicable laws and regulations and company regulations.

3) We have developed regulations and other systems concerning risk management of losses.

In order to manage risks to JAL Group, we have established a Council for Safety Enhancement and a Group Risk Management Council, etc. to appropriately manage risks, and have established Guidance for JAL Group Internal Control. The General Affairs Department monitors the appropriateness of duties and proactively prevent risks of losses. In addition, we are prepared in the event of a risk of losses and strive to minimize losses.

4) We have developed a system to ensure that the duties of Directors are executed efficiently.

a. We hold ordinary Board of Directors meetings once a month and extraordinary meetings when it is necessary to make important decisions regarding group management policies and plans. In addition, to ensure the duties of Directors are executed efficiently, we have established meeting structures such as the Management Committee and Group Earning Announcement Session.

b. We have defined administrative authority, authority of managerial posts, division of duties, etc. in accordance with company regulations, and have segregated authority in order to ensure that duties are executed efficiently.

5) We have developed a system to ensure that duties in JAL Group are executed appropriately.

a. We have established JAL Group Business Management Regulations to ensure that each subsidiary has established a system to carry out management in a fair and efficient manner in accordance with JAL Philosophy. We have also enacted Guidance for JAL Group Internal Control, and the General Affairs Department continuously monitors the appropriateness of duties.

b. We have developed a system to report matters concerning the execution of the duties of Directors, etc. of subsidiaries to the Company.

c. We have developed regulations and other systems for risk management of losses of subsidiaries.

d. We have developed a system to ensure the duties of Directors, etc. of subsidiaries are executed efficiently.

e. We have developed a system to ensure that Directors, etc., and employees of subsidiaries execute duties in compliance with applicable laws and regulations and the Articles of Incorporation.

6) We have developed a system concerning employees in case Audit & Supervisory Board Members require the assignment of employees to support their duties, a system concerning independence of such employees from Directors, and a system to ensure that instructions by Audit & Supervisory Board Members to those employees are effective.

7) We have developed a system concerning reports, etc. to Audit & Supervisory Board Members

a. We have developed a system for Directors and employees to report to Audit & Supervisory Board Members.

b. We have developed a system for Directors, Audit & Supervisory Board Members, employees or persons who receive reports from them to report to Audit & Supervisory Board Members.

c. We have developed a system to ensure that persons who report are not subjected to disadvantageous treatment as a result of reporting.

8) We have developed a system for advance payment or repayment of costs arising from the execution of the duties of Audit & Supervisory Board Members and the policy for processing of costs or liabilities arising from the execution of other duties.

9) We have developed other systems to ensure that audits by the Board of Corporate Auditors or Audit & Supervisory Board Members are executed effectively.

<"Operation of the Internal Controls System" is as follows.>

1) We have developed a system to ensure compliance with the Articles of Incorporation and laws and regulations governing the execution of the duties of Directors and employees.

a. We established the JAL Philosophy and the JAL Group Code of Conduct, Commitment to Society, and penetrate and put them into action throughout the Group through education and other means.

b. We established Fundamental Policies on the Internal Controls System and Guidance for JAL Group Internal Control, and develop, operate and evaluate internal controls in accordance with the Companies Act and Financial Instruments and Exchange Act.
In FY2021, we established "JAL Group Regulations Concerning Respect for Human Rights," which set out our human rights due diligence system, and advanced other initiatives for protecting human rights.

c. We established our hotline for whistleblowers for public interest including a hotline accessible in both Japanese and English (for internal and external use), which operates 24 hours a day, 365 days a year, and put in place a system that enables early detection of and quick response to incidents etc., related to compliance by regularly providing employees with information on the hotline.

d. We inspect attributes of new business partner candidates and conduct a review every three years as a regular inspection to verify whether there are any changes in attributes and/or information.

e. We explain legal considerations to Directors to ensure that they are aware of their duties, authorities, and responsibilities including the fiduciary duty of loyalty and the duty of care as a prudent manager. We provide education courses for employees, etc. to ensure that they acquire the necessary knowledge to perform their duties.

f. The Audit Department inspects the development and operation of the internal controls system stipulated by Guidance for JAL Group Internal Control according to the fiscal year plan, reports audit results of each audit to management, and regularly reports progress of audits and audit results to Audit & Supervisory Board Members.

g. The Maintenance Audit Department conducts inspections to verify that maintenance work is performed according to laws, regulations, and internal rules.

h. The Safety Audit Department checks safety-related deliberations, engagement, instructions, and other operations regarding management by attending Group Safety Enhancement Council meetings and checking materials submitted to the meetings according to the Safety Audit Plan. It also conducts internal audits of production divisions, the Corporate Safety and Security Division, and airports.

2) We have developed a system concerning the preservation and management of information concerning the execution of the duties of Directors.

We prepare, keep, and manage information (documents and minutes) and 'Ringi," official internal documents for circulation and approval, related to decision making of the Board of Directors and other important meetings according to laws and regulations as well as internal regulations.

3) We have developed regulations and other systems concerning risk management of losses.

a. We review the definition of risk, risk assessment methods and risk response strategies appropriately according to Guidance for JAL Group Internal Control to respond to diversifying risks, and regularly inspect risks including compliance throughout the Group. With regard to high-priority risks, we strive to minimize vulnerabilities by conducting a Control Self-Assessment (a self-assessment based on a specified method and formulation of a risk management plan) and consulting with the Risk Management Division to identify issues and formulate action plans. In addition, we reported on the details of these measures to the Group Risk Management Council and the Board of Directors in order to improve risk oversight by management.
Moreover, the Council for Group Safety Enhancement formulates important safety policies, takes steps to grasp the actual situation, and when necessary, reviews the organization, systems and various measures to ensure aviation safety of the entire Group.

b. We conduct regular JAL group wide reporting drills to raise awareness of risk management and check the situation of staff quickly using a safety confirmation system to be prepared for contingencies.

c. We established an Operation Control Center branch in Osaka, assuming that an earthquake could directly strike beneath the Tokyo metropolitan area where Head Office central functions are integrated. We are also working on the enhancement of our Business Continuity Plan and drills, using the knowledge of external experts, to improve the effectiveness of the plan.

d. To conduct risk management quickly and accurately in case of an aircraft accident or incident, we maintain and secure Accident Command Board members and caregivers for victims and bereaved families.

4) We have developed a system to ensure that the duties of Directors are executed efficiently.

a. We established the Management Committee and Group Earnings Announcement Sessions directly under the President to make appropriate and quick management decisions. In FY2021, to advance ESG management toward achieving the SDGs, we established the Sustainability Promotion Council chaired by the President.

b. We clarify basic matters concerning the organizational structure of the Company and ensure the efficient performance of duties in accordance with Regulations for Meeting Structures, Regulations for Kessai and Administrative Authority and Regulations for Segregation of Duties.

c. We review administrative authorities and board operation methods and develop an environment for strategic discussions to achieve sustainable growth.

5) We have developed a system to ensure that duties in the JAL Group are executed appropriately.

a. We established JAL Group Business Management Regulations and Guidance for JAL Group Internal Control and the General Affairs Department plays the central role in monitoring the appropriateness of duties. In FY2021, we strengthened the JAL Group's internal control by reviewing the composition of each Group company's Board of Directors, education programs, etc.

b. We monitor the situation to ensure that initiatives to achieve goals are implemented properly, and provide guidance and support, through Expanded Earnings Report Sessions etc.

c. We provide the General Affairs Department of each JAL Group company, through daily and regular coordination and information sharing, with guidance and support that contribute to strengthening the risk management systems.

d. The Company and each Group company have concluded the basic agreement to make clear the basic relationship between the companies concerning business operations.

f. We established the JAL Philosophy and the JAL Group Code of Conduct, Commitment to Society and penetrate and put them into action through education and other means. We explain legal matters that require attention etc., to each Group company's directors etc., and work to ensure that they fully understand directors' obligations, authorities and responsibilities, including duty of loyalty and due care of a prudent manager. In addition, we provide training for employees etc., to learn the knowledge necessary to execute duties, and work to ensure that they fully understand the knowledge.

h. The Audit Department checks the status of the maintenance and operation of the internal audit system set forth in the Guidance for the JAL Group Internal Control based on an annual plan. For each audit, the Audit Department reports to management of the Company on audit results, and also regularly reports to Audit & Supervisory Board Members on the progress and results of audits.

i. The Maintenance Audit Department conducts inspections to verify that maintenance work is performed according to laws, regulations, and internal rules.

j. The Safety Audit Department checks safety-related deliberations, engagement, instructions, and other operations regarding management by attending Group Safety Enhancement Council meetings in accordance with the Safety Audit Plan and checking materials submitted to the meetings. It also conducts internal audits of production divisions, the Corporate Safety and Security Division, and airports.

6) We have developed a system concerning employees in case Audit & Supervisory Board Members require the assistance of employees, a system concerning independence of such employees from Directors, and a system to ensure that instructions by Audit & Supervisory Board Members to those employees are effective.

- We established an organization independent from Directors and assign employees to serve as Audit & Supervisory Board Members to increase effectiveness of audits by Audit & Supervisory Board Members and execute audit duties smoothly. They receive work instructions and orders from and are appointed with the consent of Audit & Supervisory Board Members.

7) We have developed a system concerning reports, etc. to Audit & Supervisory Board Members.

a. Audit & Supervisory Board Members attend Board meetings and other important meetings, read Ringi documents requiring approval from Directors and above, and audit the execution of corporate duties through interviews with the President, hearings with related departments, visits to internal departments, etc. Audit & Supervisory Board Members report to the Board of Corporate Auditors and the Board of Directors on issues etc., recognized in audits twice a year, and confirm the status of follow-up work.

b. Audit & Supervisory Board Members exchange opinions and information regularly with Audit & Supervisory Board Members of Group companies and visit them.

c. Audit & Supervisory Board Members check the development of systems to ensure that persons who have reported to them do not receive disadvantageous treatment for making such reports.

8) We have developed a system for advance payment or repayment of costs arising from the execution of the duties of Audit & Supervisory Board Members and the policy for processing of costs or liabilities arising from the execution of other duties.

- Necessary expenses for audits by Audit & Supervisory Board Members are paid for appropriately.

9) We have developed other systems to ensure that audits by the Board of Corporate Auditors or Audit & Supervisory Board Members are executed effectively.

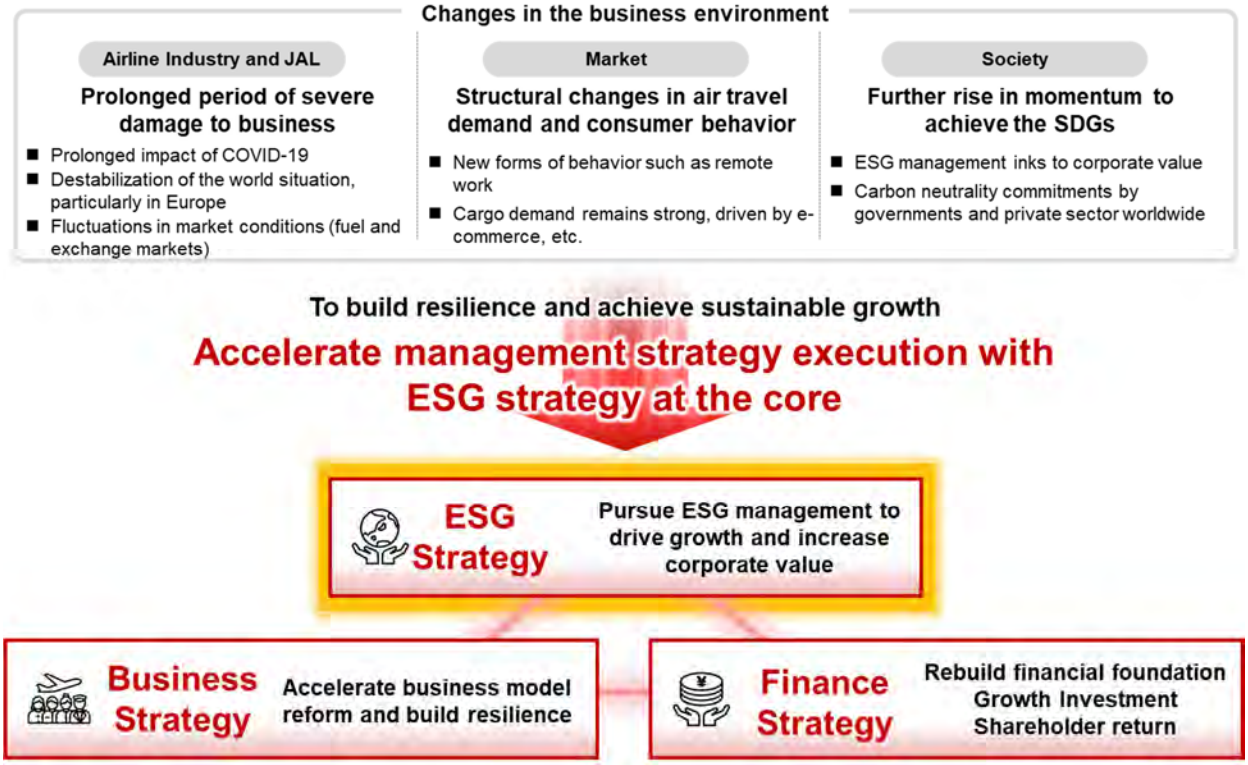
- Audit & Supervisory Board Members exchange opinions and information regularly with the Audit Department and auditing company and increase effectiveness of audits.

(5) Issues to be addressed

Even after we announced “JAL Vision 2030” and “FY 2021-2025 JAL Group Medium-term Management Plan” in May 2021, our management environment became more uncertain as the state of the world, primarily Europe, grew more turbulent, in addition to the prolonged impact of COVID-19.

In these circumstances, the JAL Group formulated “Medium-term Management Plan Rolling Plan 2022” to enhance its resilience, overcome the current difficult situation, and make steady progress toward sustainable growth and development.

We will strive to achieve our management targets by positioning the ESG strategy as the centerpiece of our management strategy, accelerating our efforts to solve social issues through business activities and the reform of our business structure, and rebuilding our financial position.



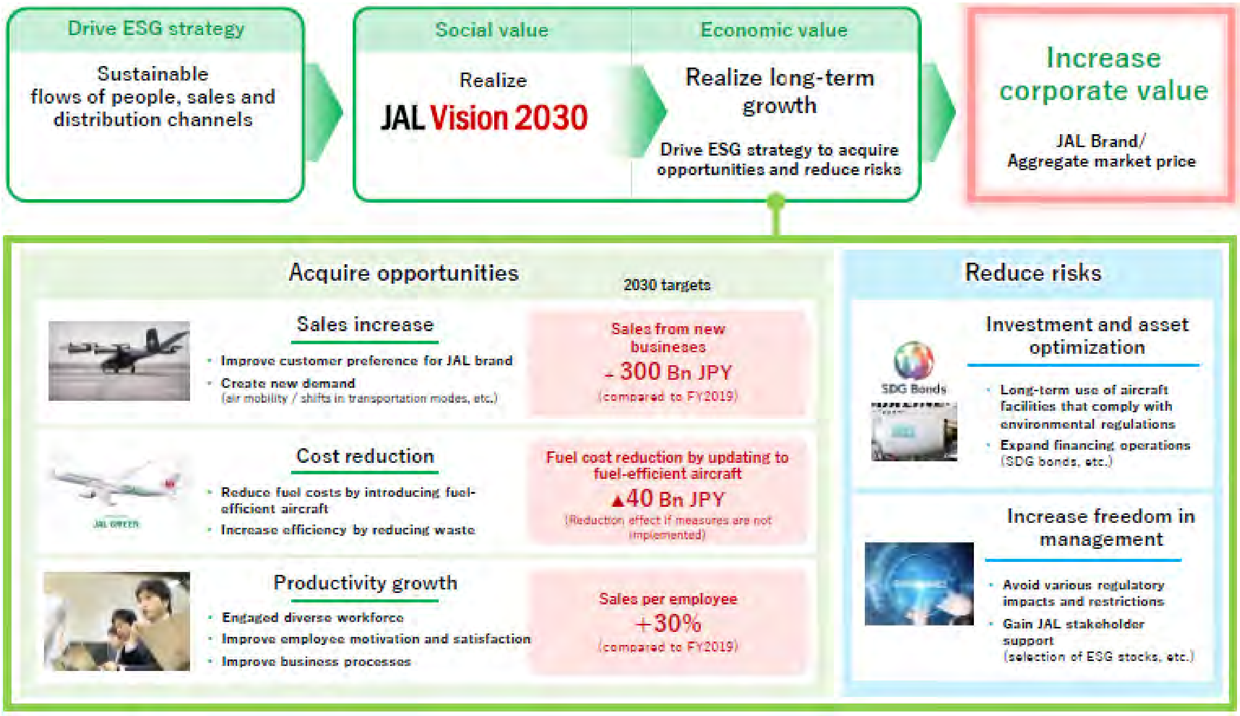
In the Medium-term Management Plan Rolling Plan 2022, we have summarized the issues that the JAL Group is to address, along the timeline for achieving our target, as follows, and we will advance our initiatives accordingly.

1. Long-range issues		
(i)	Enhancing corporate value by pursuing our ESG strategy	(to 2030)
(ii)	Implementing initiatives toward achieving “net zero CO_2 emissions”	(to 2050)
2. Medium-range issues (to 2025)		
(i)	Accelerating the reform of our business structure	
(ii)	Rebuilding our financial foundation	

1. Long-range issues

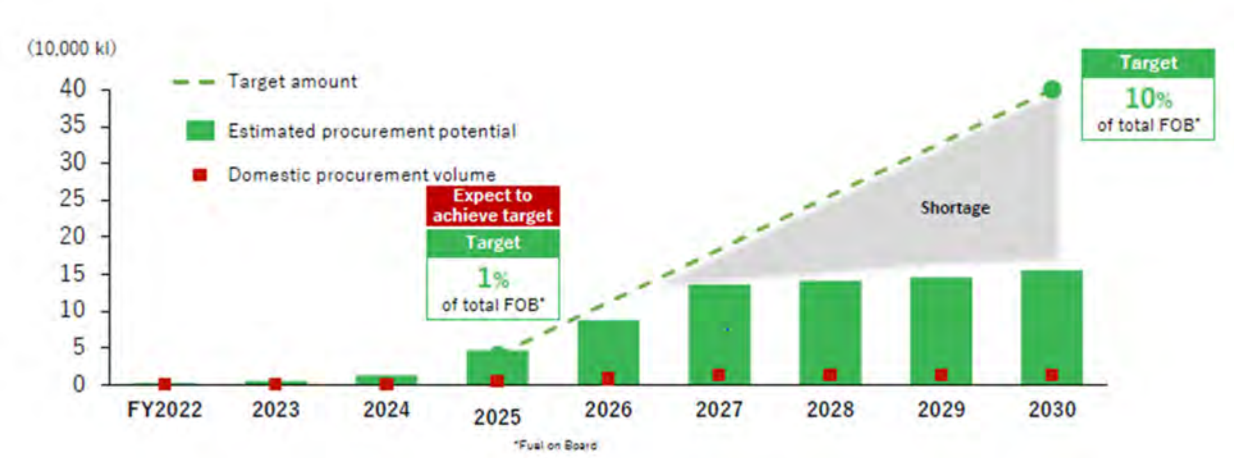
(i) Enhancing corporate value by pursuing our ESG strategy (to 2030)

Positioning our ESG strategy as our growth strategy toward 2030, we will strive to solve social issues through our business activities and thereby create sustainable flows of people, businesses, and goods, increase the social and economic value of the JAL Group, and enhance our corporate value as we try to realize JAL Vision 2030.



