

Address to Climate Change

Basic Concept

The JAL Group is aware that as the world faces a variety of issues including climate change, resource shortages, demographic changes, and rapid urbanization, addressing to climate change is a particularly important challenge. Not only does climate change have a major impact on our business, it also leads to the aggravation of social problems, such as poverty and famine, which stem from the aforementioned issues. Based on this perception, it is our corporate responsibility to steadily drive our initiatives to address climate change starting with reducing our CO₂ emissions.

Governance, strategy, risk management, indices and goals

The JAL Group is aware that the risks and opportunities relating to climate change are an important management challenge. The Group Management Council, with the President as chair and all officers as members, is the forum at which we supervise and manage those risks and opportunities. At this forum we work to minimize climate change risks based on the global laws and regulations and political trends relating to climate change, and also examine projects that make the most of the business opportunities. Furthermore, the Sustainability Promotion Committee, which promotes efforts to achieve the Sustainable Development Goals (SDGs), was formed below this Group Management Council, with the officers in charge of playing a central role in driving our climate change response. Specifically, the JAL Group, as an emitter of large amounts of CO₂ in its daily flight operations, is aware of the significant financial impact that climate change will have on business due to restrictions on CO₂ emissions as well as increases in the price of fuel-efficient aircraft, changes in crude oil and Sustainable Aviation Fuel (SAF)

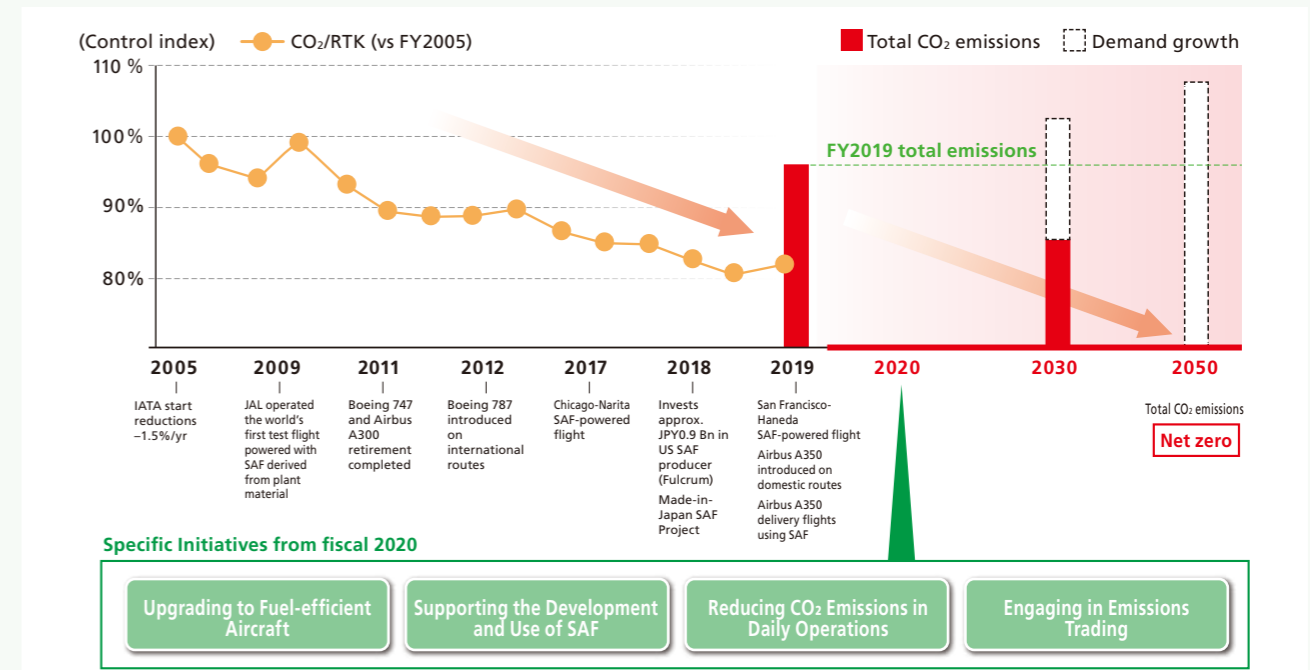
prices, and changes in the percentages of each type of fuel used, among others. With the trend to decarbonize based on the Paris Agreement and Intergovernmental Panel on Climate Change (IPCC) reports, the financial impact that climate change related risks and opportunities have on business, shown on the table below, is expected to keep increasing. We are responding by exploring ways to deal with the conceivable changes in advance and begin the necessary preparations, and we will then widely provide disclosure. The international aviation sector is working to address climate change. At the general assembly of the International Civil Aviation Organization (ICAO) convened in 2010, two global CO₂ reduction goals were agreed on: "Improvement of fuel efficiency by 2% annually," and "carbon neutral growth for international flights from 2020 onwards." Additionally, at the general assembly convened in 2016, the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which mandates that from 2021 onwards, airlines operating international flights purchase CO₂ emission credits for any excess CO₂ emissions over their 2019 volume, was adopted.

The JAL Group is taking steps to reduce CO₂ emissions based on the four major pillars of: Upgrading to Fuel-efficient Aircraft, Supporting the Development and Use of SAF, Reducing CO₂ Emissions in Daily Operations, and Engaging in Emissions Trading. In June 2020, we set a new long-term goal of Zero CO₂ Emissions with the aim to achieve net zero CO₂ emissions by 2050.