(ii) Implementing initiatives toward achieving "net zero CO_2 emissions" (to 2050)

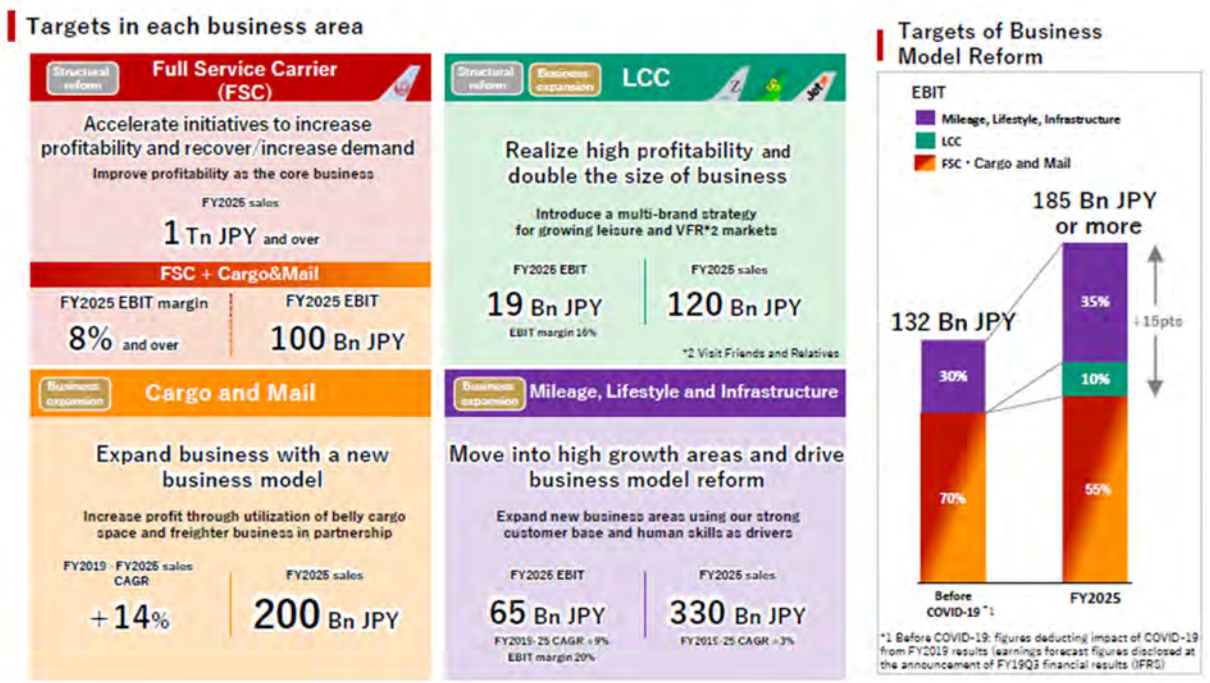
To achieve net zero CO_2 emissions by 2050, a core commitment in our ESG strategy, we will steadily advance the three primary initiatives of replacing our fleet with more fuel-efficient aircraft, reducing emissions in daily operations, and utilizing SAF. We plan to replace 10% of the total amount of our fuel usage by SAF by 2030, and will work to achieve steady procurement of SAF at reasonable prices by diversifying supply sources.



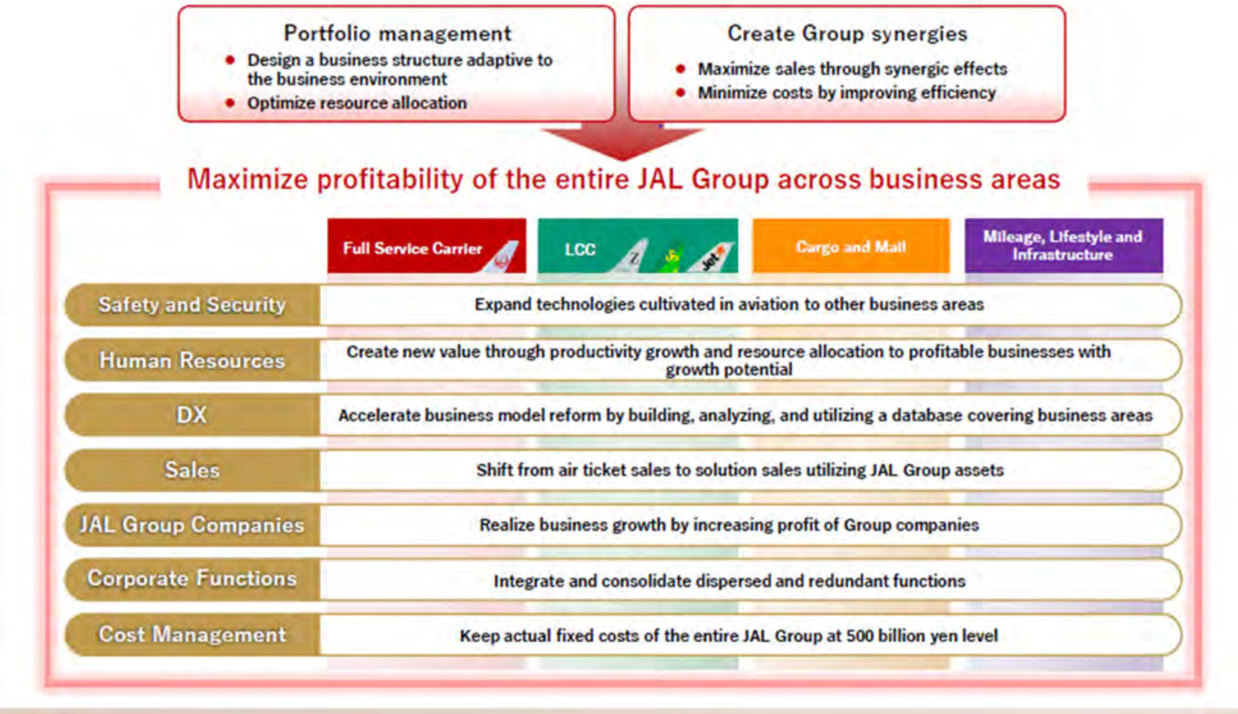
2. Medium-range issues (to 2025)

(i) Accelerating the reform of our business structure

The JAL Group will accelerate the reform of its business structure and build a business structure that is highly resilient to changes in the management environment.

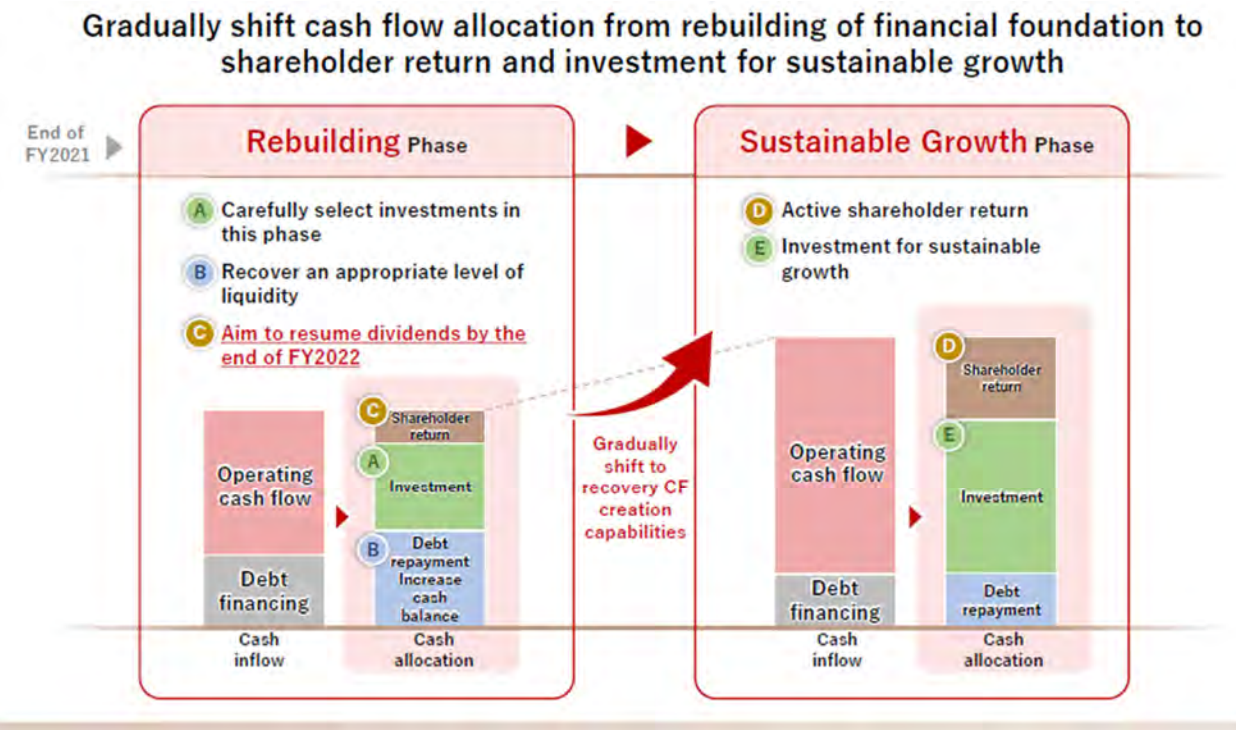


We will strive to improve the profitability of the full-service carrier business domain, double the scale of the LCC business domain operated by ZIPAIR, SPRING JAPAN, and Jetstar Japan, expand the cargo and mail business domain, including the freighter business, and develop new businesses in the non-aviation domain (mileage, lifestyle and infrastructure) by leveraging our customer base and human skills. To advance these efforts, we will pursue Group management and further step up cross-functional collaborations across business domains, and thereby endeavor to maximize the Group's entire profitability.



(ii) Rebuilding our financial foundation

With the aim of achieving both “enhancement of our risk tolerance” and “capital efficiency” at the same time, we will strategically allocate resources and steadily advance the rebuilding of our financial foundation. We will also seek to resume the payment of dividends by the end of FY2022 and to achieve zero net interest-bearing liabilities by the end of FY2025. Regarding our investment strategy, in order to steadily pursue and accelerate our ESG strategy, we will position all our investments as ones based on ESG and actively utilize ESG finance to secure funds for those investments.



Through these initiatives, we will strive to achieve “JAL Vision 2030” and become “the World’s Most Preferred and Valued Airline Group” in a vibrant society and future where many people and various goods freely move.

(6) Capital expenditures

During the current fiscal year, the JAL Group's capital expenditures totaled 161.3 billion yen, which is broken down into 130.2 billion yen for aircraft-related capital expenditures*, 8.6 billion yen for ground-based assets, etc., and 22.4 billion yen for intangible fixed assets.

Regarding airplanes, 13 airplanes were sold, 11 new airplanes were purchased, and four leased airplanes were purchased.

* The amount includes advance payments for 13 airplanes, out of the ordered airplanes, for which the JAL Group made payments during the fiscal year under review.

◇ Newly introduced: 11 airplanes

Airbus A350-900	7 airplanes
Boeing 787-9	2 airplanes
ATR42-600	2 airplanes

◇ Sold: 13 airplanes

Boeing 777-200	8 airplanes
Boeing 767-300	2 airplanes
SAAB 340B	3 airplanes

(7) Financing

The JAL Group agilely raised funds to be fully prepared financially in the face of the COVID-19 pandemic, by leveraging its strong financial position that has been cultivated thus far. We financed 441.9 billion yen in total by debt, including hybrid finance totaling 350.0 billion yen, with the aim of achieving our objectives on the two fronts of defense and offense, not only securing liquidity on hand necessary to endure the COVID-19 pandemic, but further strengthening our financial position to maintain and improve our financing capability, while also proactively securing funds for future investments to adapt to changes in the management environment and achieve sustainable growth in a post-COVID world.

We have also secured an undrawn commitment line of 300.0 billion yen, making every possible effort to secure liquidity on hand. Moreover, in order to make solid progress on the effort to replace our aircraft with fuel efficient aircraft during the transition period toward decarbonization, we obtained a certification from a globally recognized assessment organization and financed 10.0 billion yen by transition bonds in March 2022, becoming the first airline company to issue transition bonds.

(8) Acquisitions etc., of other companies' shares and other equity

The Company acquired shares of SPRING JAPAN Co., Ltd. (formerly Spring Airlines Japan Co., Ltd.) (6,000,000,000 shares) on June 28, 2021. As a result, the Company's holding ratio in the voting rights of SPRING JAPAN Co., Ltd. reached 66.7%, and SPRING JAPAN Co., Ltd. became a consolidated subsidiary of the Company.

The Company made SJ Future Holdings Corporation, which is a tender offeror for the acquisition of the shares of JALUX Inc., a consolidated subsidiary on January 18, 2022, and through SJ Future Holdings, acquired shares of JALUX Inc. (4,898,450 shares, which account for 38.3% of the total number of the JALUX shares outstanding) on March 24, 2022. As a result, the Company's holding ratio in the voting rights of JALUX Inc. reached 60.3% and the Company made JALUX Inc. a consolidated subsidiary.

(9) Business results and assets

The JAL Group has adopted the International Financial Reporting Standards (IFRS) since the 72nd fiscal year. As a result, the figures for the 71st fiscal year are listed as reference figures based on the IFRS.

Classification	Japanese GAAP (JGAAP)	
	70th fiscal year ended March 31, 2019	71st fiscal year ended March 31, 2020
Operating revenues (Millions of yen)	1,487,261	1,387,201
Operating profit (Millions of yen)	176,160	86,532
Operating profit margin (%)	11.8	6.2
Ordinary profit (Millions of yen)	165,360	88,471
Profit attributable to owners of parent (Millions of yen)	150,807	43,600
Basic earnings per share (Yen)	432.10	127.08
Return On Invested Capital (ROIC) (%)	9.5	4.3
Return On Equity (ROE) (%)	13.6	4.2
Total assets (Millions of yen)	2,030,328	1,880,116
Net assets (Millions of yen)	1,200,135	1,036,530
Net assets per share (Yen)	3,340.15	2,971.97
Equity ratio (%)	57.4	53.3

(Notes)
1. Basic earnings per share is calculated based on the average number of shares outstanding during the current fiscal year after subtracting the number of treasury shares and shares in the Company held by associated companies. Net assets per share is calculated based on the total number of shares issued as of the end of the current fiscal year after subtracting the number of treasury shares and shares in the Company held by associated companies.
2. Return On Invested Capital (ROIC) (%) = Net operating profit after taxes / Average fixed assets (including future rental expenses under operating leases)
3. Starting from the beginning of the 72nd fiscal year, "Accounting Standards for Revenue Recognition" (Corporate Accounting Standards No. 29, March 31, 2020) and "Guidelines for the Application of Accounting Standards for Revenue Recognition" (Guidelines for the Application of Corporate Accounting Standards No. 30, March 31, 2020) are applied. For the key business indicators, etc. pertaining to the 71st fiscal year, these accounting standards, etc. have been applied retroactively.
4. The figures based on JGAAP for the 71st fiscal year have not been audited based on the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

Classification	International Financial Reporting Standards (IFRS)		
	[Reference] 71st fiscal year ended March 31, 2020	72nd fiscal year ended March 31, 2021	73rd fiscal year ended March 31, 2022
Revenue (Millions of yen)	1,385,914	481,225	682,713
Profit (loss) before financing and income tax (EBIT) (Millions of yen)	88,807	(398,306)	(239,498)
EBIT margin (%)	6.4	(82.8)	(35.1)
Profit attributable to owners of parent (Millions of yen)	48,057	(286,693)	(177,551)
Basic earnings (loss) per share (Yen)	140.04	(764.99)	(406.29)
Return On Invested Capital (ROIC) (%)	4.7	(20.6)	(12.4)
Return On Equity (ROE) (%)	4.6	(29.2)	(20.3)
Total assets (Millions of yen)	1,982,254	2,107,279	2,371,658
Total equity (Millions of yen)	1,049,617	981,535	844,141
Equity per share attributable to owners of the parent (Yen)	3,009.71	2,168.06	1,830.03
Ratio of equity attributable to owners of the parent to total assets (%)	51.2	45.0	33.7

(Notes)
1. Basic earnings per share is calculated based on the average number of shares outstanding during the current fiscal year after subtracting the number of treasury shares. Equity per share attributable to owners of the parent is calculated based on the total number of shares issued as of the end of the current fiscal year after subtracting the number of treasury shares.
2. The Company regards "Profit before financing and income tax," a profit from which income tax expense, interest, and other financial income and expense have been deducted, as EBIT.
3. EBIT margin (%) = EBIT / Revenue
4. Return On Invested Capital (ROIC) (%) = EBIT (after tax) / Average fixed assets (*)
   *Fixed assets = Inventories + Non-current assets - Deferred tax assets - Retirement benefit asset

(10) Major parent companies and subsidiaries (as of March 31, 2022)

a. Parent companies

None

b. Subsidiaries

Name	Capital	Ratio of voting rights	Principal business
JAPAN TRANSOCEAN AIR CO., LTD.	4,537 million yen	72.8%	Air transportation business
JAPAN AIR COMMUTER CO., LTD.	300 million yen	60.0%	Air transportation business
J-AIR CO., LTD.	100 million yen	100.0%	Air transportation business
ZIPAIR Tokyo Inc.	100 million yen	100.0%	Air transportation business
SPRING JAPAN Co., Ltd.	100 million yen	66.7%	Air transportation business
JALUX Inc.	2,558 million yen	* 60.3%	Wholesale
JALCARD, Inc.	360 million yen	50.6%	Credit card business
JALPAK CO., LTD.	80 million yen	* 97.8%	Travel agency

(Note)
- ZIPAIR Tokyo Inc. and SPRING JAPAN Co., Ltd. are positioned in the LCC business domain and JALUX Inc. as a core company in the non-aviation domain.
- Figures with an asterisk (*) show the ratio of voting rights including those owned by subsidiaries.

(11) **Principal business** (as of March 31, 2022)

Air transportation business and other businesses incidental or related thereto.

(12) **Principal locations of business and plants** (as of March 31, 2022)

Business Office	
Head Office	2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Japan	Sapporo, Hakodate, Asahikawa, Obihiro, Kushiro, Kitami, Aomori, Akita, Sendai, Iwate, Tokyo, Niigata, Nagoya, Kanazawa, Osaka, Kyoto, Okayama, Hiroshima, Matsue, Yamaguchi, Matsuyama, Kochi, Takamatsu, Tokushima, Fukuoka, Nagasaki, Oita, Kumamoto, Miyazaki, Kagoshima, Amami, Okinawa
Overseas	Seoul, Beijing, Tianjin, Shanghai, Dalian, Guangzhou, Hong Kong, Taipei, Manila, Bangkok, Hanoi, Ho Chi Minh City, Singapore, Kuala Lumpur, Jakarta, Sydney, Melbourne, New Delhi, Bengaluru, Moscow, Vladivostok, Helsinki, Frankfurt, London, Paris, Guam, Vancouver, New York, Boston, Chicago, Dallas, Los Angeles, San Diego, San Francisco, Seattle, Honolulu, Kona

Plants
Haneda Maintenance Center, Narita Maintenance Center, Osaka Maintenance Center

(13) **Employees** (as of March 31, 2022)

	Number of Employees	Increase (decrease) from the previous fiscal year
Air transportation business	31,376 persons [395 persons]	-1,526 [-116]
Other	4,047 persons [268 persons]	+889 [-36]
Total	35,423 persons [663 persons]	-637 [-152]

(Notes) 1 The number of employees excludes employees on leave and employees seconded to companies outside the Group, but does include employees temporarily seconded from outside the Group to inside the Group.

2. For the number of employees dispatched from temporary employment agencies, the average annual number of temporary employees is provided separately in brackets. The increase (decrease) in dispatched employees from the previous fiscal year shows, in brackets, the difference between the average annual number of temporary employees in the previous fiscal year and the current fiscal year.

(14) Aircraft (as of March 31, 2022)

Aircraft	Number of aircraft			Number of seats
	Owned	Leased	Total	
Large-sized aircrafts				
Airbus A350-900	11	4	15	369, 391
Boeing 777-200	4	0	4*	375
Boeing 777-200ER	8	0	8*	236, 312
Boeing 777-300	4	0	4*	500
Boeing 777-300ER	13	0	13	244
(Subtotal)	(40)	(4)	(44)	
Middle-sized aircrafts				
Boeing 787-8	29	0	29	186, 206, 290, 291
Boeing 787-9	19	3	22	195, 203, 239
Boeing 767-300ER	29	0	29	199, 227, 237, 252, 261
(Subtotal)	(77)	(3)	(80)	
Small-sized aircrafts				
Boeing 737-800	47	18	65*	144, 165, 189
(Subtotal)	(47)	(18)	(65)	
Regional aircrafts				
Embraer 170	18	0	18	76
Embraer 190	14	0	14	95
De Havilland DHC8-400CC	5	0	5	50
ATR42-600	10	1	11	48
ATR72-600	2	0	2	70
(Subtotal)	(49)	(1)	(50)	
Total	213	26	239	

* Of the above, the number of aircraft already decommissioned (awaiting sale) as of March 31, 2022 is as follows: Boeing 777-200: 4 airplanes; Boeing 777-200ER: 3 airplanes; Boeing 777-300: 4 airplanes; Boeing 737-800: 1 airplane. Total decommissioned: 12 airplanes.

(15) Major Creditors (as of March 31, 2022)

The status of major creditors of the Company is as follows.

Creditor	Loans outstanding at the end of the period
Mizuho Bank, Ltd.	170,360 million yen
MUFG Bank, Ltd.	170,360 million yen
Development Bank of Japan Inc.	91,200 million yen
Sumitomo Mitsui Banking Corporation	48,534 million yen

(Note) Since the Company accounts for the majority of the JAL Group's borrowings, we are stating the Company’s situation in light of its importance.

(16) Other important matters concerning current status of the JAL Group

a. As regards the case that the Company was charged with forming a price cartel on air cargo by European Union antitrust authorities, a judgment by the European Court of Justice became final in February 2016, revoking the monetary penalty payment ordered by authorities. However, the authorities again issued an order of monetary penalty payment in March 2017. Accordingly, we filed a suit in the European Court of Justice again in May 2017 to confirm nullity of the order, and in March 2022 a judgment was made in the first trial that part of the order shall be null and that the amount of monetary penalty payment shall be reduced. At the same time, as a civil suit, cargo owners are suing several airlines including the Company in the Netherlands, etc., claiming damages arising from the alleged air cargo cartel. In regard to reserve for loss on antitrust liabilities, for which the probability and amount of possible losses can be reasonably estimated, an estimated amount of possible losses is recorded. The JAL Group provides training for employees on overseas assignments before they are stationed abroad, and holds seminars on antitrust and provides e-learning mainly for staff in the sales departments, in order to prevent occurrence of cartel behavior, while requiring managerial staff in the sales departments to confirm compliance every six months. Thus, the JAL Group endeavors to strengthen the structure for compliance with the antimonopoly law.

b. The case in February in which a customer was hard struck on the waist due to sudden pitching during flight and received a compression fracture in a bone of the lumbar vertebra and the case in March in which a cabin attendant fell due to sudden pitching during flight and received a fracture in the sacrum were designated as aircraft accidents by the Ministry of Land, Infrastructure, Transport and Tourism. For these cases, investigations by the Transport Safety Board of the Ministry of Land, Infrastructure, Transport and Tourism are underway. The Company will fully cooperate in the investigations by the investigation agency and strive to prevent recurrence of accidents.

Depending on how these matters develop, they could negatively affect our business performance. In addition, the JAL Group is at risk of various legal proceedings concerning its business activities that could affect its business or business performance.

2. Basic stance on capital strategy and policy on shareholder return

Basic stance on capital strategy

1) In order to plan for future corporate growth and adapt to changes in the management environment so as to be prepared for business risks unique to the air transportation business, JAL Group strives to secure net assets required for capital expenditures and to keep the equity ratio stable.
2) It has established a system to secure diverse and flexible means of procuring capital and strives to maintain a good credit rating to realize this.
3) JAL Group is also aware of cost of equity and to achieve a level of capital efficiency that exceeds the costs, establishes a management plan and financial targets and discloses and explains them including concrete measures to achieve its targets.

Outlook for the future

The management environment surrounding the JAL Group is growing more uncertain due to the prolonged COVID-19 pandemic, the impact of the situation in Russia and Ukraine, increases in fuel prices and raw material costs, and other factors. The impact of COVID-19, however, is steadily heading toward an end, and we forecast that passenger demand on domestic routes will recover to approximately 90% of the pre-COVID level and passenger demand on international routes will recover to approximately 50% of the pre-COVID level on a full-year basis. Demand for international cargo service is expected to remain robust in the current fiscal year. Based on these assumptions, we forecast significant improvements in the performance of the full-service carrier and LCC air transportation business year on year.

In the business domains other than the air transportation business, we position JALUX, which became a consolidated subsidiary of the Company, as a core company, and will strive to expand our business domains by leveraging the JAL Group's customer base and to strengthen the everyday and life-stage business and the mileage business.

Regarding expenses, higher raw material prices and surging fuel prices are anticipated, but we will work to minimize the impact by increasing fuel surcharge income and utilizing fuel hedge transactions, while also continuing our efforts to increase efficiency and reduce costs, particularly fixed costs.

As a result, for our consolidated financial results for the fiscal year ending March 31, 2023, we forecast revenue of 1,390 billion yen, EBIT of 80 billion, and profit attributable to owners of parent of 45 billion yen.

Policy on shareholder return

We regard shareholder returns as one of our most important management matters. Our fundamental policy is to actively implement shareholder returns through continuous and stable dividends and flexible share repurchases, while securing internal reserves for making investments for corporate growth in the future and changing business environments and to build a strong financial structure.

For the fiscal year under review, due to the impact of the spread of COVID-19, we posted a significant amount of loss for two consecutive fiscal years. In view of these situations as well as the recent management environment surrounding the JAL Group, which includes the geopolitical risks that have begun to make a real impact and surging crude oil prices, we have concluded that it is best to place top priority on securing liquidity on hand and strengthening our financial position to enhance our risk tolerance, and accordingly decided to forgo payment of dividends for the current fiscal year. While we most sincerely regret this decision, we would appreciate the understanding of our shareholders in this regard, in light of circumstances currently facing the JAL Group.

For the fiscal year ending March 31, 2023, while it should take some time for passenger demand on international routes to return to recovery, we can anticipate strong recovery in passenger demand on domestic routes in view of the current situation. Although we need to stay alert to the geopolitical risks that have begun to make a real impact and other risks such as a surge in crude oil prices, we expect recovery in our performance and improvement in our cash flow generation capability as long as no major adverse event occurs going forward. Accordingly, we will seek to resume the payment of dividends by the end of the fiscal year ending March 31, 2023, provided that we will present our interim and the fiscal year-end dividends forecast when we have more clarity on the outlook for the recovery in our performance in view of future changes in the management environment. We will seek to bring our performance back on track for recovery and complete the rebuilding of our financial foundation as soon as possible, and once again strive to achieve continuous and stable shareholder returns.

3. **Shares** (as of March 31, 2022)

(1) Total number of shares issued and number of shareholders

Classification	Total number of shares issued	Number of shareholders
Ordinary shares	437,143,500 shares	481,161 persons

(Note) The total number of shares issued includes 136,291 shares of treasury shares.

(2) Major shareholders

(As of March 31, 2022)

Name	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	64,908,200	14.85
Custody Bank of Japan, Ltd. (Trust account)	13,160,900	3.01
MSIP CLIENT SECURITIES	8,151,547	1.86
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	8,006,870	1.83
KYOCERA Corporation	7,638,400	1.74
Daiwa Securities Group Inc.	5,000,000	1.14
MLI FOR SEATOWN MASTER FUND-PB	3,374,200	0.77
DAIWA CM SINGAPORE LTD- NOMINEE ROBERT LUKE COLLICK	3,140,000	0.71
SSBTC CLIENT OMNIBUS ACCOUNT	2,858,062	0.65
GOVERNMENT OF NORWAY	2,784,286	0.63

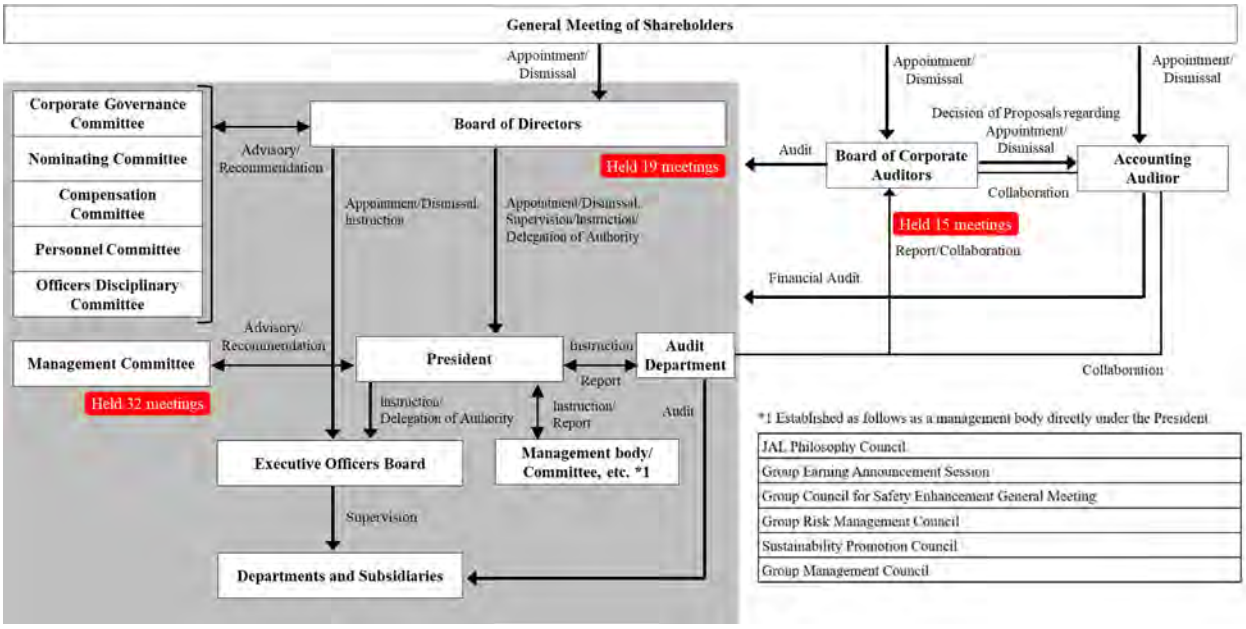
(Note) Shareholding ratio is calculated with 136,291 shares of treasury shares excluded, rounded down to two decimal places.

4. Company's systems and policies

1) Corporate Governance

We have established JAL Philosophy in accordance with the JAL Group Corporate Policy (please see page 1), and engage in speedy and appropriate management decision making and achieve accountability.

■ Corporate Governance System



Board of Directors and Directors

- The Board of Directors appoints a Director who does not concurrently serve as Executive Officer as Chairman of the Board of Directors in order to separate the management supervisory function and business execution function.
- Directors are appointed from persons with vast knowledge and experience in various fields, taking into consideration the ensuring of diversity regarding factors such as gender, international background, professional background, and age. We have developed a skill matrix with regard to the professional knowledge and experience that Directors should possess.
- External Directors are appointed from an appropriate number of three or more highly independent candidates and make up at least one-third of the board of directors. Those who do not qualify as highly independent within the meaning of "Independence Standards of External Officers" established by the Company or who concurrently serve as Audit & Supervisory Board Member, etc. at more than four (4) listed companies other than the Company are not appointed as External Audit & Supervisory Board Members. Moreover, one External Director from among External Directors is appointed as the Lead Independent External Director to improve coordination with Audit & Supervisory Board Members and internal divisions.

Various Voluntary Committees

We have established various voluntary committees under the Board of Directors, each of which ensures independence from the Company's executive management, with External Directors making up the majority of its members.

Board of Corporate Auditors and Audit & Supervisory Board Members

- The Board of Corporate Auditors is comprised of five Audit & Supervisory Board Members, including three External Audit & Supervisory Board Members, fulfilling their roles and responsibilities such as auditing the execution of Director's duties, appointing or dismissing accounting auditors, and executing rights concerning auditor remuneration from an independent objective standpoint.
- Audit & Supervisory Board Members monitor important matters concerning corporate management, business operations and the performance of duties by participating in board meetings and other important meetings, exchanging opinions with the Representative Directors and External Directors, and reviewing important Kessai (written approval) documents.
  Furthermore, we endeavor to improve and strengthen auditing of the entire JAL Group through efforts that involve: audit of each business location and subsidiary; hearing with the presidents of major subsidiaries; cooperation with internal audit departments and accounting auditors, and; holding regular meetings with full-time audit & supervisory board members of major subsidiaries.
- External Audit & Supervisory Board Members are appointed from among persons with vast knowledge and experience in various fields, and ensure sound management by conducting audits from a neutral and objective standpoint. Those who do not qualify as highly independent within the meaning of "Independence Standards of External Officers" established by the Company, and those who concurrently serve as Audit & Supervisory Board Member, etc. at more than four (4) listed companies other than the Company are not appointed as External Audit & Supervisory Board Members.

Various Voluntary Committees

	Role	Major activities in FY2021	Number of Meetings in FY2021
Corporate Governance Committee Chair: Eizo KOBAYASHI *1	The Corporate Governance Committee checks whether activities comply with JAL Group Fundamental Policies of Corporate Governance, conducts analyses, evaluations and deliberations to determine whether such activities contribute to sustainable growth and enhancement of medium and long term corporate value, and provides necessary findings, proposals and reports to the Board of Directors.	The Committee deliberated on matters related to the Fundamental Policies of Corporate Governance and formulation and made recommendations on policies regarding the evaluation of effectiveness of the Board of Directors.	2
Nominating Committee Chair: Hiroyuki YANAGI *1	When submitting a proposal to the general meeting of shareholders concerning the appointment of candidates to the positions of Director and Audit & Supervisory Board Member, the Nominating Committee comprehensively judges the personality, knowledge, ability, experience, performance and other attributes of each candidate based on an inquiry from the Board of Directors and reports back.	In addition to the provision of necessary findings to the Board of Directors, the Committee discussed requirements and processes concerning the appointment of officer candidates when replacing officers and succession plans for executives on the management team.	7
Compensation Committee Chair: Eizo KOBAYASHI *1	The Compensation Committee deliberates on matters concerning the amount of compensation for Directors, Executive Officers and Audit & Supervisory Board Members based on an inquiry from the Board of Directors and reports back. Moreover, the remuneration system is appropriately verified to ensure healthy incentives directed at sustainable growth.	The Committee discussed an officers' remuneration system that is necessary to more strongly advance the Medium-term Management Plan initiatives and other matters, and made recommendations to the Board of Directors.	7
Personnel Committee Chair: Yuji AKASAKA	When appointing or dismissing an Executive Officer, the Personnel Committee reports back to the Board of Directors based on an inquiry from the Board.	In addition to the provision of necessary findings to the Board of Directors, the Committee discussed the development of personnel who are executive officer candidates and the new executive structure.	2
Officers Disciplinary Committee Chair: - *2	When taking disciplinary action against Directors and Executive Officers, the Officers Disciplinary Committee decides the details of disciplinary action.	Sonoko HATCHOJI *2	0

*1 Independent External Directors
*2 The Officers Disciplinary Committee meeting was not held in the fiscal year under review, and the chair of the committee has not been elected.

Evaluation of effectiveness of the Board of Directors

Under the Fundamental Policies of Corporate Governance, every year the Group assesses the effectiveness of the Board and reviews operation, etc. appropriately, while referring to self-assessment by each Director and Audit & Supervisory Board Member.

<Overview of the results of assessment for FY2021>

The Directors and Audit & Supervisory Board Members have been selected in a well-balanced way in terms of the professional knowledge, experience, etc., that each Director and Audit & Supervisory Board Member should possess. The Board of Directors conducts free and open-minded discussions, while receiving an audit of performance of duties from Audit & Supervisory Board Members, with the opinions of External Directors respected by Directors.

External Directors have been given a high level of access to information, and are appropriately fulfilling their roles as External Directors.

In FY2021, the Board of Directors particularly discussed the execution of initiatives to secure liquidity at hand and improve earnings amid the COVID19 pandemic, while also actively working to enhance the contents of deliberations at the committees concerning sustainability issues and the appointment of officers and remuneration for officers and have the contents of the deliberations properly reported to the Board of Directors. As a result, the Board of Directors received a high rating in the overall assessment.

<Overview of future initiatives>

Toward achieving JAL Vison 2030, the Board of Directors will continue to monitor and discuss our initiatives for sustainability issues under the ESG strategy, strengthen supervision on progress on the reform of our business structure, and strive to enhance our corporate value over the medium- to long-term.

For FY2022, the Board of Directors has confirmed

(i) the Board of Directors needs to take charge of advancing our management strategy and also to advance our human resource strategy in order to continuously enhance the power of human resources, which is our greatest strength,

(ii) the Board of Directors needs to further strengthen the JAL Group’s entire risk management in view of risks associated with the expansion of our business domains and growing external risks, including IT security, and,

(iii) the Board of Directors needs to strengthen interactive communication with individual shareholders by enhancing information disclosure and identifying and analyzing needs, with the aim of further strengthening constructive dialog with shareholders, and will steadily implement measures to address these issues.

2) Risk Management

Basic stance of and system

The JAL Group, under the Fundamental Policy on Risk Management," controls risks to surely achieve management targets. We define risks as "events or actions that threaten the fulfillment of missions, purposes and goals of the organization," divide risks into the two classes of "operational risks" and "corporate risks," and identify important risks (priority risks) based on risk assessment criteria. For priority risks, we have established a robust risk management system where, while utilizing methods similar to internal audits, such as controlled self-assessment (a workshop-format self-assessment program) and risk consulting, we implement the PDCA cycle, headed by the Group Risk Management Council under the direct control of the President, and the Board of Directors appropriately supervise the status of the PDCA cycle.