Risks and Opportunities Related to Climate Change

Climate Change Risks		Impact Summary	
Transition Risks	Government Regulations	Targets/regulations on the aviation industry to reduce carbon emissions and improve fuel efficiency	- Cost increases from purchasing CO ₂ credits with the adoption of the CORSIA scheme - Increased capital outlay on aircraft with improved fuel efficiency
		Targets/policies on carbon missions and fuel efficiency of each country	- Increased operating costs due to restrictions at airports used and payment of new environmental taxes, etc.
	Market	High fuel prices	- Increased operating costs due to soaring carbon prices
	Technology	Adoption of alternative fuels	- Increased operating costs due to restrictions at airports used and payment of new environmental taxes, etc.
Physical Risks	Chronic	Carbon pricing	- Increased operating costs due to soaring carbon prices
		Changing demand	- Slowdown in aviation demand growth due to modal shift acceleration to rail and maritime transport
	Acute	Extreme weather	- Impact on flight operations such as cancelling countless flights due to tropical cyclones, typhoons, and natural disasters, among others - Costs incurred due to aircraft damage and operating facilities disaster recovery costs, and supply chain disruptions
Opportunities	Technology	Changing rain and weather patterns	- Periods when aircraft are unable to takeoff/land at certain airports during weather disasters such as floods
		Increasing average temperatures	- Reduced aircraft takeoff performance due to abnormal temperature rises in summer - Increased pandemic risks due to infectious diseases arising from changes in ecosystems etc. - Costs of infrastructure modifications, such as construction works to increase the height of breakwaters at airports to handle rising sea levels, reflected in landing fees
		Development of next-generation aircraft	- Impact on flight operations such as cancelling countless flights due to tropical cyclones, typhoons, and natural disasters, among others - Costs incurred due to aircraft damage and operating facilities disaster recovery costs, and supply chain disruptions
Opportunities	Technology	Adoption of alternative fuels	- Secure competitive advantage by procuring new SAF - Minimize the degree of price fluctuations by diversifying aviation fuel sources
		Improved fuel efficiency	- Profit potential with improvement in fuel efficiency through technical improvement of each aircraft, improvement in flight status and use of infrastructure facilities, among others
		Development of next-generation aircraft	- Profit potential with improvement in fuel efficiency through technical improvement of each aircraft, improvement in flight status and use of infrastructure facilities, among others

CO₂ Emissions Reduction Targets and Progress



CO₂ Emissions Reduction Targets

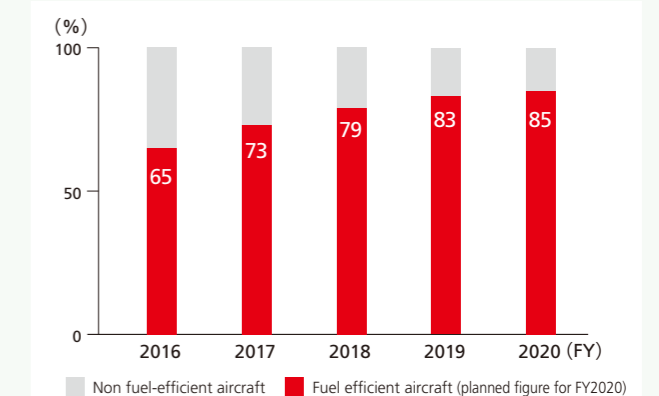
The short-term target has been set as, "by fiscal 2020, reduce the amount of CO₂ emitted per revenue ton kilometer by JAL Group aircraft by 23% compared to the fiscal 2005 level." To achieve this short-term target, we have steadily implemented measures by upgrading to fuel efficient aircraft such as the Airbus A350 and the Boeing 787, and reducing fuel consumption in daily flight operations. As a result, CO₂ emissions in fiscal 2018 were 1.6% lower than the previous year, and we have achieved 19.4% of cumulative total reduction since fiscal 2005. Due to a major fall in demand with the spread of COVID-19, which occurred in the fourth quarter, total emissions in fiscal 2019 were 240,000 tons lower than the previous year. However, the amount of CO₂ emitted per revenue ton kilometer increased by 2.4%. As a result, the cumulative reduction was only 17.0%. The medium- to long-term target is to achieve growth without increasing CO₂ emissions beyond 2020. We will achieve this target by upgrading to fuel-efficient aircraft and reducing fuel consumption in daily operations, supporting the development and use of SAF in accordance with the CORSIA scheme, and engaging in emissions trading. In addition, we are striving to reduce total CO₂ emissions through our long-term goal of Zero CO₂ Emissions, aiming to achieve net zero CO₂ emissions by 2050. In addition, the oneworld alliance, of which the JAL Group is a member, announced in September 2020, that all 13 member airlines have committed to net zero CO₂ emissions by 2050.

Specific Initiatives

Upgrading to Fuel-efficient Aircraft

The JAL Group is upgrading its fleet to more fuel-efficient aircraft in order to mitigate impacts of operations on the environment. In September 2019, we introduced the Airbus A350 on domestic routes, and in October 2019, we introduced the Boeing 787, which was in service on international routes since 2012, on domestic routes as well. These aircraft are low-noise in addition to being fuel efficient and are capable of providing CO₂ emissions reductions of around 15 to 25% compared to conventional aircraft. The JAL Group will continue to contribute to mitigate environmental impact through our planned program of upgrading to new aircraft types.