Business Continuity Management (BCM)

To respond to specific risks that threaten our ability to fulfill our responsibilities as a public transportation operator, such as unidentified infectious diseases or earthquakes in the metropolitan area, we have established a business continuity plan (BCP) that enables us to maintain air transportation operations essential to the Group, with priority given to safety of our customers and employees. Furthermore, assuming that an earthquake could directly strike beneath the Tokyo metropolitan area where Head Office central functions are integrated, we worked to expand and practice BCP to enhance its effectiveness and, as part of the effort, we transferred some of our operation control function to inside the Osaka International Airport.

Due to these initiatives, we have received "Resilience Certification for Business Continuity and Social Contribution" from Association for Resilience Japan since November 2019, and we also received an A for the BCM rating by the Development Bank of Japan in March 2020.

Crisis management response

We established a task force led by President for COVID-19 in January 2020 and another in response to the situation in Russia and Ukraine in February 2022. We hold weekly task force meetings, and agilely address such issues as customer safety and sense of security, demand-trend analysis, supply adjustment and improvement of earnings.

5. Corporate Officers

(1) Directors and Audit & Supervisory Board Members (as of March 31, 2022)

Position	Name	Responsibility	Important concurrent occupations or positions at other organizations (* indicates a listed company)
Director, Chairman	Yoshiharu UEKI	Chairman of the Board of Directors	Outside Director, Japan Airport Terminal Co., Ltd.(*)
Representative Director, President	Yuji AKASAKA	Safety General Manager Chairman of the Management Committee Chairman of the Group Management Council Chairman of the Council for Group Safety Enhancement Chairman of the JAL Philosophy Committee Chairman of the Group Risk Management Council Chair of the Sustainability Promotion Council General Manager of SDGs	
Representative Director, Executive Vice President	Shinichiro SHIMIZU	Aide to the President, Chief Wellness Officer, Chair of the JAL Wellness Promotion Committee	
Representative Director, Senior Managing Executive Officer	Hideki KIKUYAMA	Senior VP, Finance & Accounting	
Director, Senior Managing Executive Officer	Ryuzo TOYOSHIMA	Senior VP, Route Marketing	
Director, Managing Executive Officer	Tadayuki TSUTSUMI	Senior VP, Corporate Safety and Security, Manager, Family Assistance & Support	
Director	Eizo KOBAYASHI		Director (Outside), OMRON Corporation(*) Outside Director, Japan Exchange Group, Inc.(*)
Director	Sonoko HATCHOJI		External Director, Daicel Corporation (*) External Director, Maruha Nichiro Corporation (*)
Director	Hiroyuki YANAGI		Outside Director, AGC Inc.(*) Outside Director, Kirin Holdings Company, Limited (*)
Audit & Supervisory Board Member, full-time	Norikazu SAITO		
Audit & Supervisory Board Member, full-time	Yuichi KITADA		
External Audit & Supervisory Board Member	Osamu KAMO		Attorney at law, Ginza Sogo Law Office External Audit & Supervisory Board Member, Azearth Corporation(*)
External Audit & Supervisory Board Member	Shinsuke KUBO		Representative Partner, Kyoei Accounting Office External Audit and Supervisory Board Member, KAWASAKI KISEN KAISHA, Ltd.(*)
Audit & Supervisory Board Member	Joji OKADA		Member, Business Accounting Council of Financial Services Agency Governor (Outside), Japan Exchange Regulation

(Notes) 1. Changes of Directors and Audit & Supervisory Board Members during the current fiscal year

(1) Assumption

At the 72nd Ordinary General Meeting of Shareholders held on June 17, 2021, Mr. Tadayuki Tsutsumi and Mr. Hiroyuki Yanagi were newly appointed as Director, and Mr. Yuichi Kitada was newly appointed as External Audit & Supervisory Board Member, and they assumed office on the same date.

(2) Retirement

At the conclusion of the 72nd Ordinary General Meeting of Shareholders held on June 17, 2021, Mr. Tadashi Fujita, Mr. Yuichi Kitada and Mr. Masatoshi Ito retired from office of Director due to the expiration of the term of office, and Mr. Yasushi Suzuka resigned from office of External Audit & Supervisory Board Member.

2. Changes in important concurrent occupations or positions at other organizations of Directors and Audit & Supervisory Board Members during the current fiscal year

(1) Retirement

Director, Mr. Hiroyuki Yanagi, retired from office of Outside Director, Yamaha Corporation, on March 23, 2022.

3. Directors, Mr. Eizo Kobayashi, Ms. Sonoko Hatchoji and Mr. Hiroyuki Yanagi are External Directors who meet the Independence Standards of External Officers stipulated by the Company. The Company has designated them as the Independent Officers who are unlikely to have conflicts of interests with general shareholders as stipulated by the Tokyo Stock Exchange and notified them to the stock exchange. In addition, Mr. Eizo Kobayashi is the Lead Independent External Director.

4. Audit & Supervisory Board Members, Mr. Osamu Kamo, Mr. Shinsuke Kubo and Mr. Joji Okada are External Audit & Supervisory Board Members who meet the Independence Standards of External Officers stipulated by the Company. The Company has designated them as the Independent Officers who are unlikely to have conflicts of interests with general shareholders as stipulated by the Tokyo Stock Exchange and notified them to the stock exchange.

5. Audit & Supervisory Board Member, Mr. Norikazu Saito has considerable knowledge of finance and accounting, having been engaged mainly in the finance and accounting departments over his many years since joining the Company, and having served as General Manager of Finance & Accounting for the last nine years since 2010.

6. Audit & Supervisory Board Member, Mr. Shinsuke Kubo is qualified to be a certified public accountant and has considerable knowledge of finance and accounting.

7. Audit & Supervisory Board Member, Mr. Joji Okada has considerable knowledge of finance and accounting, having been engaged mainly in the finance and accounting departments over his many years since joining Mitsui & Co., Ltd., and having served as Executive Vice President, CFO of Mitsui & Co., Ltd.

(2) Overview of liability limitation agreement

In accordance with Article 427, Paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with each External Director and Audit & Supervisory Board Member, by which they are bound to be liable for damages specified in Article 423, Paragraph (1) of the Companies Act, to the extent of the amount of the minimum liability specified in Article 425, Paragraph (1) of the said Act.

(3) Conclusion of a directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance ("D&O insurance") policy covering Directors, Audit & Supervisory Board Members and Executive Officers as the insured, which is provided for in Article 430-3, Paragraph (1) of the Companies Act. The insurance policy covers damages, litigation expenses, etc., incurred by the insured resulting from any claim filed due to an act of the insured in the performance of their duties, provided that the insurance policy provides for certain indemnification conditions and the amount of indemnification. The Company pays for the entire amount of insurance premiums.

(4) Remuneration, etc. paid to Directors and Audit & Supervisory Board Members

a. Remuneration, etc. paid for the fiscal year under review

Classification	Number of Directors and Audit & Supervisory Board Members	Total amount paid (Millions of yen)	Total amount paid by type (Millions of yen)		
			Basic remuneration	Performance-linked remuneration (Bonus)	Performance-linked remuneration (Non-monetary remuneration claims, etc.)
Directors (Of which, External Directors)	12 (4)	244 (36)	244 (36)	– (–)	– (–)
Audit & Supervisory Board Members (Of which, External Audit & Supervisory Board Members)	6 (3)	77 (28)	77 (28)	–	–
Total	18	322	322	–	–

* Performance-linked remuneration (Bonus) shall be referred to as "Performance-linked bonus," and Performance-linked remuneration (Non-monetary remuneration claims, etc.) shall be referred to as "Performance-linked share remuneration" in this section.

(Notes)
1. Remuneration, etc. paid for the fiscal year under review includes three Directors and one Audit & Supervisory Board Member who retired from office at the conclusion of the 72nd Ordinary General Meeting of Shareholders held on June 17, 2021.
2. The total amount of remuneration, etc. paid to Directors does not include salaries for employees serving concurrently as Directors.
3. The maximum annual remuneration (total amount) for Audit & Supervisory Board Members was determined by a resolution at the Special Meeting of Shareholders on July 10, 2012, to be no more than 100 million yen. To ensure independence, remuneration for Audit & Supervisory Board Members consists only of fixed remuneration (monthly remuneration) and is determined through consultation with Audit & Supervisory Board Members. At the time of conclusion of such General Meeting of Shareholders, the number of Audit & Supervisory Board Members was five (including three Audit & Supervisory Board Members).

b. Policy on determination of remuneration in kind for Directors

The total amount of monetary remuneration, etc. for Directors shall be no more than 700 million yen (consisting of (i) fixed basic remuneration of 350 million yen or less (of which, 50 million yen or less for External Directors), and (ii) a performance-linked bonus of 350 million yen or less), and the total amount of remuneration in the form of monetary remuneration receivables under the performance-linked share-based remuneration plan for Directors per each performance evaluation period (refers to the three most recent consecutive completed fiscal years) shall be the amount obtained by multiplying the upper limit on the number of shares to be delivered per performance evaluation period (100,000 shares), by the upper limit on amount to be paid in* per share (determined by a resolution at 68th Ordinary General Meeting of Shareholders held on June 22, 2017). At the time of conclusion of such General Meeting of Shareholders, the number of Directors was 10 (including three External Directors). * Upper limit on amount to be paid in:
The highest closing price of ordinary transactions of ordinary shares of the Company on the Tokyo Stock Exchange for three months before and three months after (total six months) the point of expiration of the performance evaluation period that forms the target period for execution of the duties which are to be compensated by the monetary remuneration receivables allocated for payment.

Regarding the remuneration which was approved by the resolution of the General Meeting of Shareholders described above, the Company has decided the following policies regarding the determination of Director remuneration, etc. at the Board of Directors meeting after deliberation and reporting to the Compensation Committee.

Fundamental policies

(1) The JAL Group will encourage the performance of duties consistent with our Corporate Policy and management strategies and provide strong incentives for the achievement of specific management

targets, with the aim of sustainable and steady growth of the Company and the Group and of medium to long-term improvement in corporate value.

(2) The Company will establish appropriate proportions for performance-linked bonus linked to fiscal year performance and, for the purpose of further promoting the aligning of interests with shareholders, a performance-linked share-based remuneration linked to corporate value in accordance with medium to long-term performance, in order to contribute to the demonstration of sound entrepreneurial spirit.

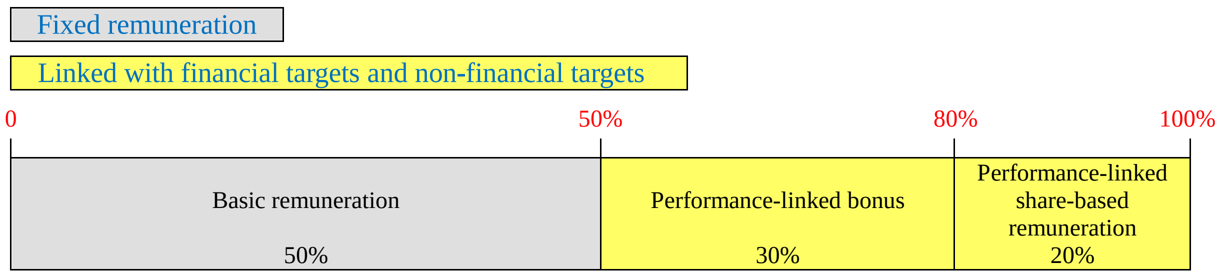
(3) The Company will provide treatment that is appropriate to the management team of the Company, in accordance with the Company's business performance.

Remuneration levels and remuneration composition ratios

(1) The Company will set appropriate remuneration levels with reference to objective data on remuneration in the marketplace, and based on the business conditions of the Company.

(2) Taking into account factors including the content of the Company's business and the effectiveness of performance-linked remuneration, the Company sets the proportions of (A) amount of fixed basic remuneration*, (B) amount of performance-linked bonus to be paid according to degree of achievement against targets, and (C) amount of performance-linked share-based remuneration to be issued according to the degree of achievement against targets, as follows.

If the degree of achievement of targets is 100%:



The above ratios are provided as a general guideline only, and may vary according to changes in the market price of the Company's shares, etc.

* The amount excludes the amounts of allowances in cases in which an Executive Officer serves concurrently as Director, and the amounts of allowances when the Executive Officer has representative authority.

Framework for performance-linked remuneration

The performance-linked bonus and the performance-linked share-based remuneration will be reviewed as necessary in accordance with changes in the business conditions, the roles of officers, etc. In order to strongly advance our finance strategy, business strategy and ESG strategy, the three pillars of our management strategy under the Medium-term Management Plan, we will revise the performance evaluation indices for the performance-linked bonus and the performance-linked share-based remuneration and other factors for FY2022 and beyond (as resolved at the Board of Directors meetings held on December 15, 2021 and April 20, 2022).

FY2022 and beyond:

(1) The amount of money to be paid every term as performance-linked bonus will vary from 0 to 150 depending on degree of achievement, with 100 as the amount to be paid in the case of achievement in line with performance targets. The performance evaluation indices will be EBIT and individual performance evaluation indices for each officer[*1], and in addition to these indices, the level of achievement in terms of indicators related to safety operation will also be considered to definitely determine the amount of performance-linked bonus.

(2) The number of shares to be granted every term as performance-linked share-based remuneration will

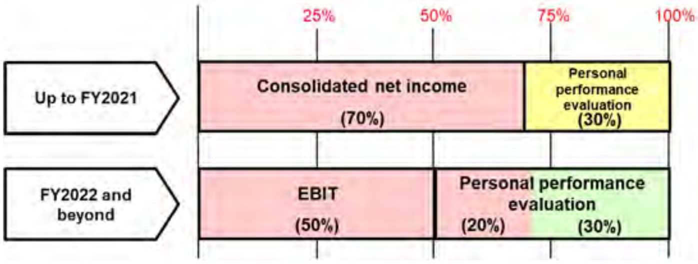
vary from 0 to 150 depending on degree of achievement, with 100 as the number to be granted in the case of achievement in line with performance targets*2. The performance evaluation period will be three years, with performance for three consecutive business years evaluated every term. The performance evaluation indices will be TSR (comparison with dividends-included TOPIX), consolidated ROIC, the number of stock indices etc., by which JAL has been recognized as an ESG leader, and CO_2 emissions per revenue-ton-km, which are prioritized in our Medium-term Management Plan.

*1 For Chairman and President, “individual performance evaluation indices for each officer” will not be set, and instead, “profit attributable to owners of parent” will be used for performance evaluation through FY2021, and “EBIT” for FY2022 beyond.

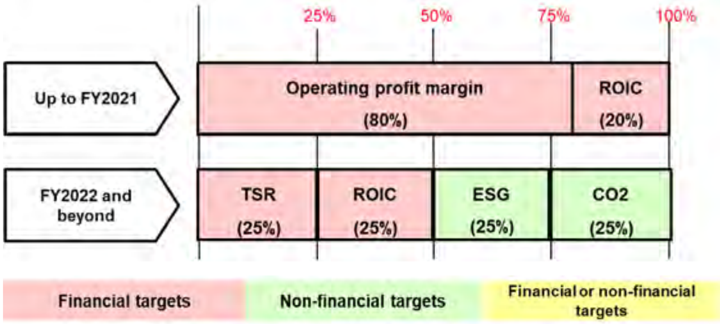
*2 For the final fiscal year of the Medium-term Management Plan period, the number will vary from 0 to 200, adjusted by addition or subtraction according to the level of achievement in terms of the targets set under the Medium-term Management Plan.

At its meeting held on February 17, 2022, the Board of Directors resolved that in view of the difficult management environment, there will be no payments of performance-linked bonus calculated based on the results for the FY2021. Furthermore, there will be no provision of performance-linked share-based remuneration for each of the periods which started in FY2019, FY2020, and FY2021, respectively, in light of our performance and other factors.

Performance-linked bonus (If the degree of achievement is 100%)



Performance-linked share remuneration (If the degree of achievement is 100%)



* TSR: Evaluated based on the ratio of the total shareholder return of the Company's share to the return of TOPIX including dividends

ROIC: Evaluated based on consolidated ROIC

CO_2: Evaluated based on CO_2 emissions per revenue-ton-km

ESG: Evaluated based on the number of major ESG stock indices etc., by which JAL has been listed or recognized (DJSI World Index, FTSE Blossom Japan Index, APEX WORLD CLASS, CDP A-, and MSCI WIN)

Procedures for determination of remuneration, etc.

Matters related to remuneration of Directors will be decided by the Board of Directors, following deliberation and reporting within a Compensation Committee arbitrarily established by the Company. A majority of the members of the Compensation Committee will be External Directors, and its Chairman will be appointed from among the External Directors.

Basic remuneration is to be paid monthly and performance-linked bonuses and performance-linked share remuneration is to be paid annually.

Reasons why the Board of Directors judged that the details of individual remuneration, etc. comply with the policies

Regarding the individual remuneration, etc., after a discussion based on the policies concerning the determination of the Director remuneration etc. described above at the Compensation Committee, which has an External Director serving as Chairperson and a majority of members who are External Directors, it was decided at the Board of Directors meeting held on February 17, 2021, with due respect for the deliberations and reports of that committee that the details of the individual remuneration, etc. are judged to be in compliance with the above policies established by the Company.

(5) External Officers

Position	Name	Attendance at meetings of the Board of Directors and the Board of Corporate Auditors	Major activities during the current fiscal year
Director	Eizo KOBAYASHI	Board of Directors meetings attended: 100% (19/19)	Mr. Kobayashi has extensive experience in global management and leadership over multifaceted group companies and deep insight into management as a member of top management of a general trading company which develops businesses around the world. With such attributes, he was expected to give advice to the Company's management and appropriately supervise the performance of duties from practical and diversified perspective. He used this experience and so forth, as well as activities as Chairman of the Corporate Governance Committee, Chairman of the Nominating Committee and Chairman of the Compensation Committee to give advice to the Company's management and supervise the performance of duties.
Director	Sonoko HATCHOJI	Board of Directors meetings attended: 100% (19/19)	Ms. Hatchoji has significant knowledge and extensive experience in the areas of financial product development, loans and risk management at banks, and customer-centric marketing and management strategy in hotel management. She also has diversified perspectives gained in the areas including educational reforms at universities. With such attributes, she was expected to give advice to the Company's management and appropriately supervise the performance of duties. She used this knowledge and so forth to give advice to the Company's management and supervise the performance of duties.
Director	Hiroyuki YANAGI	Board of Directors meetings attended: 100% (15/15)	Mr. Yanagi has extensive experience and broad knowledge as a member of top management of a globally operating company. With such attributes, he was expected to give advice to the Company's management and appropriately supervise the performance of duties from practical and diversified perspective. He used the experience and so forth to give advice to the Company's management and supervise their performance of duties.
Audit & Supervisory Board Member	Osamu KAMO	Board of Directors meetings attended: 100% (19/19) Board of Corporate Auditors meetings attended: 100% (15/15)	Mr. Kamo was expected to give advice and recommendations on the Company's managerial issues, operations of the Board of Directors, internal control, risk management, etc., from the perspective of a legal expert, based on his many years of experience regarding compliance and corporate governance in the legal field such having held positions as a member of an investigation committee on misconduct cases. He used this experience and so forth to give advice and suggestions to the Company's management.
Audit & Supervisory Board Member	Shinsuke KUBO	Board of Directors meetings attended: 100% (19/19) Board of Corporate Auditors meetings attended: 100% (15/15)	Mr. Kubo was expected to give advice and recommendations on the Company's managerial issues, operations of the Board of Directors, internal control, risk management, etc., from the perspective of an accounting professional, based on his many years of experience as a certified public accountant, where he has dealt with corporate auditing, stock listing, corporate restructuring, M&A support, etc. He used this experience and so forth to give advice and suggestions to the Company's management and supervise the performance of duties.
Audit & Supervisory Board Member	Joji OKADA	Board of Directors meetings attended: 100% (19/19) Board of Corporate Auditors meetings attended: 100% (15/15)	Mr. Okada was expected to give advice and recommendations on the Company's managerial issues, operations of the Board of Directors, internal control, risk management, etc., from the practical perspective on all aspects of audit, based on his practical experience and professional expertise as a manager in the management and the finance & accounting department of a general trading company, as well as rich experience as a Full-time Audit & Supervisory Board Member of the general trading company and Chairperson of the Japan Audit & Supervisory Board Members Association. He used this experience and so forth to give advice and suggestions to the Company's management.

* As Mr. Hiroyuki Yanagi was newly appointed at the 72nd Ordinary General Meeting of Shareholders held on June 17, 2021 and took office as Director on the same date, the number of the meetings of the Board of Directors that he could attend in the fiscal year under review is different from that for the other External Directors.

6. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Amount of remuneration, etc., for Accounting Auditor

a. Remuneration, etc., for Accounting Auditor for the current fiscal year	142 million yen
b. Total amount of money and other financial interests to be paid by the Company and its subsidiaries	237 million yen

(Notes)
1. The amount in a. above is all attributed to services in the scope of Article 2, Paragraph (1) of the Certified Public Accountants Act of Japan.
2. In the audit agreement by and between the Company and the Accounting Auditor, the Company does not keep accounts by each category of the amount of audit fee, etc., for auditing services under the Companies Act and under the Financial Instruments and Exchange Act. As the amount of auditing services may be difficult to classify, the Company states the total amount thereof in a. above.
3. The Board of Corporate Auditors shall provide consent to remuneration, etc. of the Accounting Auditor as provided for in Article 399, Paragraph (1) of the Companies Act based on the result of examining the suitability, etc. of the proposed audit time and remuneration amount of the current fiscal year, giving consideration to a comparison of the audit plan and results of the previous fiscal year and the trend of audit time and remuneration amount based on important obtained materials and reports from the Directors, internal related offices and the Accounting Auditor.

(3) Non-auditing services

The Company and some of its subsidiaries commission the Accounting Auditor to provide the assurance engagements and other services in accordance with International Standards on Assurance Engagements, which are outside the scope of Article 2, Paragraph (1) of the Certified Public Accountants Act of Japan (non-auditing services).

(4) Policy regarding determination of removal or refusal of reappointing of Accounting Auditor

In addition to removal of the Accounting Auditors by the Board of Corporate Auditors in accordance with Article 340, Paragraph (1) of the Companies Act, the Board of Corporate Auditors may resolve the agenda regarding removal or refusal of reappointment of Accounting Auditors, and the Directors may submit the said agenda to the shareholders meeting if there is any event that has a substantial detriment on the Company's audit activities, or any other event in which serious doubts arise about the Accounting Auditors' ability to continue to perform their duties.

Consolidated Statement of Financial Position

As of March 31, 2022

(Millions of yen)

ASSETS	Amount	(Reference) Amount of previous fiscal year
I Current assets		
Cash and cash equivalents	494,226	408,335
Trade and other receivables	120,322	76,760
Other financial assets	43,359	14,133
Inventories	31,279	23,680
Other current assets	61,316	44,906
Subtotal	**750,504**	**567,816**
II Non-current assets		
Tangible fixed assets		
Flight equipment	887,212	827,587
Advances on flight equipment	70,409	129,882
Other tangible fixed assets	95,165	87,942
Total tangible fixed assets	**1,052,787**	**1,045,413**
Goodwill and intangible assets	**87,637**	**89,662**
Investments accounted for using equity method	19,664	24,232
Other financial assets	152,233	128,055
Deferred tax assets	284,287	225,886
Retirement benefit asset	4,496	3,176
Other non-current assets	20,046	23,036
Subtotal	**1,621,153**	**1,539,462**
Total assets	**2,371,658**	**2,107,279**

Consolidated Statement of Financial Position

As of March 31, 2022

(Millions of yen)

LIABILITIES	Amount	(Reference) Amount of previous fiscal year
I Current liabilities		
Trade and other payables	94,046	97,185
Interest-bearing liabilities	86,786	69,621
Other financial liabilities	16,564	42,490
Income taxes payable	3,602	3,890
Contract liabilities	240,224	215,239
Provisions	2,188	3,750
Other current liabilities	27,073	44,714
Subtotal	**470,486**	**476,893**
II Non-current liabilities		
Interest-bearing liabilities	841,677	445,525
Other financial liabilities	26,464	23,479
Deferred tax liabilities	1,968	108
Provisions	26,289	15,667
Retirement benefit liability	151,028	153,169
Other non-current liabilities	9,601	10,899
Subtotal	**1,057,030**	**648,850**
Total liabilities	**1,527,517**	**1,125,744**
EQUITY		
I Equity attributable to owners of parent		
Share capital	273,200	273,200
Capital surplus	273,617	273,557
Retained earnings	176,406	352,965
Treasury shares	(408)	(408)
Accumulated other comprehensive income		
Financial assets measured at fair value through other comprehensive income	35,512	35,468
Effective portion of cash flow hedges	41,018	12,877
Exchange differences on translation of foreign operations	390	(201)
Total accumulated other comprehensive income	**76,921**	**48,144**
Subtotal	**799,736**	**947,459**
II Non-controlling interests	**44,404**	**34,075**
Total equity	**844,141**	**981,535**
Total liabilities and equity	**2,371,658**	**2,107,279**

Consolidated Statement of Profit or Loss

(April 1, 2021 – March 31, 2022)

(Millions of yen)

	Amount	(Reference) Amount of previous fiscal year
Revenue		
International passenger revenue	70,887	27,969
Domestic passenger revenue	235,736	174,006
Other revenue	376,089	279,249
Total revenue	682,713	481,225
Other income	22,745	13,397
Personnel expenses	(245,724)	(254,809)
Aircraft fuel	(145,456)	(96,788)
Depreciation, amortization and impairment losses	(178,785)	(190,585)
Other operating expenses	(370,259)	(342,854)
Total operating expenses	(940,226)	(885,037)
Operating profit (loss)	(234,767)	(390,414)
Share of profit (loss) of investments accounted for using equity method	(9,901)	(7,582)
Profit (loss) before investing, financing and income tax	(244,668)	(397,997)
Investing income	10,878	2,694
Investing expenses	(5,708)	(3,003)
Profit (loss) before financing and income tax	(239,498)	(398,306)
Finance income	1,986	1,799
Finance expenses	(9,105)	(7,570)
Profit (loss) before tax	(246,617)	(404,078)
Income tax expense	65,272	116,202
Profit (loss)	(181,345)	(287,875)
Profit (loss) attributable to		
Owners of parent	(177,551)	(286,693)
Non-controlling interests	(3,793)	(1,182)

Consolidated Statement of Changes in Equity

(April 1, 2021 – March 31, 2022)

(Millions of yen)

	Equity attributable to owners of parent					
					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Financial assets measured at fair value through other comprehen-sive income	Effective portion of cash flow hedges
Balance as of April 1, 2021	273,200	273,557	352,965	(408)	35,468	12,877
Profit (loss)	–	–	(177,551)	–	–	–
Other comprehensive income	–	–	–	–	(2,867)	30,518
Comprehensive income	–	–	(177,551)	–	(2,867)	30,518
Dividends	–	–	–	–	–	–
Transfer to hedged non-financial assets	–	–	–	–	–	(2,377)
Purchase of treasury shares	–	–	–	(0)	–	–
Acquisition of subsidiaries	–	–	–	–	–	–
Changes in ownership interest in subsidiaries		59	–	–	–	–
Transfer to retained earnings	–	–	992	–	2,911	–
Total transactions with owners	–	59	992	(0)	2,911	(2,377)
Balance as of March 31, 2022	273,200	273,617	176,406	(408)	35,512	41,018

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Accumulated other comprehensive income			Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income			
Balance as of April 1, 2021	(201)	–	48,144	947,459	34,075	981,535
Profit (loss)	–	–	–	(177,551)	(3,793)	(181,345)
Other comprehensive income	591	3,903	32,146	32,146	144	32,291
Comprehensive income	591	3,903	32,146	(145,405)	(3,649)	(149,054)
Dividends	–	–	–	–	(3,077)	(3,077)
Transfer to hedged non-financial assets	–	–	(2,377)	(2,377)	–	(2,377)
Purchase of treasury shares	–	–	–	(0)	–	(0)
Acquisition of subsidiaries	–	–	–	–	9,044	9,044
Changes in ownership interest in subsidiaries	–	–	–	59	8,010	8,070
Transfer to retained earnings	–	(3,903)	(992)	–	–	–
Total transactions with owners	–	(3,903)	(3,369)	(2,317)	13,977	11,660
Balance as of March 31, 2022	390	–	76,921	799,736	44,404	844,141

Notes to Consolidated Financial Statements

(Base of Preparation of the Consolidated Financial Statements)

1. Standards for the preparation of consolidated financial statements

The consolidated financial statements of the JAL Group are prepared in accordance with International Financial Reporting Standards (hereinafter, “IFRS”), in line with the provisions of Article 120, Paragraph 1 of the Regulation on Corporate Accounting. However, in accordance with the provisions in the second sentence of the same Paragraph, some matters and notes required by IFRS are omitted.

2. Scope of consolidation

Consolidated subsidiaries

Number of consolidated subsidiaries: 59

Names of principal consolidated subsidiaries:

J-Air Corporation, Japan Transocean Air Co., Ltd.

In the current fiscal year, the JAL Group added five affiliates to the scope of consolidation due to additional acquisitions of shares of those affiliates, etc., and removed one affiliate from the scope of consolidation as the liquidation of the affiliate was completed.

3. Application of the equity method

Number of affiliates accounted for by the equity method and names of principal affiliates accounted for by the equity method

Number of affiliates accounted for by the equity method: 10

Names of principal affiliates accounted for by the equity method:

AGP CORPORATION, Airport Facility Co., Ltd.

In the current fiscal year, as the JAL Group made additional acquisition of shares of one of its affiliates, which was accounted for by the equity method, the affiliate has been removed from the scope of the application of the equity method and included in the scope of consolidation.

4. Summary of significant accounting policies

(1) Valuation of significant assets

I. Financial instruments

a. Financial assets

(a) Initial recognition and measurement

The JAL Group classifies financial assets into financial assets measured at fair value through profit or loss; financial assets measured at fair value through other comprehensive income or financial assets measured at amortized cost. The classification is determined at the time of initial recognition.

The JAL Group recognizes these financial instruments on the transaction date when it becomes a party to the contractual provisions of the financial assets.

Non-derivative financial assets are measured at fair value plus transaction costs, unless the assets are classified as financial assets measured at fair value through profit or loss. However, trade receivables that do not contain a significant financing component are measured at the transaction price.

(i) Financial assets that are debt instruments

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

・ the asset is held based on JAL Group’s business model whose objective is to hold assets in order to collect contractual cash flows; and

・ the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Meanwhile, financial assets are classified as financial assets measured at fair value through other comprehensive income if both of the following conditions are met, and otherwise, classified as financial assets measured at fair value through profit or loss.

- the financial asset is held based on JAL Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The JAL Group held no debt instrument classified as financial assets measured at fair value through other comprehensive income during the reporting period.

(ii) Financial assets that are equity instruments
Equity financial assets designated as those whose subsequent changes in fair value are recognized in other comprehensive income at initial recognition are classified as financial assets measured at fair value through other comprehensive income, except for those held for trading that must be measured at fair value through profit or loss.
Such designations are made for each equity financial asset and applied consistently assuming that they are irrevocable.

The JAL Group held no equity instruments classified as financial assets measured at fair value through profit or loss during the reporting period.

(b) Subsequent measurement
After initial recognition, financial assets are measured based on the classification as follows:

(i) Financial assets measured at amortized cost
Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

(ii) Financial assets measured at fair value
Changes in fair value of financial assets measured at fair value are recognized in profit or loss.
However, changes in fair value of equity financial assets designated as measured at fair value through other comprehensive income are recognized in other comprehensive income. Dividends from such financial assets are recognized as part of investing income in profit or loss for the current fiscal year.
If an equity instrument measured at fair value through other comprehensive income is derecognized, or the fair value decreases significantly, the amount accumulated in other comprehensive income is reclassified to retained earnings.

(c) Derecognition of financial assets
The JAL Group derecognizes financial assets when the contractual rights to the cash flows from the financial assets expire, or when the JAL Group transfers the financial assets and substantially all the risks and rewards of ownership.

(d) Impairment of financial assets
For financial assets measured at amortized cost, the JAL Group recognizes an allowance for doubtful accounts for expected credit losses.
The JAL Group assesses at the end of reporting period whether the credit risk on each financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the amount equal to expected credit losses for 12 months is recognized as allowance for doubtful accounts. On the other hand, if the credit risk has increased significantly since initial recognition, the amount equal to lifetime expected credit losses is recognized as allowance for doubtful accounts.
However, for trade receivables that do not contain a significant financing component, allowance for doubtful accounts are always recognized at the amount equal to lifetime expected credit losses, regardless of whether or not the credit risk has increased significantly since initial recognition.
Expected credit losses are measured at the present value of the difference between the contractual cash flows that are due to the JAL Group under the contract and all the cash flows that the JAL Group expects to receive.
An allowance for doubtful accounts for financial assets is recognized in profit or loss. In case any event occurs that reduces the allowance for doubtful accounts, the reversal of allowance for doubtful accounts is recognized in profit or loss.

b. Financial liabilities

(a) Initial recognition and measurement

The JAL Group classifies financial liabilities classified as held for trading or derivatives as financial liabilities measured at fair value through profit or loss. Other financial liabilities are classified as financial liabilities measured at amortized cost. The classification is determined at the time of initial recognition.
The JAL Group recognizes these financial instruments on the transaction date when it becomes a party to the contractual provisions of the financial liabilities.
All financial liabilities are initially measured at fair value. However, financial liabilities measured at amortized cost are measured at an amount after deducting transaction costs that are directly attributable to the financial liabilities.

(b) Subsequent measurement

After initial recognition, financial liabilities are measured based on the classification as follows:

(i) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are measured at fair value after initial recognition, and the changes are recognized in profit or loss for the current fiscal year.

(ii) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured using the effective interest method after initial recognition.
Amortization under the effective interest method and gains or losses on derecognition are recognized as part of finance expenses in profit or loss for the current fiscal year.

(c) Derecognition of financial liabilities

The JAL Group derecognizes financial liabilities when they are extinguished, i.e., when the obligations specified in the contract are discharged or cancelled or expire.

c. Presentation of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the JAL Group currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

d. Derivatives and hedge accounting

The JAL Group utilizes currency option contracts, foreign exchange forward contracts and other contracts to avoid risk of future fluctuations in foreign exchange rate associated with liabilities denominated in specific foreign currencies. In addition, commodity derivative contracts are also used for the purpose of controlling risk of fluctuations in prices of commodities including aircraft fuel and stabilizing costs. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into, and the relevant transaction costs are recognized as expense when it incurred. After initial recognition, they are remeasured at fair value.

At the inception of the hedge, the JAL Group documents the hedging relationship to which hedge accounting is applied and the objectives and strategies of risk management for undertaking the hedge. The documentation includes specific hedging instruments, the hedged items or transactions, the nature of the risks being hedged and how the effectiveness of changes in the fair value of hedging instruments is assessed in offsetting the exposure to changes in the hedged item’s cash flows attributable to the hedged risks.
Specifically, a hedge is considered to be effective if all of the following items are met:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from the economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge the quantity of hedged item.

We set an appropriate hedge ratio in light of economic relationships such as the degree of price changes of the hedging instrument corresponding to the price changes of the hedged item as well as the risk management strategies.

The JAL Group assesses on an ongoing basis whether the hedging relationship is effective prospectively. Generally, no material hedge ineffectiveness is expected to arise as we conduct highly effective hedging transactions. However, the value changes of the hedging instrument may exceed those of the hedged item since we have designated forecast transactions as hedged items. In such case, hedge ineffectiveness will arise.
In cases where a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective remains unchanged, the JAL Group readjusts the hedging ratio to reestablish the effectiveness of the hedge relationship. Furthermore, the JAL Group discontinues hedge accounting in cases where there is a change in the risk management objective for the hedging relationship.

The JAL Group only uses cash flow hedges as a hedge accounting method.
The effective portion of gains or losses on hedging instruments is recognized in other comprehensive income while the ineffective portion is recognized immediately in profit or loss.
The amounts of hedging instruments recorded in other comprehensive income are reclassified to profit or loss when the transactions of the hedged items affect profit or loss. In cases where hedged items result in the recognition of non-financial assets or liabilities, the amounts recognized in other comprehensive income are accounted for as adjustments to the original carrying amount of non-financial assets or liabilities.
When forecast transactions are no longer expected to occur, any related cumulative gain or loss that has been recognized in equity through other comprehensive income is reclassified to profit or loss. In cases where hedged forecast transactions become less likely to occur but are still expected to occur, the amounts that have been recognized in equity through other comprehensive income continue to be recorded in equity until such future cash flows occur.

II. Inventories

Inventories are measured at the lower of acquisition cost or net realizable value.
Net realizable value is measured as the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The costs are measured by primarily using the moving-average method, and include costs of purchase and all other costs incurred in bringing the inventories to their present storage location and condition.

III. Tangible fixed assets (excluding leases)

(i) Recognition and measurement

The JAL Group measures tangible fixed assets by using the cost model at cost less accumulated depreciation and accumulated impairment losses. Acquisition cost include any costs directly attributable to the acquisition of the asset as well as the initially estimated costs for dismantlement, removal and restoration for the site in which the asset has been located.

(ii) Depreciation and useful life

Depreciation is measured by primarily using the straight-line method, with the depreciable amount, over the estimated useful life of each component. Land and advances on flight equipment and other purchases are not depreciated.
The estimated useful lives of major tangible fixed assets are as follows:

Flight equipment:	8 to 20 years
Other:	2 to 65 years

The depreciation method, estimated useful lives and residual values are reviewed every fiscal year, with the effect of any changes in estimate being accounted for on a prospective basis.

IV. Goodwill

Goodwill arising from business combinations is stated at acquisition cost less accumulated impairment losses.
Goodwill is not amortized, and is allocated to a cash-generating unit or a group of cash generating units and tested for impairment annually or whenever there is any indication of impairment. Impairment losses on goodwill are recognized in net gain or loss, and no subsequent reversal is made.
The measurement of goodwill at the time of initial recognition is described in “(7) Business combinations.”

V. Intangible assets

The JAL Group measures intangible assets by using the cost model at cost less accumulated amortization and accumulated impairment losses.

Separately acquired intangible assets are measured at an acquisition cost at the initial recognition.

After the initial recognition, intangible assets, except those with indefinite useful lives, are amortized by using the straight-line method over their estimated useful lives. The estimated useful lives of major intangible assets are as follows:

Software: 5 years

The amortization method, estimated useful lives and residual values are reviewed every fiscal year, with the effect of any changes in estimate being accounted for on a prospective basis.