Progress in Increasing the Percentage of Fuel-efficient Aircraft



Supporting the Development and Use of Sustainable Aviation Fuel

Until now, the airline industry has been working to reduce CO₂ emissions by cutting the quantity of fuel used. However, to achieve further reductions in CO₂ emissions in future, we need to change the quality of the fuels we use. The development and practical application of Sustainable Aviation Fuel (SAF) is underway in Europe, the U.S., and other countries around the world, and it is expected that use of SAF will become widespread after 2030. Given this trend, the JAL Group is also actively investing in SAF, using it on scheduled flights, and disseminating information in order to become the leading airline in the adoption of SAF.

Use of SAF on JAL flights

In 2009, we conducted the first test flight in Asia using SAF made from non-edible raw materials. We also operated our flights powered by SAF from Chicago O'Hare International Airport to Narita Airport in November 2017 and from San Francisco International Airport to Haneda Airport in January 2019. In addition, since June 2019, upon receipt of Airbus A350 aircraft, we have used SAF on the delivery flights from Airbus' plant in Toulouse, France to Haneda Airport.

Investment in SAF production company

In September 2018, the JAL Group, together with Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) and Marubeni Corporation, acquired a stake in Fulcrum BioEnergy, Inc. ("Fulcrum") located in California, USA. This was the first investment by a Japanese company in an SAF manufacturing business. Fulcrum has developed a process to produce SAF from general waste that is normally disposed of in landfill. The production technology has also been certified to fuel standard by ASTM International, an international standardization and standards-setting organization. Fulcrum's first production plant is currently under construction in Nevada and is expected to be completed in early 2021. The company is one of the most likely companies to achieve mass production of SAF, with plans for a rollout of multiple plants in future, including already announced plans for plant construction in Indiana. Therefore, the JAL Group will strengthen its relationship with Fulcrum and proceed with refueling our aircraft with SAF supplied by Fulcrum, mainly on flights departing from North America, in order to reduce CO₂ emissions.

*3 The world's largest private sector international standardization and standards-setting organization



Fulcrum's currently under construction SAF production plant (as of Jun 2020)

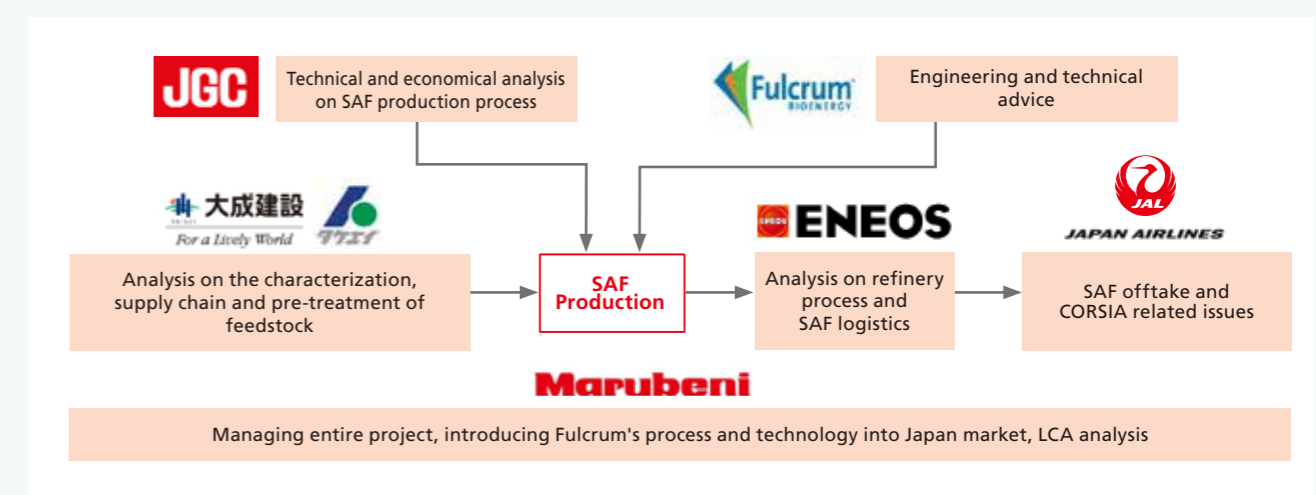
Efforts towards the Adoption of Domestically Produced SAF

The Japanese government has established a "Roadmap Study Committee for the Introduction of Bio-Jet Fuel for the Tokyo 2020 Olympic and Paralympic Games" (commonly referred to as the "Roadmap Study Committee"), which has been studying the feasibility of producing SAF in Japan and introducing it for use in time for the milestone of the Tokyo 2020 Olympic and Paralympic Games. The JAL Group, as a member of the Roadmap Study Committee, is working to operate our flights using domestically produced SAF, and we are also contributing as a member of this "All Japan" effort to develop the SAF supply chain from production to use, linking the various stakeholders, with the aim of achieving the government's objective of the widespread adoption of domestically produced SAF by 2030. As part of this effort, in October 2018, we launched a project to produce domestic SAF using cotton from clothing collected throughout Japan, and succeeded in doing so in late March 2020. Although commercialization of SAF is progressing worldwide, this is the very first time SAF has been fully produced in Japan. In this project, about 50 companies cooperated and approximately 250,000 garments were collected across the country over the course of three months in 2018. Starting from January 2019, cotton from the collected garments was then turned into SAF through a bioprocess developed by the Research Institute of Innovative Technology for the Earth (RITE), with technical support from biotech venture company Green Earth Institute, Co., Ltd. This success proved that it is possible to produce SAF using Japanese technological capabilities.

The Manufacturing Process Used to Produce Japan's First SAF



Companies Participating in the Feasibility Study and Their Roles



Working to build a domestic supply chain

From February 2020, we have started a feasibility study on SAF production and sales in Japan through the use of industrial and municipal waste, including plastic waste with Marubeni Corporation, ENEOS Corporation, JGC Japan Corporation, Taisei Corporation and TAKEEI CORPORATION. Based on the results of this joint study, all parties will aim to install demonstration equipment and conduct tests in the early 2020s, and start construction of commercial equipment around 2025.

Toward the future

The JAL Group is conscious of the need to establish SAF production and supply systems within Japan, as well as to ensure that SAF is available within a sustainable price range in order to promote the use of SAF on every aircraft both arriving in and departing from Japan. The JAL Group is contributing to reducing environmental impact by proactively working in collaboration with a broad range of stakeholders as we strive to solve these challenges one by one, with the objective of the commercialization and deployment of SAF in the future in Japan and overseas.

Reducing CO₂ Emissions in Daily Operations

We are conducting various activities to improve fuel economy in our daily operations at each of our workplaces with "Safety First" as our top priority, such as eco-flight initiatives through aircraft operating techniques, reducing aircraft weight and washing engine interiors regularly. We are also implementing and driving CO₂ emission reduction initiatives cross-organizationally and continuously looping through the PDCA cycle to drive each of these initiatives forward as we monitor and share progress within the organization in order to achieve CO₂ emission reductions from a daily operations perspective.

During Regular Maintenance		CO ₂ reduced in FY2019 Reduced 20,100 tons Engine washing
While Parked in Spot		Reduced 800 tons Reduced Auxiliary Power Unit (APU) usage (Closing cabin window shades, etc.)
Before Departure		Reduced 7,100 tons Using lighter weight cargo containers, etc. Optimized flight plans
At Takeoff		Reduced 9,600 tons Optimized ascent route
During the Descent Phase		Reduced 37,900 tons Optimized landing patterns Continuous descent operations
At Landing		Reduced 5,900 tons Idle reverse thrust
After Landing		Reduced 5,000 tons Single-engine-taxi-in

Effective Use of Limited Resources

Engaging in Emissions Trading

Purchasing Carbon Credits

The JAL Group is implementing initiatives designed to reduce our CO₂ emissions including upgrading to fuel-efficient aircraft and supporting the development and use of Sustainable Aviation Fuel (SAF). In addition to these initiatives, we have been reducing our CO₂ emissions by purchasing various emission credits designated in March 2020. These carbon credits are designed to help cut global CO₂ emissions efficiently by allowing companies to purchase CO₂ emission reductions made by companies in industries other than aviation. In future, the JAL Group will continue to select and purchase the above-mentioned credits and work together with other non-aviation industries to devise measures that will help further reduce CO₂ emissions.

Column

JAL Carbon Offsets

Carbon offsets are a mechanism of compensating for CO₂ emissions using carbon absorptions or reductions made elsewhere. In response from feedback from customers who have a keen interest in protecting the environment and preventing global warming, the JAL Group, in collaboration with blue dot green Inc., offers passengers the option to offset the CO₂ emitted by the aircraft they fly on through our JAL Carbon Offsets program. Passengers can choose to offset the carbon emissions for the distance they fly against either a Japanese government-certified responsible forest thinning and management project in the town of Oguni in Kumamoto Prefecture, or a deforestation prevention project in the Rimba Raya Biodiversity Reserve in Indonesia.

<https://www.jal.bluedotgreen.co.jp/en/home>



JAL Carbon Offsets carbon calculator web page

Column

CONTRAIL Project

The JAL Group began working on atmospheric observation using aircraft in cooperation with the Meteorological Research Institute (MRI) and the Japan Airlines Foundation (now the JAL FOUNDATION) in 1993. In 2005, the National Institute for Environmental Studies (NIES) and aircraft parts manufacturer JAMCO Corporation joined the efforts to expand and enhance the scope of these atmospheric observations, and with each party putting their expertise to use, the CONTRAIL Project was born. The CONTRAIL Project is the world's first planned ongoing, global-scale continuous measurement of greenhouse gases using equipment installed on scheduled passenger flights, and this joint public-private project continues its activities today. The project involved the development of two original types of equipment for atmospheric observation: Automatic air Sampling Equipment (ASE) and Continuous CO₂ Measuring Equipment (CME), which then underwent stringent environmental testing before obtaining certification to be installed on commercial aircraft. These two kinds of observation equipment are currently in service on Boeing 777 aircraft owned by the JAL Group.

The observed data for atmospheric greenhouse gases, mainly taken from samples on international routes, are used under the quality control by MRI and NIES, in research being conducted not only for understanding the global carbon cycle, but also for atmospheric transport, validation of satellite observations and validation for transport models. Today, in line with the advancement of the open science movement, observed data are opened to public, and are playing an important role in various research throughout the world.

Since its commencement in 2005, CME has been used on over 23,000 flights, and in fiscal 2019 alone, the published data was used in three peer-reviewed papers, 11 presentations in international conferences, and three presentations in domestic conferences. In March 2019, the CONTRAIL Project won the Environment Minister Award at the inaugural Japan Open Innovation Prize.



JAL Group aircraft equipped with atmospheric observation instruments

Basic Concept

To reduce its environmental impact and contribute to realize resource-recycling society, the JAL Group promotes the 4Rs*¹ in all aspects of its business, particularly through initiatives to minimize use of new resources onboard aircraft and at airports.