VI. Leases

The JAL Group determines a contract, or part of a contract is, or contains, a lease, which conveys the right to control the use of an identified asset for a period of time in exchange for consideration, and recognizes a right-of-use asset and a lease liability at the commencement date of the lease. A right of use asset is included in flight equipment or other tangible fixed assets in the consolidated statement of financial position. A lease liability is included in interest-bearing liabilities in the consolidated statement of financial position. However, for short-term leases and leases for which the underlying asset is of low value, the JAL Group recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

The JAL Group measures a lease liability at the present value of the total lease payments that are not paid at the commencement date of the lease based on the individual contract, and recognizes the repayments of the principal and the payment of interest on the lease liability by using the effective interest method over the lease term depending on the lease payments. The JAL Group generally uses the interest rate implicit in the lease or its incremental borrowing rate (if the lease or the interest rate implicit cannot be readily measured) as a discount rate.

The JAL Group records the right-of-use asset at acquisition cost including the already paid consideration for the recorded amount of the lease liability and adjustment of the estimated amount of restoration cost to be incurred at the end of the lease, and depreciates the right-of-use asset using the straight-line method over the lease term.

VII. Impairment of non-financial assets

The JAL Group assesses at the end of reporting period year whether there is any indication that the carrying amount of its non-financial assets, except inventories and deferred tax assets, may be impaired. When there is any indication of impairment, the recoverable amount of the assets is estimated. The JAL Group estimates the recoverable amount of goodwill, intangible assets with indefinite useful lives or intangible assets not yet available for use at the same timing of every fiscal year regardless of any indication of impairment.

The recoverable amount of an asset or cash generating unit is measured at the higher of its value in use and its fair value less cost of disposal. In determining the value in use, estimated future cash flows are discounted to the present value, using pretax discount rates that reflect the time value of money and the risks specific to the asset. Due to continuing use, assets on which an impairment test is not performed individually are integrated into the smallest cash generating unit that generates largely independent cash inflows from cash inflows of other assets or groups of assets.

The JAL Group’s corporate assets do not generate independent cash inflows. When there is any indication of impairment for the corporate assets, the JAL Group measures the recoverable amount of the cash generating unit to which the corporate assets belong.

Any impairment loss is recognized in profit or loss if the carrying amount of an asset or cash generating unit exceeds the estimated recoverable amount of the asset or cash generating unit. Impairment losses that are recognized in association with a cash generating unit proportionally reduce the carrying amount of the principal assets within the cash generating unit.

The JAL Group assesses at the end of reporting period whether there is any indication that an impairment loss recognized in prior years for an asset may have decreased or may no longer exist. An impairment loss is reversed if there has been a change in the estimates used to measure the asset’s recoverable amount. An impairment loss is reversed to the asset’s recoverable amount only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortization, had no impairment loss been recognized.

(2) Method for depreciation of fixed assets

(a) Tangible fixed assets

Principally the straight-line method is used.

(b) Intangible assets

The straight-line method is used.

(c) Leases

Depreciation using the straight-line method is carried out over the period of a lease.

(3) Criteria for the recording of major provisions

Provisions are recognized when the JAL Group has a present legal or constructive obligation as a result of past events, it is likely that an outflow of economic resources will be required to settle the obligation, and the amount can be reliably estimated. When the time value of money is material, provisions are measured at the present value by discounting the expected future cash flows at a pretax rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance expense.

(i) Asset retirement obligations

Expenses for restoration of leased properties, including rented offices, buildings and aircraft, used by the JAL Group to its original condition are estimated based on its historical experience in restoration and quotations as the amount of provision for asset retirement obligations. These expenses are expected to be paid after the elapse of an estimated period of use, measured based on the useful life and rental period of interior fixtures and fittings to its offices etc., which, however, is affected by future business plan.

(ii) Reserve for loss on antitrust litigation

To prepare for payment of court fees and compensation. relating to a price cartel, the JAL Group has estimated, and recognized/measured an amount of losses for the future based on the amount of a payment order for penalties. The amount of such court fees and compensation, however, may differ from the estimated amount depending on the judgment of antitrust authorities and/or the results of the litigation. An outflow of economic benefits is expected to take place one year after the end of the current fiscal year, but is affected by judgements of antitrust authorities in each country and the future course of the litigation.

(4) Criteria for the translation of major foreign currency-denominated assets or liabilities into Japanese currency

Foreign currency translations

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currencies of each entity of the JAL Group at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated into the functional currencies at the exchange rates at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies to be measured at fair value are translated into the functional currencies at the exchange rates on the date when the fair value is measured.

Exchange differences arising from translation or settlement are recognized in profit or loss. However, exchange differences arising from translation of financial assets measured through other comprehensive income and from cash flow hedges are recognized other comprehensive income.

(ii) Financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rates at the end of the reporting period, whereas income and expenses are translated using the average exchange rate during the period unless there are significant fluctuations in the exchange rates. Exchange differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income. When a foreign operation is disposed, the cumulative amount of the exchange differences is recognized in profit or loss on disposal.

(5) Accounting treatment of post-employment benefits

The JAL Group has adopted the defined benefit plans and the defined contribution plans as the post-employment benefit plans for employees.

(i) Defined benefit plans

The JAL Group measures net retirement benefit liabilities (assets) of defined benefit plans at the present value of defined benefit obligations less fair value of plan assets. Independent actuaries measure every fiscal year the present value of defined benefit obligations, the relevant service cost for the current fiscal year, and the past service cost using the projected unit credit method.
The discount period is measured based on the estimated term of the retirement benefit obligations through the estimated dates of future benefit payments of each fiscal year. The discount rate is measured by reference to market yields of high-quality corporate bonds at the end of each reporting period consistent with the discount period.
Remeasurements of all net benefit liabilities (assets) arising from the defined benefit plans are recognized at once in other comprehensive income for the period of occurrence and are transferred to retained earnings immediately.
The past service cost is recognized immediately in profit or loss.

(ii) Defined contribution plans
Short-term employee benefit obligations are measured on an undiscounted basis, and are recorded as an expense when the related services are rendered.

(6) Accounting standards for revenue
The JAL Group recognizes revenue under the following five-step approach for contracts with customers, excluding interest and dividend income. under IFRS 9 “Financial Instruments” and lease income under IFRS 16 “Leases.”
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Measure the transaction price
Step 4: Allocate transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation
As its primary business, the JAL Group provides passenger, cargo and mail, and baggage air transportation services using aircraft on international and domestic routes. Normally, the Company’s performance obligations are satisfied and revenue is recognized at the time when air transportation service has been completed.
Other specific criteria for revenue recognition are described in “12. Notes concerning revenue recognition.”

(7) Business combinations

Business combinations are accounted for using the acquisition method. The identifiable assets and liabilities of the acquired company are, in principle, measured at fair value on the acquisition date. If the sum of the consideration transferred for the business combination, the non-controlling interests in the acquired company, and the fair value of the equity in the acquired company already held by the acquiring company exceeds the net amount of the identifiable assets and liabilities of the acquired company on the acquisition date, the excess is measured as goodwill.
Whether the non-controlling interests are measured at fair value or as the proportionate share of the recognized amount of the identifiable net assets of the acquired company is determined individually for each case of business combinations.
If the initial accounting for a business combination is not completed by the end of the period in which the business combination has occurred, the business combination is accounted for at a provisional amount. If, in the measurement period not later than one year from the acquisition date, new information is obtained about the facts and situation that existed on the acquisition date, the provisional amount is retroactively adjusted accordingly.

(8) Treatment of consumption taxes
Transactions subject to national and local consumption taxes are recorded at amounts exclusive of consumption taxes.

(9) Other important matters for the preparation of consolidated financial statements
All amounts of less than one million yen have been rounded down in the accounts.

5. Estimates in accounting

In preparing the consolidated financial statements, the management makes estimates based on assumptions that affect the application of the JAL Group's accounting policies and the reported amounts of assets, liabilities, revenues and expenses. These estimates are based on the management's best estimates and judgements reflecting historical experience and a variety of other factors that are considered to be reasonable at the end of the reporting period. Actual results in future, however, may differ from these estimates.

These estimates and underlying assumptions are reviewed/revised on an ongoing basis. The impact of the revision is recognized in the accounting period there were revised and future accounting period.

Estimates of future business performance, which form the basis for matters including recognition of impairment of fixed assets and deferred tax assets, are based on the JAL Group's Medium Term Management Plan. The main assumptions built into estimates include the degree of impact of the spread of COVID-19 on air travel demand, the period until demand recovery, post-recovery demand forecasts as well as fuel prices, and forecasts of exchange rate related market fluctuations. Moreover, regarding the impact of the spread of COVID-19, while the movement of people both within and outside Japan is steadily recovering with advancing vaccinations in Japan and countries around the world, the JAL Group is referring to demand recovery scenarios created by the International Air Transport Association (IATA) in creating its accounting estimates based on the assumption that demand will recover over a certain period of time going forward and recover to a pre-pandemic profit level in fiscal 2023.

The impact of the COVID-19 pandemic is still uncertain in many ways, and may impact the JAL Group's future financial position and operating results.

The management's estimates that have a significant impact on the amounts recognized in the consolidated financial statements are as follows:

(1) Recognition of revenues

Revenues from air transportation are recognized in contract liabilities at collecting consideration, and then recognized in revenue at completion of air transportation services.

The sales of air tickets that will not be used for air transportation (unused air tickets that are about to expire) are recognized in revenue at an appropriate timing, taking into account the contractual terms of the air tickets and historical trends.

The JAL Group also operates a customer loyalty program called "JAL Mileage Bank." Members of the JAL Mileage Bank can earn miles through flights with the airlines or other services, and can redeem them with the JAL Group or other partners' services.

The portion of granted miles that is expected to be redeemed by customers in the future is recognized as a performance obligation. The stand-alone selling price is estimated with the composition ratio of services selected by customers when using the miles taken into account; the transaction price is allocated on the basis of the ratio of the stand-alone selling price to the performance obligation. The transaction prices allocated to performance obligations under the mileage program are recognized as contract liabilities and are recorded as revenue in line with use of the miles.

As of the end of the current fiscal year, such contract liabilities amounted to 240,224 million yen.

(2) Depreciation expenses of flight equipment

In determining the useful life of each component, including flight equipment, aircraft engine components and cabin related assets, we calculate the depreciation expenses in consideration of their future estimated economically useful life.

As of the end of the current fiscal year, flight equipment amounted to 887,212 million yen.

(3) Impairment of fixed assets

The JAL Group examines whether events that indicate a possibility of impairment of targeted assets (carrying amount: tangible fixed assets of 1,052,787 million yen and goodwill and intangible assets of 87,637 million yen) exist as of the end of the fiscal year, and, if signs of impairment are present, considers whether or not to record an impairment loss with respect to the assets.

For the current fiscal year, the JAL Group recorded an operating loss for the air transportation business, which is included in the air transportation business segment that accounts for the majority of the target assets, due to the impacts of the COVID-19 pandemic for two consecutive fiscal years. Accordingly, the JAL Group deemed signs of impairment to be present and examined the necessity of recording an impairment loss.

With regard to estimated future cash flow in the air transportation business, the JAL Group calculated the use value of flight equipment, the major assets used in the business, by discounting the cash flows for the period corresponding to the estimated useful lives of flight equipment to present value using the pre-tax discount rate

reflecting risks inherent in the assets and the time value of money, while also taking account of the impact of the spread of COVID-19, and examined this as the estimated recoverable amount. It was subsequently determined that the estimated recoverable amount of the fixed assets exceeds the carrying amount, and no impairment loss was recorded.
Regarding the impairment loss for the current fiscal year, the cash generation unit was changed for components of flight equipment for which retirement has been decided, and the amount was reduced to the estimated recoverable amount.

(4) Recognition of deferred tax assets

Deferred tax assets are recognized to the extent that there will be sufficient taxable profits against which the deductible temporary differences, unused tax credits and unused tax losses can be utilized. The Company and certain domestic consolidated subsidiaries apply the consolidated corporate-tax system. Those companies subject to the consolidated corporate-tax system judge recoverability of deferred tax assets with regard to corporate taxes based on the future taxable income, etc., of the consolidated tax group, and with regard to local taxes based on the future taxable income, etc., of each of the companies. With regard to tax losses brought forward, the JAL Group schedules the expected fiscal year and amount of deduction from tax losses brought forward based on the estimate of future taxable income, etc., projected within the carryforward period, which is not more than 10 years, while also taking account of the impact of the spread of COVID-19, and records the amount expected to be recovered as deferred tax assets.
As of the end of the current fiscal year, deferred tax assets and deferred tax liabilities amounted to 284,287 million yen and 1,968 million yen respectively.

6. Change in estimates in accounting

In the current fiscal year, the JAL Group changed estimates and recorded provisions of 4,767 million yen (asset retirement obligations) as it obtained new information about the obligation of restoration under the plan for future improvement of the facilities of the Tokyo International Airport presented by the Japanese government.
As a result, operating loss, loss before investing, financing and income tax, loss before financing and income tax and loss before tax increased by 2,645 million yen for the current fiscal year.

7. Notes to consolidated statement of financial position

(1) Allowance for doubtful accounts deducted directly from assets 7,902 million yen

(2) Accumulated depreciation of tangible fixed assets 759,860 million yen

(3) Assets pledged as collateral and obligations secured by such collateral

Assets pledged as collateral	
・Flight equipment	459,846 million yen
・Others	9,779 million yen
Obligations secured by such collateral	
・Current portion of long-term borrowings	42,286 million yen
・Long-term borrowings	274,023 million yen

It is confirmed under general arrangements for transactions with financial institutions that the financial institutions have the right to dispose of the assets pledged as collateral and appropriate the amount to or offset the amount with the amount to be repaid in cases where the principal of and/or interest on past-due borrowings are not repaid, giving rise to a default.
The assets pledged as collateral include assets for which revolving pledges have been established to secure debts of the following three companies, under the syndicated loan agreements concluded between each company and financial institutions for the business that is the objective of each company’s establishment.

・ Tokyo International Air Terminal Corporation, the JAL Group’s associate
・ Kyushu Kumamoto International Airport Co., Ltd.
・ Hokkaido Airports Co., Ltd.

(4) Contingent liabilities

Guarantee liabilities

(Guarantee for bank loans)

・Jetstar Japan Co., Ltd.	9,121 million yen
・JRE DEVELOPMENT Co., Ltd.	1,333 million yen
・JALUX SINGAPORE PTE.LTD.	305 million yen
・Other	31 million yen

As of March 31, 2022, the Company has been provided a reguarantee from other company for 4,560 million yen of its outstanding guarantee for bank loans to Jetstar Japan Co., Ltd.

(Guarantee for lease liabilities)

・Jetstar Japan Co., Ltd.	2,577 million yen

The Company provides guarantees for damages resulting from breach of an obligation, assertion or guarantee under the stock transfer reservation agreement concluded between Fukuoka Airport Holdings Co., Ltd. (“transferor”), in which the Company holds an investment, and the Ministry of Land, Infrastructure, Transport and Tourism Civil Aviation Bureau (“transferee”). Capped amount of guarantees at the end of the fiscal year is as follows.

7,867 million yen

8. Notes to consolidated statement of changes in equity

Total number of issued shares at the end of the current fiscal year

Total number of issued shares	Ordinary shares	437,143 thousand shares
	Treasury shares	136 thousand shares

9. Financial instruments

1. Status of financial instruments

(1) Financial risk management

The JAL Group is exposed to financial risks (credit risk, liquidity risk, foreign currency risk, interest rate risk, and fuel price fluctuation risk) in the course of its operating activities, and has established risk management policies and frameworks to mitigate these financial risks. The JAL Group also enters into derivative transactions to avoid foreign currency risk or fuel price fluctuation risk, and does not carry out any speculative transactions.

The JAL Group holds marketable securities for the purpose of building, maintaining and strengthening business relationships and partnerships. Information on market price fluctuation risk is omitted because the risk is insignificant.

(2) Credit risk management

Credit risk is the risk that a counterparty to a financial asset will cause the JAL Group a financial loss by falling to discharge a contractual obligation.

Pursuant to its Credit Control Rules, the JAL Group regularly assesses the credit status of each major customer while managing the due dates and balances of receivables from them. The JAL Group determines whether or not the credit risk has increased significantly, taking into consideration the passage of time, adverse changes in the debtor’s business circumstances or financial condition, and other factors. Objective evidence indicating a significant increase in credit risk includes a default or the debtor’s serious financial difficulties.

In addition, the impact of derivative transactions that the JAL Group has entered into on credit risk is limited because such transactions are only with highly creditworthy financial institutions.

The JAL Group has no excessive credit risk concentrated on a specific counterparty or a group to which the counterparty belongs.

The carrying amount of financial assets presented in the consolidated financial statements represents the maximum exposure to credit risk of financial assets held by the JAL Group.

The JAL Group’s exposure to credit risk (before deduction of allowance for doubtful accounts) for each category of receivables is as follows:

・Category 1: Receivables other than the receivables in Categories 2 and 3

・Category 2: Receivables from customers etc., whose payments have been delayed for a considerable time

・Category 3: Receivables the recoverability of which has been deemed particularly doubtful as the delay in payment is due to the debtor’s significant financial difficulty etc., rather than temporary cash demand

	Trade and other receivables	Other financial assets
	Items recorded as allowance for doubtful accounts in the same amount as the lifetime expected credit losses	Credit-impaired financial assets
	Millions of yen	Millions of yen
Category 1	119,819	—
Category 2	1,772	—
Category 3	2,840	10,603
Total	124,432	10,603

Guarantees outstanding presented in Note “7. Notes to consolidated statement of financial position (4) Contingent liabilities” represent the maximum exposure to credit risk of guarantees provided by the JAL Group.

The JAL Group determines allowance for doubtful accounts based on customer creditworthiness and the collection status of receivables from customers.
The JAL Group records allowance for doubtful accounts on trade receivables that do not contain a significant financing component by group of similar trade receivables at an amount equal to the lifetime expected credit losses. The amount is determined by multiplying the carrying amount of similar trade receivables by the provision rate, which reflects forecasts of future economic conditions and other circumstances in the historical credit loss rate of such assets.
As a general rule, the JAL Group records allowance for doubtful accounts on other receivables on which it determines credit risk has not increased significantly at an amount equal to the 12-month expected credit losses. The amount is determined by multiplying the carrying amount of other receivables by the provision rate, which reflects forecasts of future economic conditions and other circumstances in the historical credit loss rate of such assets.
However, the JAL Group records allowance for doubtful accounts on assets on which it determines credit risk has increased significantly and credit-impaired financial assets at an amount equal to the lifetime expected credit losses. The amount is determined by the difference between the carrying amount of such assets and the individually calculated recoverable amount of them after reflecting forecasts of future economic conditions in the counterparty’s financial condition.

When collection of all or portion of receivables is considered impossible or extremely difficult, it is deemed to be a default.
When delinquency of a debtor is caused not by temporary fund requirement but primarily by significant financial difficulty of the debtor, and the collectability of receivables is considered to be of particular concern, such financial assets are deemed to be credit-impaired.
When it is evident that the amount of such financial assets cannot be collected in the future, the JAL Group writes it off and reduces the corresponding amount of allowance for doubtful accounts.
Changes in allowance for doubtful accounts recorded by the JAL Group are as follows.