*1 Refuse, Reduce, Reuse, Recycle

Reduction of Plastic Usage

In order to address global issues caused by the massive use of plastics, such as ocean pollution from waste plastics, the plastic working group meets monthly to discuss reduction methods and targets for plastic products, etc. In September 2019, JAL stopped providing plastic straws and stirrers in its inflight service and in all lounges. We reduced approximately 2 million plastic straws and 4 million plastic stirrers per year respectively, which is equivalent to around 3.6 tons in total. In fiscal 2018 approximately 887.6 tons of disposable plastics were used onboard aircraft, which dropped in fiscal 2019 by around 10 tons to 877.4. Also from October 2019, Japan Transocean Airline (JTA) introduced wooden straws on Class J seats on flights from Naha to Fukuoka. JTA is using timber from Okinawa to help conserve local forests and revitalize sustainable forestry.



Wooden straws

Recycle

Recycling polyethylene sheets

When transporting daily essentials such as pharmaceuticals and food products, the JAL Group uses polyethylene sheets to protect the products from water damage. To ensure these plastics are not disposed of as waste, for around 40 years we have supplied them to RIPRO Corporation, a company that manufactures and sells recycled land markers used in land registry investigations and other products. Information eco markers are one such example. Equipped with RFID tags, they have been installed in a number of tourist spots to provide information related to the spot to visitors via their smartphones, which is contributing to regional revitalization.



Cargo covered with polyethylene sheets



Information eco marker in front of the Miracle Lone Pine Tree (which alone survived the 2011 tsunami) in Rikuzentakata

Recycling cabin waste

The JAL Group has worked to recycle cabin waste since 1993. Cabin attendants separate aluminum cans, glass bottles, and plastic bottles onboard before handing them over to a recycling specialist. Each year these efforts lead to more than 25 tons of recycled plastic bottles and around 30 tons of recycled aluminum. We also recycle newspapers, inflight magazines, and other recyclable materials used on our flights.

Recycling old uniforms

When we renew our uniforms, old maintenance and ground handling staffs' uniforms are recycled into soundproofing materials for use in cars and cloths used to wipe grease and dirt from machinery. Some employees also came up with the idea of reusing these old uniforms to make bags for onboard documents and tote bags to be used in the office for shopping and buying lunch.



Saving Water Resources

As part of our water-saving and recycling efforts, we gauge and manage the amount of water we use and strive to reuse the large amounts of pure water used to clean components.

Reducing Food Loss & Waste

Disposing food that could have been eaten is not only "Mottainai", it also damages environment. The greenhouse gas emissions from food product supply chain, including production, distribution, and processing is estimated to be between 21% and 37% of the world's total.*² In addition to controlling CO₂ emissions generated in flight, the JAL Group also takes steps to reduce emissions from food waste on board aircraft and in airport lounges. Although around three tons of offcuts and scraps are generated each month when preparing inflight meals for departure flights from Narita Airport, we recycle them into animal feed instead of simply burning them.

Looking ahead, we will seek to effectively use our food resources and mitigate global warming by offering a meal-canceling service for our passengers and examining ways to use offcuts from the food preparation process.

*2 IPCC (Intergovernmental Panel on Climate Change) Special Report on Greenhouse Gas Fluxes (August 2019)

Prevention of Environmental Pollution

Basic Concept

JAL Group companies in Japan manage hazardous chemical substances and strive to reduce amounts handled and released, according to the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law).

Specific Initiatives

In April 2020, in agreement with the Tokyo Metropolitan Government, Bureau of Environment project to improve the air environment, JAL Engineering signed up to be a ClearSky Supporter. Aiming to create clear, pollution-free skies, JAL Engineering is currently engaged in efforts to reduce its emissions of nitrogen oxides (NOx) and volatile organic compounds (VOCs), both of which contribute to air pollution. To reduce emissions of NOx contained in exhaust gases from motor vehicles, JAL Engineering has formulated its own NOx reduction plan, which includes switching to EVs, light vehicles, and other low-pollution, low-fuel-consumption vehicles, and promoting eco-friendly driving. Moreover, as some of the paints, cleaning agents, and adhesives used in aircraft maintenance contain VOCs, JAL Engineering has also formulated a VOC emissions reduction plan for VOC emission. It details how, during chemical smog alerts, employees will temporarily stop their painting work to minimize emission of VOCs, which cause photochemical smog, into the atmosphere.

JAL Group is also working to prevent air pollution by minimizing the amount of CO₂, NOx, CO, HC, and other pollutants released from aircraft. Specifically, engines used on JAL Group aircrafts comply with all regulations and ICAO CAEP6/CAEP8 standards stipulated by NOx regulations (applicable standards vary according to the type certification period).



An EV used at the Haneda Maintenance Zone



Noise Reduction

Basic Concept

To fulfill its responsibility as an organization that sustains social infrastructure, the JAL Group proactively works to reduce noise so that it can exist in harmony with communities in the vicinity of airports and flight paths.

Specific Initiatives

Specifically, we are committed to "reduction of noise at source" and "noise abatement operational procedures" which are principal elements of the Balanced Approach, adopted by the International Civil Aviation Organization (ICAO) that airlines should follow. 100% of JAL Group's aircrafts, except for turboprop, are compliant to ICAO Chapter 4 standard, whilst 46% of them are compliant to ICAO Chapter 14 standard.

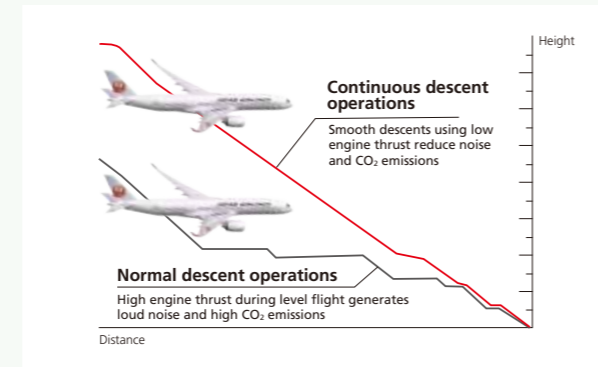
As part of our noise abatement operational procedures, we follow noise abatement procedures at take off, and at Haneda Airport and Itami Airport in particular, which are close to residential areas, we operate under even stricter procedures. Noise abatement procedures during landing include reduced flap, delayed flap and idle reverse operations.

At Helsinki Airport and Kagoshima Airport, we also follow continuous descent operations (CDO), which dramatically reduce noise and CO₂ emissions.

Ratio of ICAO standard compliant aircraft



Continuous Descent Operations



Biodiversity Conservation

Basic Concept

The JAL Group recognizes the direct and indirect impact of the air transport business on biodiversity conservation. By minimizing our impact on ecosystems, we will strive to protect biodiversity.

Specific Initiatives

UNESCO World Natural Heritage sites

Several million years ago, the Amami archipelago, namely Amami-Oshima Island, Tokunoshima Island, Iriomote Island and the northern part of Okinawa Island, drifted from the continent resulting in a rich repository of rare species such as Amami rabbits and Iriomote cats. A movement is emerging to register and conserve the biodiversity and rich nature of these islands as a Natural World Heritage site, and the JAL Group is actively involved in this movement. Japan Transocean Air (JTA), Ryukyu Air Commuter (RAC), based in Okinawa, and Kagoshima-based Japan Air Commuter (JAC) and JAL Kagoshima-office are engaged in explaining and protecting the natural environment together with the region, participating in liaison meetings on preventing poaching and smuggling of animals, erecting road signs to prevent roadkill of endangered species, and establishing and promoting the Amami Trail that explores the Amami archipelago.

In 2019, they initiated a joint venture to promote world heritage sites in Okinawa and a community to promote world heritage sites in Kagoshima by engaging local communities. All participating organizations are making good use of their strengths to protect and promote the local natural environment.

Protecting the red-crowned crane

The JAL Group is engaged in activities to protect red-crowned cranes, a special natural monument in danger of extinction. Every year since 2016, Group employees have volunteered to clean and maintain the crane's feeding grounds in Tsurui Village, Hokkaido. Tsurui Village is famous for being a wintering ground for red-crowned cranes, with over 600 of them arriving each year. To create a natural winter feeding ground for the cranes, a spot where they can find their own food naturally, the JAL Group works with Tsurui Village and help the Wild Bird Society of Japan to remove fallen trees and prune branches.



Maintaining the wintering ground of red-crowned cranes

Preventing illegal wildlife trade

In June 2018, the JAL Group signed the Buckingham Palace Declaration by the United Wildlife Transport Taskforce to reduce illegal wildlife trade promoted by the International Air Transport Association (IATA).

Illegal wildlife trade is a crime with a global scale, following drugs and human traffic, where the trade amounts to several trillion yen. The JAL Group has helped to protect endangered or rare species. For example, Ishigaki Airport staff found and prevented coconut crabs, an endangered species, from being taken outside the island, and Amami Airport staff noticed that rare frogs and snakes were about to be taken outside the island. The most important stage at which to stop illegal wildlife trade is during transportation. As such, to fulfill our duty as an air transport operator, in February 2020 we invited a speaker from the World Wide Fund for Nature Japan to hold a workshop and talk about, among other topics, the current state of illegal wildlife trade, and what to do when we discover live animals during the transportation process.

The JAL Group will continue to provide opportunities to raise staff awareness and will strengthen our activities by cooperating with other related parties to share information and to eradicate illegal wildlife trade.

Official Supporter of International Year of Plant Health 2020

The United Nations General Assembly declared 2020 as the International Year of Plant Health (IYPH) to raise global awareness on the importance on how to protect plants from the spread of pests and diseases. The JAL Group is communicating internally and externally about the importance of plant quarantine as the Official Supporter of International Year of Plant Health 2020 certified by the Ministry of Agriculture, Forestry and Fisheries (MAFF).

Not only is it a must to take care when taking plants in and out of Japan but there are also regulations in transporting plants within Japan. For example, it is prohibited to take sweet potatoes and other plants from the Nansei Islands, namely the Amami archipelago in Okinawa and Kagoshima Prefectures, and Ogasawara Islands. In February 2020, the JAL Group invited an official from MAFF to hold an in-house workshop and address damage by plant pests, plant quarantine and its relationship with the aviation industry. It is critically important to stop the invasion and outbreak of pests because enormous eradication costs are incurred. We have also teamed up with MAFF to create a video about plant protection, which will be shown on our flights between September and December 2020.



A workshop about preventing illegal wildlife trade and plant protection

People

Prevent the Spread of Infectious Diseases

Basic Concept

The JAL Group is responsible for transport infrastructure and implements measures to ensure safe and secure travel and deliver peace of mind to every customer. We will make continuous efforts to provide air transport in accordance with guidelines of the International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA), and play a leading role in preventing the spread of infectious diseases across the industry through the Scheduled Airlines Association of Japan.