	Trade and other receivables	Other financial assets
	Items recorded as allowance for doubtful accounts in the same amount as the lifetime expected credit losses	Credit-impaired financial assets
	Millions of yen	Millions of yen
March 31, 2021	4,831	1,354
Increase	1,797	2,496
Decrease	(2,519)	(58)
March 31, 2022	4,109	3,792

Significant changes in trade and other receivables during the current fiscal year have a negligible impact on changes in the allowance for doubtful accounts.

(3) Liquidity risk management

Liquidity risk is the risk that the JAL Group becomes unable to repay financial liabilities for debts on the due date.

The JAL Group manages liquidity risk by preparing repayment funds in a timely manner and continuously monitoring its cash flow plan and results. In addition, the Company has entered into commitment line agreements with three counterparty financial institutions for the purpose of ensuring liquidity to brace itself for an emergency, and some of its consolidated subsidiaries have also entered into commitment line agreements.

(4) Foreign currency risk management

As the JAL Group operates in countries other than Japan, fluctuations in foreign exchange rates mainly those of the U.S. dollar significantly influence its operating performance.

To mitigate foreign currency risk, the JAL Group uses foreign currency revenues to offset foreign currency expenses, and enters into foreign currency hedging transactions to purchase aircraft fuel and flight equipment whose prices are closely linked to the U.S. dollar. As a result, the JAL Group deems exposure to foreign currency risk minimized.

(5) Interest rate risk management

The JAL Group needs to make significant capital investments, such as the purchase of flight equipment. To meet funding needs for these investments, the JAL Group may procure funds from financial institutions or capital markets. The disclosure of a sensitivity analysis for interest rate risk is omitted because although fluctuations in interest rates affect funding costs borne by the JAL Group, such impact is immaterial.

The JAL Group monitors interest rates in the market.

(6) Fuel price fluctuation risk management

The JAL Group is exposed to the risk of fluctuations in aircraft fuel payments arising from fuel price volatility. To mitigate fuel price fluctuation risk, the JAL Group enters into commodity derivative transactions, and charges a fuel surcharge to partly cover the impact of higher fuel prices. As a result, the JAL Group deems exposure to fuel price fluctuation risk minimized.

2. Matters concerning the fair value of financial instruments

The inputs to valuation techniques used to measure fair value are classified into either of the following in accordance with the observability in the markets.

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Inputs that are observable for the asset or liability, either directly or indirectly, other than quoted prices included within Level 1
- Level 3: Inputs that are not based on observable market data

(1) Method of fair value measurement

The methods of measurement of the fair value of financial instruments are as follows.

(Cash and cash equivalents, trade and other receivables, trade and other payables, and current interest-bearing liabilities)
The carrying amounts are used as fair value of these assets, given that the fair value is almost the same as the carrying amounts, as they are mostly settled in a short time.

(Other financial assets and other financial liabilities)
The fair value of equity financial instruments traded in active markets is measured based on quoted prices at the end of reporting period. Meanwhile, the fair value of equity financial instruments for which an active market does not exist is measured using valuation techniques based on quoted prices of comparable companies. The fair value of investments in investment limited partnerships is measured at the amount equivalent to the equity interest in the properties of such partnerships.

The fair value of derivatives is measured based on observable inputs, such as exchange rates, obtained from counterparty financial institutions.

(Non-current interest-bearing liabilities)
The fair value is measured at the present value of future cash flows discounted at an interest rate assumed if similar contracts were newly executed.

(2) Financial instruments measured at amortized cost

The carrying amount and fair value of financial instruments measured at amortized cost are as follows. Financial instruments measured at fair value, those whose carrying amount closely approximates to the fair value and those not significant are not included in the table below:

	Carrying amount	Fair value
	Millions of yen	Millions of yen
Financial liabilities measured at amortized cost		
Non-current		
Bonds payable	258,276	256,524
Long-term borrowings	529,235	539,701
Total	787,512	796,225

(Note) The fair values of bonds payable and other non-current interest-bearing liabilities are classified as Level 2 and Level 3, respectively.

(3) Financial instruments measured at fair value

The hierarchy of fair value of financial instruments measured at fair value is as follows:

The fair value hierarchy of financial instruments measured at fair value is as follows:	Level 1	Level 2	Level 3	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Assets:				
Financial assets measured at fair value through other comprehensive income				
Shares	50,681	–	37,750	88,431
Financial assets measured at fair value through profit or loss				
Investments in investment limited partnerships	–	–	12,107	12,107
Derivative assets designated as hedges	–	53,569	–	53,569
Total	50,681	53,569	49,857	154,108
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities designated as hedges	–	91	–	91
Total	–	91	–	91

10. Investment and rental properties

Because the total amount of investment and rental properties is insignificant, notes on these items are omitted.

11. Notes on per share information

(1) Owners' equity per share 1,830.03 yen

(2) Basic loss per share (406.29) yen

12. Notes on revenue recognition

1. Information on breakdown of revenue

	Segment				
	Air transportation	Others	Sub-total	Internal transaction adjustment	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
International (full-service carrier)					
Passenger	68,785	―	68,785	―	―
Cargo and mail	193,967	―	193,967	―	―
Baggage	746	―	746	―	―
Sub-total	263,499	―	263,499	―	―
Domestic (full-service carrier)					
Passenger	235.100	―	235,100	―	―
Cargo and mail	24,404	―	24,404	―	―
Baggage	312	―	312	―	―
Sub-total	259,817	―	259,817	―	―
Total revenues from international and domestic operations	523,316	―	523,316	―	―
Travel agency	―	47,383	47,383	―	―
Other *3	119,248	48,990	168,239	―	―
Total revenue	642,565	96,373	738,939	(56,225)	682,713
Revenue recognized from contracts with customers					679,648
Revenue recognized from other sources					3,065

(Note) 1: Figures of segment revenue are those before elimination of intersegment transactions.

2: Revenue recognized from other sources includes lease revenue based on IFRS 16, etc.

3: Other (air transportation business) includes LCC's revenue from international passenger operations of 2,102 million yen and from domestic passenger operations of 636 million yen.

2. Basic information for understanding revenue

The JAL Group operates "air transportation business," mainly of passenger and baggage, and cargo and mail in both international and domestic routes, and "other business."

Revenues arising from these businesses are recognized primarily in accordance with contracts with customers, and there are no significant financing components in the contracts. All of consideration from contracts with customers is reflected in transaction prices.

The JAL Group also operates a customer loyalty program called "JAL Mileage Bank." Members of the JAL Mileage Bank can earn miles through flights with the airlines or other services, and can redeem them with the JAL Group or other partners' services. Miles granted are deemed as performance obligations and recognized in contract liabilities. A transaction price is allocated to each performance obligation based on the ratio of the stand-alone selling price, taking into consideration usage proportion and miles expected to expire. The transaction prices allocated to performance obligations under the mileage program are deferred as contract liabilities in the consolidated statement of financial position, and are recognized as revenue in line with use of the miles.

Air transportation business

In the air transportation business segment, the JAL Group provides services related to the transport of "Passengers," "Cargo and mail," and "Baggage" by aircraft on domestic and international routes. The main revenues are recognized at the time that the following performance obligations are satisfied.

Passenger

Passenger revenues are earned mainly from passenger transportation services using aircraft. The JAL Group has the obligation to provide customers with international and domestic air transportation services according to the Conditions of Carriage. The performance obligation is satisfied at completion of the passenger air transportation service. The transaction price may fluctuate due to potential discounts on sales or payment of incentives based on the amount of sales. In addition, consideration for transactions is generally received in advance before the performance obligation is satisfied.

Cargo and mail

Cargo and mail revenues are earned mainly from air cargo and air mail handling operations. The JAL Group has obligations to provide international and domestic cargo and mail transportation services. The performance obligation is satisfied at completion of cargo or mail air transportation. The amount of variable consideration included in revenue is not significant. Consideration for a transaction is generally received after completion of cargo or mail air transportation.

Baggage

Baggage revenues are earned mainly from baggage transportation services that accompany passenger transportation on aircraft. The JAL Group has the obligation to provide customers with international and domestic baggage transportation services. The performance obligation is satisfied at completion of baggage air transportation. The amount of variable consideration included in revenue is not significant. Consideration for a transaction is generally received on the day of baggage transportation.

Other

Other revenues are earned mainly from mileage award services excluding Mileage Award Tickets and from contract operation services related to air transportation, and the performance obligations for these services are satisfied at completion of service.

Other

"Other business" include mainly the JAL Group's planning and sales of tours utilizing air transportation and a credit card business. Revenues from these businesses are mainly recognized over a certain period of time when the services are provided, and consideration for a transaction is mainly received in advance at a certain time before the performance obligation is satisfied.

3. Information for understanding amount of revenue for the current fiscal year and from the following fiscal year

(1) Balance of receivables and contract liabilities, etc.

The breakdown of receivables from contracts with customers and contract liabilities is as follows:

	At the beginning of the year	At the end of the year
	Millions of yen	Millions of yen
Receivables from contracts with customers	62,625	99,630
Contract liabilities	215,239	240,224

Contract liabilities mainly comprise those associated with advance consideration received from customers for air transportation contracts and travel contracts and such consideration is recognized as revenue at the time such services are provided; and those associated with unredeemed miles granted to customers when they use the JAL Group’s air tickets, JAL credit cards, and services provided by partners of the JAL Group.

The balance of contract liabilities increased by 24,985 million yen during the fiscal year due to an increase in the balance of the JAL Group’s air tickets.

Of revenue recognized in the fiscal year, the amount included in the balance of contract liabilities at the beginning of the fiscal year was 84,995 million yen. The amount of revenue recognized from performance obligations that were fulfilled (or partially fulfilled) in previous periods is not significant.

(2) Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to the remaining performance obligations was 240,224 million yen in the current fiscal year. The amount included contract liabilities associated with advance consideration received from customers who are expected to be provided with services in the future and those associated with miles expected to be redeemed by customers in the future. Revenue will be recognized primarily over a period of three years or less according to the progress of service provision to customers.

(3) Contract costs

The JAL Group has no assets recognized from incremental costs for obtaining contracts with customers or costs incurred to fulfill contracts with customers. The JAL Group applies the practical expedient in Paragraph 94 of IFRS 15 and recognizes the incremental costs for obtaining contracts as expense if the amortization period of the assets to be recognized is one year or less.

Non-consolidated Balance Sheet

As of March 31, 2022

(Millions of yen)

ASSETS	Amount	(Reference) Amount of previous fiscal year
I Current assets		
Cash and time deposits	472,672	385,936
Accounts receivable	110,291	78,159
Flight equipment spare parts and supplies	22,932	20,371
Short-term prepaid expenses	12,234	9,181
Other current assets	105,607	59,539
Allowance for doubtful accounts	(15,583)	(8,031)
Subtotal	**708,155**	**545,157**
II Fixed assets		
Tangible fixed assets	**861,458**	**849,817**
Buildings, net	30,100	28,905
Structure, net	246	263
Machinery, equipment, net	9,458	8,627
Flight equipment, net	738,308	667,258
Vehicles, net	3,037	2,628
Tools, furniture and equipment	8,326	8,808
Land	747	747
Construction suspense account	71,232	132,577
Intangible fixed assets	**80,545**	**89,305**
Software	80,545	89,305
Other intangible fixed assets	0	0
Investments and other assets	**465,698**	**403,540**
Investments in securities	68,118	68,189
Investment securities in subsidiaries and associates	78,239	72,313
Corporate bonds of subsidiaries and associates	5,185	5,185
Investments in other securities of subsidiaries and associates	8,021	3,605
Long-term loans receivable	29,709	21,334
Long-term prepaid expenses	12,468	16,568
Prepaid pension costs	21,027	30,582
Deferred tax assets	229,205	174,520
Other investments	34,348	27,449
Allowance for doubtful accounts	(20,626)	(16,208)
Subtotal	**1,407,701**	**1,342,663**
Total assets	**2,115,857**	**1,887,820**

Non-consolidated Balance Sheet

As of March 31, 2022

(Millions of yen)

LIABILITIES	Amount	(Reference) Amount of previous fiscal year
I Current liabilities		
Accounts payable-trade	106,449	99,218
Short-term borrowings	129,479	131,268
Current portion of corporate bonds	10,000	10,000
Current portion of long-term borrowings	41,225	23,658
Accounts payable - other	8,117	14,066
Lease liabilities	524	517
Accounts payable-installment purchase	–	98
Accrued income taxes	865	1,121
Accrued expenses	13,583	19,022
Contract liabilities	224,619	203,408
Deposits received	10,032	16,162
Air transport deposits received	8,806	5,290
Other current liabilities	2,550	25,404
Subtotal	**556,254**	**549,236**
II Non-current liabilities		
Corporate bonds	260,000	80,000
Long-term borrowings	469,189	260,964
Lease liabilities	3,099	297
Accrued pension and severance costs	69,636	69,090
Reserve for loss on antitrust liabilities	6,242	6,039
Other non-current liabilities	46,165	40,116
Subtotal	**854,332**	**456,507**
Total liabilities	**1,410,586**	**1,005,743**
NET ASSETS		
I Shareholders' equity		
Share capital	273,200	273,200
Capital surplus		
Capital reserves	266,341	266,341
Total capital surplus	**266,341**	**266,341**
Retained earnings		
Other retained earnings		
Retained earnings brought forward	99,733	306,025
Total retained earnings	**99,733**	**306,025**
Treasury shares		
Treasury shares	(408)	(408)
Total treasury shares	**(408)**	**(408)**
Total shareholders' equity	**638,866**	**845,158**
II Valuation, translation adjustments and other		
Net unrealized gain on other securities, net of taxes	25,421	24,269
Net unrealized gain on hedging instruments, net of taxes	40,982	12,648
Total valuation, translation adjustments and other	**66,404**	**36,918**
Total net assets	**705,270**	**882,077**
Total liabilities and net assets	**2,115,857**	**1,887,820**

Non-consolidated Statement of Income

(April 1, 2021 – March 31, 2022)

(Millions of yen)

	Amount	(Reference) Amount of previous fiscal year
Operating revenues	**600,319**	**400,255**
Cost of operating revenues	728,272	629,406
Gross operating profit (loss)	**(127,953)**	**(229,150)**
Selling, general and administrative expenses	120,021	113,238
Operating profit (loss)	**(247,975)**	**(342,389)**
Non-operating income	**24,528**	**10,437**
Interest income and dividend income	4,386	2,416
Foreign exchange gains	4,203	2,456
Other non-operating income	15,938	5,564
Non-operating expenses	**17,817**	**17,328**
Interest expense	5,751	1,451
Other non-operating expenses	12,065	15,877
Ordinary profit (loss)	(241,264)	(349,280)
Extraordinary gains	**1,316**	**877**
Gain on sales of non-current assets	1,305	2
Gain on sales of investment securities in subsidiaries and associates	–	563
Other	11	311
Extraordinary losses	**39,318**	**43,234**
Loss on support to subsidiaries and associates	12,708	
Loss on valuation of investment securities in subsidiaries and associates	11,785	13,122
Provision of allowance for doubtful accounts	7,746	16,000
Loss on valuation of investment securities	5,760	3,023
Business restructuring expenses	–	8,680
Other	1,318	2,408
Profit (loss) before income taxes	**(279,266)**	**(391,637)**
Income taxes – current	(5,706)	(1,690)
Income taxes – deferred	(67,267)	(103,845)
Profit (loss)	**(206,292)**	**(286,101)**

Non-consolidated Statement of Changes in Net Assets

(April 1, 2021 – March 31, 2022)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital Surplus		Retained earnings		Treasury shares	Total share-holders' equity
		Capital reserves	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at the end of previous period	273,200	266,341	266,341	306,025	306,025	(408)	845,158
Changes of items during the period							
Profit (loss)				(206,292)	(206,292)		(206,292)
Purchase of treasury shares						(0)	(0)
Net changes of items other than shareholders' equity during the period							
Total changes during the period	–	–	–	(206,292)	(206,292)	(0)	(206,292)
Balance at the end of the period	273,200	266,341	266,341	99,733	99,733	(408)	638,866

	Valuation, translation adjustments and other			Total net assets
	Net unrealized gain on other securities, net of taxes	Net unrealized gain on hedging instruments, net of taxes	Total valuation, translation adjustments and other	
Balance at the end of previous period	24,269	12,648	36,918	882,077
Changes of items during the period				
Profit (loss)				(206,292)
Purchase of treasury shares				(0)
Net changes of items other than shareholders' equity during the period	1,151	28,333	29,485	29,485
Total changes during the period	1,151	28,333	29,485	(176,806)
Balance at the end of the period	25,421	40,982	66,404	705,270

Notes to Non-Consolidated Financial Statements

1. Summary of significant accounting policies

(1) Valuation of securities

Bonds held to maturity: Amortized cost method

Investment securities in subsidiaries and associates

Cost method based on the moving-average method

Other securities (securities classified as such):

Securities other than shares, etc. that do not have a market price:

Evaluated at fair value according to market price, etc. on the date of financial closing (the difference in market price is reported in as a component of net assets, and the cost of securities sold is calculated by the moving-average method.)

Shares, etc. that do not have a market price:

Stated at cost based on the moving-average method or the amortized cost method

Investments in other securities of subsidiaries and associates:

Stated at cost based on the moving-average method

Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported using a method that treats the net amounts equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement

(2) Valuation principles and methods of inventories

Inventories are principally stated at cost based on the moving-average method (regarding balance sheet values, however, they are calculated by a method that reduces carrying amount on the basis of declines in profitability).

(3) Depreciation of fixed assets

Tangible fixed assets (excluding leased assets): Straight-line method

Intangible fixed assets (excluding leased assets): Straight-line method

Leased assets

Leased assets in finance lease transactions that transfer ownership

We use the same method as the depreciation method applied to fixed assets owned by the Company.

Leased assets in finance lease transactions that do not transfer ownership

We use the straight-line depreciation method with the lease period as the useful life, and residual value as zero.

(4) Accounting standards of provisions

Accrued pension and severance costs

Net periodic pension cost is accounted for based on the projected benefit obligation and the plan assets. Actuarial gains and losses are amortized using the straight-line method over a period of 11 to 14 years from the period subsequent to the period in which they are incurred.

Past service cost is charged to income as incurred.

Allowance for doubtful accounts

Ordinary claims are accounted using the historical loan loss ratio and doubtful and other specified claims are reported in amounts expected to unrecoverable considering the recoverability.

Reserve for loss on antitrust liabilities

To prepare for payment of court fees or compensation, etc. relating to a price cartel, an estimated amount of losses in the future is recorded.

(5) Accounting standards for revenue

As its primary business, the Company provides passenger, cargo and mail, and baggage transportation services using aircraft on international and domestic routes. Normally, the Company’s performance obligations are satisfied and revenue is recognized at the time when air transportation service has been completed.

(6) Hedge accounting
Gain or loss on derivatives designated as hedging instruments is deferred until the loss or gain on the underlying hedged items is recognized.

(7) Treatment of consumption taxes
Recorded at amounts exclusive of consumption taxes.