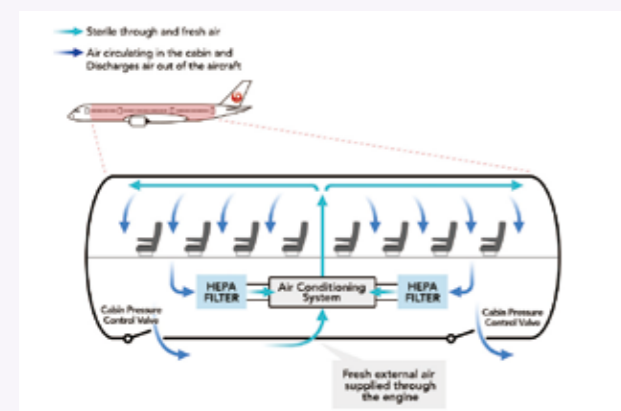
Specific Initiatives

Preventing infection among our customers

To prevent the spread of infection of customers, the JAL Group is thoroughly disinfecting aircraft cabins and installing hand sanitizers in airports. Further, to ensure that passengers can use onboard lavatories with peace of mind, we are improving our cleaning measures. We also understand that avoiding direct contact can prevent infection of our customers; therefore, we are installing baggage drop points and self-service check-in kiosks. We will continue to proactively make use of IT and digital technologies to promote touchless services. Meanwhile, we are also actively communicating information regarding hygiene management. Specifically, we provide key points on our website (see below) on making preparations at home, check-in procedures at the airport, boarding, spending time onboard, and cabin ventilation measures so as to ensure an enjoyable and relaxing flight. Looking ahead, we will take heed of customer feedback of our infection prevention measures and continue to work to make improvements.

A new travel experience with safety as our number one priority

<https://www.jal.co.jp/jp/en/info/2020/other/flysafe/index.html>



Cabin air is replaced approximately every 2 to 3 minutes

Preventing infection among our employees

Understanding that preventing the spread of infection of our employees can stop the virus from spreading to customers, the JAL Group is making every effort to minimize risk of in-house infection. In addition to taking employees' temperatures when they come to work, we are thoroughly disinfecting aircraft cabins and cockpits. For JAL employees working in the office, we are limiting the number of days they come into work, where possible. For staff who come to work, we take steps to maintain social distancing and minimize contact through diagonal seating plans and installing table partitions made by our maintenance engineers. In these ways, the entire JAL Group is coming together to minimize the risk of infection.



A table partition in an office

Toward the Future

The COVID-19 pandemic continues to have global repercussions. For the aviation industry, which supports the movement of people and goods, it is vital that we continue operations while thoroughly implementing infection prevention measures. Since before the pandemic, the JAL Group has considered thorough cleanliness as a key element of customer comfort and has continued to maintain the highest standards. As a result, at the Skytrax World Airline Awards in 2019, we were awarded second place in the World's Best Airline Cabin Cleanliness category. We will continue to make improvements as we seek to claim top spot.

In addition, we are working to build smooth check-in procedures that reduce congestion and minimize close-contact among passengers. Examples include our JAL Touch & Go service of checking in online or over our app and boarding with a QR code they receive, and also self-service check-in kiosks and baggage drop points. We will make further use of IT and digital technologies to promote touchless measures and eliminate any worries our customers might have.

The JAL Group will continue to implement rigorous infection prevention measures, and ensure that its customers can fly in safety and with a sense of security.

Improving Accessibility

Basic Concept

The JAL Group strives to improve accessibility and create a society in which all can enjoy travel, sports, and culture.

JAL Group Service Policy on Accessibility

Based on the JAL Philosophy which constitutes the basic mindset of employees, we will:

1. Provide a stress-free travel experience for all our customers.
2. Offer various travel options to all our customers.
3. Co-create well-being through travel, with our customers and society.

Specific Initiatives

Accessible environments

Up until now, the JAL Group has implemented a range of measures to create accessible environments for customers who feel barriers in transport. These include our provision of wooden wheelchairs to ensure stress-free passage through metal detectors at security checkpoints, use of the Mirai Speaker to ensure clear communication without having to raise our voices, and introduction of remote sign-language services when making flight reservations at our JAL PLAZA Yurakucho Ticket Office. In July 2020, we teamed up with Japan Airport Terminal Co., Ltd. and WHILL, Inc. to launch the world's first autonomous driving personal electric vehicle (EV) service at Haneda Airport. In this way, we are proactively implementing the latest technologies.



Mirai speaker

Enhancing information

To eliminate any worries before traveling, we have improved the quality of information we provide. For customers that require special assistance, we have set up a dedicated website where they can view videos on how to board and use aircraft. To motivate customers to travel, we are publishing articles on accessible tourism* and interviews with athletes with disabilities.

*An initiative that seeks to ensure everyone can enjoy traveling without coming up against any barriers to movement or communication.

<https://www.jal/en/jalpri/>

Expanding travel options

For customers using wheelchairs, we have set up a dual skiing tour so that they can enjoy skiing while seated, as well as an accessible surfing tour to Hawaii.



Dual skiing tour

Employee education

We held lectures for all JAL Group employees to increase their understanding of people with disabilities. Staff with hearing impairment are teaching how to communicate in sign language in order to improve the skills of all staff.