(8) Application of tax effect accounting for transition from consolidated taxation system to group totalization system
The Company transitioned to a group totalization system established under the "Act on the Partial Revision of the Income Tax Act" (Act No. 8 of 2020) and along with the transition, the single tax payment system has been reviewed. For these items, based on the handling of "Handling of application of tax effect accounting relating to transition from consolidated tax payment system to group total system" (Practical Response Report No. 39, March 31, 2020), Paragraph 3, the Company will not apply the provisions of Paragraph 44 of "Application Guidelines for Accounting Standards" (Corporate Accounting Standards Application Guidelines No. 28, February 16, 2018), and the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax law before the revision.

2. Change of accounting policy

(Application of the Accounting Standard for Fair Value Measurement)
The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30; July 4, 2019) (the "Fair Value Standard") has been applied from the beginning of the fiscal year under review. New accounting policies based on the Fair Value Standard have been applied prospectively in accordance with the transitional treatment provided for in Paragraph 19 of the Fair Value Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10; July 4, 2019).
The application has no impact on the financial statements.

3. Change of presentation

(Non-consolidated statement of income)
"Gain on sale of property, plant and equipment," which was included in "Other" under "Extraordinary gains" in the previous fiscal year, exceeded 10% of the total extraordinary gains and is therefore separately recorded from the current fiscal year. "Gain on sale of property, plant and equipment" was 2 million yen in the previous fiscal year.
"Gain on sales of investment securities," which was separately recorded under "Extraordinary gains" in the previous fiscal year, was not more than 10% of the total extraordinary gains and is therefore included in "Other" from the current fiscal year. "Gain on sales of investment securities" was 11 million yen in the current fiscal year.
"Loss on valuation of investment securities," which was included in "Other" under "Extraordinary losses" in the previous fiscal year, exceeded 10% of the total extraordinary losses and is therefore separately recorded from the current fiscal year. "Loss on valuation of investment securities" was 3,023 million yen in the previous fiscal year.

4. Estimates in accounting

In preparing the non-consolidated financial statements, the management makes estimates based on assumptions that affect the application of the JAL Group's accounting policies and the reported amounts of assets, liabilities, revenues and expenses. These estimates are based on the management's best estimates reflecting historical experience and a variety of other factors that are considered to be reasonable at the end of the fiscal year. Actual results in future, however, may differ from these estimates.
These estimates and underlying assumptions are reviewed/revised on an ongoing basis. The impact of the revision is recognized in the period there were revised and future period.
Estimates of future business performance, which form the basis for matters including recognition of impairment of fixed assets and deferred tax assets, are based on the JAL Group's Medium Term Management Plan. The main assumptions built into estimates include the degree of impact of the spread of COVID-19 on air travel demand, the period until demand recovery, post-recovery demand forecasts as well as fuel prices, and forecasts of exchange rate related market fluctuations. Moreover, regarding the impact of the spread of COVID-19, while the movement of people both within and outside Japan is steadily recovering with advancing vaccinations in Japan and countries around the world, the JAL Group is referring to demand recovery scenarios created by the International Air Transport Association (IATA) in creating its accounting estimates based on the assumption that demand will recover over a certain period of time and recover to a pre-pandemic profit level in fiscal 2023.
The impact of the COVID-19 pandemic is still uncertain in many ways, and may impact the Company's future financial position and operating results.
The management's estimates that have a significant impact on the amounts recognized in the non-consolidated financial statements are as follows:

(1) Recognition of revenues
Revenues from air transportation are recognized in contract liabilities at collecting consideration, and then recognized in revenue at completion of air transportation services.
The sales of air tickets that will not be used for air transportation (unused air tickets that are about to expire) are recognized in revenue at an appropriate timing, taking into account the contractual terms of the air tickets and historical trends.
The JAL Group also operates a customer loyalty program called "JAL Mileage Bank." Members of the JAL Mileage Bank can earn miles through flights with the airlines or other services, and can redeem them with the JAL Group or other partners' services.
The portion of granted miles that is expected to be redeemed by customers in the future is recognized as a performance obligation. The stand-alone selling price is estimated with the composition ratio of services selected by customers when using the miles taken into account; the transaction price is allocated on the basis of the ratio of the stand-alone selling price to the performance obligation. The transaction prices allocated to performance obligations under the mileage program are recognized as contract liabilities and are recorded as

revenue in line with use of the miles.
As of the end of the current fiscal year, such contract liabilities amounted to 224,619 million yen.

(2) Depreciation expenses of flight equipment
In determining the useful life of each component, including flight equipment, aircraft engine components and cabin related assets, we calculate the depreciation expenses in consideration of their future estimated economically useful life.
As of the end of the current fiscal year, flight equipment amounted to 738,308 million yen.

(3) Impairment of fixed assets
Regarding the target assets as of the end of the fiscal year (carrying amount: tangible fixed assets 861,458 million yen and intangible fixed assets 80,545 million yen), the Company examines whether events that indicate a possibility of impairment of targeted assets present, and, if signs of impairment are present, considers whether or not to record an impairment loss with respect to the assets.
For the current fiscal year, the JAL Group recorded an operating loss due to the impact of the COVID-19 pandemic for two consecutive fiscal years. Accordingly, the Company deemed signs of impairment to be present and examined the necessity of recording an impairment loss. With regard to estimated future cash flows of the assets, the JAL Group calculated and examined the cash flows for the period corresponding to the residual economic life of the assets, while also taking account of the impact of the spread of COVID-19. As a result, it was determined that the undiscounted amount of the future cash flows exceeds the carrying amount of the fixed assets, and no impairment loss was recorded.
Regarding the impairment loss for the current fiscal year, the unit of asset grouping was changed for components of flight equipment for which retirement has been decided, and the amount was reduced to the estimated recoverable amount.

(4) Recognition of deferred tax assets
The Company recognizes deferred tax assets within the limits that future deductible amounts and tax losses brought forward can mitigate future tax burdens.
The Company applies the consolidated corporate-tax system, and judges recoverability of deferred tax assets with regard to corporate taxes based on the future taxable income, etc., of the consolidated tax group, and with regard to local taxes based on the future taxable income, etc., of the Company. With regard to tax losses brought forward, the JAL Group schedules the expected fiscal year and amount of deduction from tax losses brought forward based on the estimate of future taxable income, etc., projected within the carryforward period, which is not more than 10 years, while also taking account of the impact of the spread of COVID-19, and records the amount expected to be recovered as deferred tax assets.
As of the end of the current fiscal year, deferred tax assets amounted to 229,205 million yen.

5. Change in estimates in accounting

In the current fiscal year, the JAL Group changed estimates and recorded asset retirement obligations of 4,767 million yen as it obtained new information about the obligation of restoration under the plan for future improvement of the facilities of the Tokyo International Airport presented by the Japanese government.
As a result, operating loss, ordinary loss and loss before income taxes for the current fiscal year increased by 2,645 million yen, respectively.

6. Notes to non-consolidated balance sheet

(1) All amounts of less than one million yen have been rounded down in the accounts.

(2) Accumulated depreciation for tangible fixed assets 715,361 million yen

(3) Assets pledged as collateral and obligations secured by such collateral
(Assets pledged as collateral)

Flight equipment	449,780 million yen
Investment securities in subsidiaries and associates	0 million yen
Corporate bonds of subsidiaries and associates	5,185 million yen
Long-term loans receivable	3,330 million yen
Investments in securities	2,933 million yen

(Obligations secured by such collateral)

Current portion of long-term borrowings	41,225 million yen
Long-term borrowings	269,189 million yen

It is confirmed under general arrangements for transactions with financial institutions that for assets pledged as collateral, when a default in the repayment of principal and/or payment of interest of the debt that became due or other similar case has occurred, the financial institution can exercise its right to dispose of the assets pledged as collateral and appropriate the proceeds from such disposal for repaying or offsetting the debt. In addition, the assets pledged as collateral include assets for which revolving pledges have been established to secure debts of the following three companies, under the syndicated loan agreements concluded between each company and financial institutions for the business that is the objective of each company's establishment

・ Tokyo International Air Terminal Corporation (associate)
・ Kyushu Kumamoto International Airport Co., Ltd.
・ Hokkaido Airports Co., Ltd.

(4) Liabilities for guarantee, etc.

Liabilities for guarantee

(Guarantee for bank loans, etc.)

Jetstar Japan Co., Ltd.	9,121 million yen
Hokkaido Air System Co., LTD.	2,479 million yen
Other	4 million yen

As of March 31, 2022, the Company has been provided a reguarantee from other company for 4,560 million yen of its outstanding guarantee for bank loans to Jetstar Japan Co., Ltd.

(Guarantee for lease liabilities)

Jetstar Japan Co., Ltd.	2,577 million yen

(Guarantee for settlement of contract liabilities)

ZIPAIR Tokyo Inc.	1,100 million yen

The Company provides guarantees for damages resulting from breach of an obligation, assertion or guarantee under the stock transfer reservation agreement concluded between Fukuoka Airport Holdings Co., Ltd. ("transferor"), in which the Company holds an investment, and the Ministry of Land, Infrastructure, Transport and Tourism Civil Aviation Bureau ("transferee"). Capped amount of guarantees at the end of the fiscal year is as follows.

7,867 million yen

(5) Monetary claims and liabilities to subsidiaries and associates

Short-term monetary claims	58,137 million yen
Short-term monetary liabilities	176,363 million yen
Long-term monetary claims	31,866 million yen
Long-term monetary liabilities	1,083 million yen

7. Non-consolidated statement of income

(1) All amounts of less than one million yen have been rounded down in the accounts.

(2) Total transactions with subsidiaries and associates

Operating revenues	60,434 million yen
Operating expense	246,003 million yen
Amount resulting from non-business transactions	32,737 million yen

8. Notes to non-consolidated statement of changes in net assets

(1) All amounts of less than one million yen have been rounded down in the accounts.

(2) Total number of issued shares at the end of the current fiscal year

Total number of issued shares	Ordinary shares	437,143 thousand shares
	Treasury shares	136 thousand shares

9. Tax effect accounting

Principal sources of deferred tax assets are tax loss brought forward and contract liabilities, etc., while principal sources of deferred tax liabilities are deferred gains on hedges, etc.

10. Transactions with related parties

Subsidiaries and associates, etc.

Attribute	Name	Percentage of voting rights holding or being held (%)	Relations		Details of transaction	Amount (millions of yen)	Item	Ending balance (millions of yen)
			Concurrently serving, etc.	Business relations				
Subsidiary	JALCARD, Inc.	Holding direct 50.6%	–	Consignment of card related business	Borrowing and lending of money (Note 1)	–	Short-term borrowings	22,995
Subsidiary	JAL ENGINEERING CO., LTD.	Holding direct 100%	–	Consignment of maintenance related operations	Maintenance of aircraft, engines and equipment, and maintenance management operations (Note 2)	124,812	Accounts payable - trade	14,454
Subsidiary	J-Air Corporation	Holding direct 100%	–	Joint acceptance of carriage, etc.	Financial support	12,708	–	–

Terms of transactions and method for determining them

(Notes) 1. Since these transactions are conducted under the cash management system operated by the JAL Group, the amount of transaction is omitted. Interest rate is reasonably determined in light of the market interest rate.

2. Contractual price is reasonably determined in light of the market price.

11. Notes on per share information

(1) Net assets per share 1,613.86 yen

(2) Basic earnings (loss) per share (472.06) yen

12. Notes on revenue recognition

(Information forming the basis for understanding revenue)

This information is the same as the information provided in “12. Notes on revenue recognition” in the Notes to Consolidated Financial Statements.

Independent Auditor's Report

May 12, 2022

To the Board of Directors of
Japan Airlines Co., Ltd.

KPMG AZSA LLC
Tokyo Office

Toshihiro Otsuka
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tomoyoshi Inoue
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaya Ariyoshi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444-4 of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated statement of financial position as of March 31, 2021, and the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of Japan Airlines Co., Ltd. for the 71st fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the consolidated financial statements referred to above, are pursuant to accounting standards under which a part of the disclosures required under International Financial Reporting Standards are omitted as stipulated in the second sentence of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, and present fairly, in all material respects, the financial position and the results of operations of Japan Airlines Co., Ltd. and its consolidated subsidiaries for the period.

Rationale for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility with respect to auditing standards is described in "Auditor's Responsibility in Auditing the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The other information consists of the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. The Audit & Supervisory Board Members and the Board of Corporate Auditors are responsible for overseeing the execution of duties by the Directors in designing and operating the financial reporting process of the other information.

The other information does not fall under the scope of our opinion on the consolidated financial statements, and we express no opinion on the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information and, in the course of reading, consider whether there are any material differences between the other information and the consolidated financial statements or our knowledge obtained in the course of our audit, and to pay attention to whether there are any other signs of material errors in the other information in addition to such material differences.

If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

Management, Corporate Auditors and Board of Corporate Auditors' Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to accounting standards under which a part of the disclosures required under International Financial

Reporting Standards are omitted as stipulated in the second sentence of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and for disclosing, as necessary, matters related to going concern pursuant to accounting standards under which a part of the disclosures required under International Financial Reporting Standards are omitted as stipulated in the second sentence of Article 120, Paragraph 1 of the Regulation on Corporate Accounting.

Audit & Supervisory Board Members and the Board of Corporate Auditors are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility in Auditing the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express our opinion on the consolidated financial statements in an auditor's report based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the audit objective of the consolidated financial statements is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express an opinion with exceptive items on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are pursuant to accounting standards under which a part of the disclosures required under International Financial Reporting Standards are omitted as stipulated in the second sentence of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Board of Corporate Auditors with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

May 12, 2022

To the Board of Directors of
Japan Airlines Co., Ltd.

KPMG AZSA LLC
Tokyo Office

Toshihiro Otsuka
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tomoyoshi Inoue
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaya Ariyoshi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436 (2) (i) of the Companies Act, we have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet as of March 31, 2021, and the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules (hereinafter the "non-consolidated financial statements, etc.") of Japan Airlines Co., Ltd. for the 73rd fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of Japan Airlines Co., Ltd. for the period, for which the non-consolidated financial statements, etc. were prepared, in accordance with accounting principles generally accepted in Japan.

Rationale for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility with respect to auditing standards is described in "Auditor's Responsibility in Auditing the Non-consolidated Financial Statements, etc." We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The other information consists of the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. The Audit & Supervisory Board Members and the Board of Corporate Auditors are responsible for overseeing the execution of duties by the Directors in designing and operating the financial reporting process of the other information.

The other information does not fall under the scope of our opinion on the non-consolidated financial statements, etc., and we express no opinion on the other information.

Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other information and, in the course of reading, consider whether there are any material differences between the other information and the non-consolidated financial statements, etc. or our knowledge obtained in the course of our audit, and to pay attention to whether there are any other signs of material errors in the other information in addition to such material differences.

If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

Management, Corporate Auditors and Board of Corporate Auditors' Responsibility for the Non-consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the non-consolidated financial statements, etc. that are free from material misstatements, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Board of Corporate Auditors are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility in Auditing the Non-consolidated Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to express our opinion on the non-consolidated financial statements, etc. in an auditor's report based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the audit objective of the non-consolidated financial statements, etc. is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express an opinion with exceptive items on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company to express an opinion on the non-consolidated financial statements, etc. We are responsible for the direction, supervision and performance of the audit of the non-consolidated financial statements, etc. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Board of Corporate Auditors with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report

Based on the audit reports prepared by Audit & Supervisory Board Members with regard to the performance of duties by the Directors of Japan Airlines Co., Ltd. (the "Company") for the 73rd fiscal year from April 1, 2021 to March 31, 2022, the Board of Corporate Auditors of the Company prepares this audit report after deliberation and reports as follows:

1. Auditing methods used by Audit & Supervisory Board Members and the Board of Corporate Auditors, and details of audit

(1) The Board of Corporate Auditors specified auditing policies, assigned duties to each Audit & Supervisory Board Member, and received reports from each Audit & Supervisory Board Member on the status of implementation and results of audit, and it also received reports from Directors, etc. and accounting auditors on the status of their duties and asked them for explanation as necessary.

(2) All Audit & Supervisory Board Members executed their audits in conformity with the Standard for Audit & Supervisory Board Members established by the Board of Corporate Auditors and in accordance with the audit policy, audit plan, etc. while endeavoring to collect information and establish audit environment and maintaining proper communication with Directors, internal audit staff and other employees through using the Internet, etc. as well as face-to-face meetings and in-person inspections.

1) Audit & Supervisory Board Members attended the meetings of the Board of Directors and other important meetings of the Company, received reports from Directors and employees, etc. on the status and results of the execution of their duties and asked them for explanations as necessary, reviewed important approval documents, etc. and conducted investigation on the status of business operations and assets related to Head Office and at major offices. Also, Audit & Supervisory Board Members have maintained good communications and exchanged information with Directors, Audit & Supervisory Board Members and others of the subsidiaries of the Company and asked the subsidiaries for reports on their business conditions as per need.

2) Audit & Supervisory Board Members periodically received reports, sought explanations as necessary and made opinions, regarding the contents of the resolution by the Board of Directors regarding the establishment of a system as stipulated in Article 100 (1) and (3) of the Regulation for Enforcement of the Companies Act as necessary for ensuring that the performance of duties by the Directors conforms to the laws and regulations and the Articles of Incorporation, as well as for ensuring an appropriateness of operations of a corporate organization consisting of a stock company and its subsidiaries, and the internal control system established based on said resolution.

3) Audit & Supervisory Board Members have also monitored and verified whether the accounting auditors maintain independence and properly implement audit, received from the accounting auditors reports on the execution of their duties and asked them for explanations as necessary. In addition, Audit & Supervisory Board Members were informed of the arrangement of the "System for ensuring that the duties are executed appropriately" (matters stipulated in the items of Article 131 of the Regulation on Corporate Accounting) in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005) from the accounting auditors and requested explanations as necessary. Also, Audit & Supervisory Board Members have cooperated with the KPMG AZSA LLC, Accounting Auditor, on key audit matters, received reports regarding the status of their audits and also requested explanations as necessary.

Based on the methods mentioned above, we have reviewed the business report and its supplementary schedules, the non-consolidated financial statements (balance sheet, statement of income, statement of changes in net assets and notes to non-consolidated financial statements) and their supplementary schedules and the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements).

2. Audit Results

(1) Results of audit of the business reports, etc.

1) We confirm that the business reports and supplementary statement thereto present fairly the situation of the Company in accordance with relevant laws and regulations and the Company's Articles of Incorporation.

2) We found no wrongful act or material fact in violation of law or regulations or in violation of the Company's Articles of Incorporation with respect to the performance of duties by the Directors.

3) We confirm that resolutions of the Board of Directors on the internal control system are proper. We found no matter to be pointed out concerning either the descriptions in the business report or the performance of duties by the Directors with respect to the internal control system.

(2) Result of audit of non-consolidated financial statements and supplementary statement thereto

We confirm that the auditing methods used and results KPMG AZSA LLC, Accounting Auditor, are proper and correct.

(3) Result of audit of consolidated financial statements

We confirm that the auditing methods used and results of KPMG AZSA LLC, Accounting Auditor, are proper and correct.

May 13, 2022

The Board of Corporate Auditors of Japan Airlines Co., Ltd.

Audit & Supervisory Board Member	Norikazu Saito (Seal)
Audit & Supervisory Board Member	Yuichi Kitada (Seal)
External Audit & Supervisory Board Member	Osamu Kamo (Seal)
External Audit & Supervisory Board Member	Shinsuke Kubo (Seal)
External Audit & Supervisory Board Member	Joji Okada (Seal)