Staff with hearing impairment teaching sign language

External Evaluation

In September 2019, the JAL Group won the FTE Accessibility Leadership Award at the Future Travel Experience Global Awards, a ceremony that recognizes international airlines and airports that undertake outstanding work to improve the customer experience both on the ground and in the air. To further our efforts, in December 2019 we joined The Valuable 500, a global initiative that promotes the social advancement of people with disabilities, and announced our commitment to become a company, which provides an accessible cabin environment and where employees with disabilities can work with a sense of fulfillment.



Respect for Human Rights

Basic Concept

To eliminate discrimination against gender, age, nationality, race, ethnicity, religion, social status, impairment, sexual orientation, gender identity, career, or other personal attributes, the JAL Group believes that thorough understanding of human rights is essential. As such, we are allocating time during Seminars for New Employees, Seminars for New Managers and other courses to deepen the understanding and raising awareness of human rights.

Code of Conduct and JAL Group Human Rights Policy

Based on the view that respect for human rights is a universal value and is consistent with the realization of the Corporate Policy, in fiscal 2019, the JAL Group stipulated "Respect for human rights and job satisfaction (human rights and labor)" in the Group's Code of Conduct in order to fulfill its responsibility to respect the human rights of all individuals.

Further, in line with the International Bill of Human Rights, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights, we have put together the JAL Group Human Rights Policy to announce our efforts to prevent or reduce any negative impacts on the rights of our stakeholders.

JAL Group Human Rights Policy (excerpt)

What we aim for

The JAL Group takes steps to prevent and mitigate adverse impacts on human rights of all stakeholders including our customers and business partners, people in regions where we conduct business, and JAL Group employees. In addition, all JAL Group officers and employees fulfill their responsibilities to respect the human rights of all people.

As an air transport operator, we strive to prevent physical and mental pain to customers when providing products and services, prevent human trafficking using aircraft, and human rights violations in regions where we conduct business.

We also request our partners and suppliers in our corporate activities to support this Human Rights Policy and respect human rights of their stakeholders.

Full text of the JAL Group Human Rights Policy
https://www.jal.com/en/sustainability/codeofconduct/pdf/human-rights_en1908.pdf

Specific Initiatives

To promote ethical, responsible business practices at Japan Airlines and throughout the supply chain, as well to strengthen our risk management structure, in fiscal 2018 we evaluated human rights-related risks at all of our Group companies, and uncovered hidden risks in each stage of our value chain. We then sought the advice of outside experts to prioritize risks based on their severity and likelihood, and we are incorporating these findings into our human rights initiatives. Of the issues uncovered, perhaps the most important for the JAL Group is its potential contribution to human trafficking via air transport. As such, in fiscal 2019, we held seminars on the prevention of human trafficking, mainly at divisions that could potentially be involved. In addition, in line with measures currently under consideration by international institutions, we established reporting procedures for suspected human trafficking incidents.



Human trafficking prevention training

Toward the Future

Looking ahead, the JAL Group will continue to specify human rights risks that pose the biggest threat and implement measures to prevent and reduce these risks. In particular, to specify, assess, and counter the potential violation of workers' human rights in our supply chain, we will strengthen our PDCA cycle and implement more efficient measures. We will also create opportunities for dialogue with external experts on human rights, and while taking on board their opinions, examine and continuously make improvements to our risk assessment processes, countermeasures, and education.

Modern Slavery Act Statement

In accordance with the provisions of Section 54 (1) of the UK's Modern Slavery Act, the JAL Group has disclosed steps taken to prevent modern slavery and human trafficking in the JAL Group and its supply chains. We disclosed our third consecutive statement in fiscal 2019. Going forward, the JAL Group will continue working to prevent modern slavery and human trafficking, in line with the laws and guidelines of other countries.

Promotion of D&I

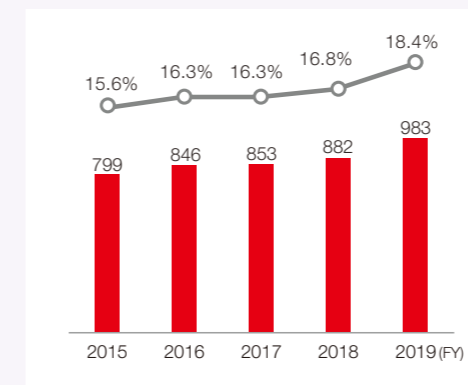
Basic Concept

In 2014, the JAL Group declared its commitment to diversity. Since then, we have aspired to be a company where everyone can work in a positive atmosphere. Leveraging diverse ideas generated by diverse individuality, we will promote new value creation, provide unparalleled service to our customers, and contribute to the betterment of society.

Career Opportunities for Female Employees

The JAL Group has set itself the target of raising the percentage of female managers in the JAL Group to 20% by the end of fiscal 2023, and 30% by the end of fiscal 2030. As of March 2020, the percentage of female managers is 18.4%, and is steadily increasing. Moreover, in fiscal 2019, we teamed up with Waris Co., Ltd. to launch the Work Again Program and support the reemployment of women with career experience.

■ No. of female managers ○ Percentage of female managers



Cultivating Global Human Resources

In fiscal 2018, to ensure that all our employees can play active roles on the global stage, we established the new Global Promotion Office in the Human Resources Strategy Department. We are expanding opportunities for young and mid-career employees to experience working in different cultures, and holding regular international exchange sessions to interact with employees who are playing active roles in various countries and regions. Initiatives like these have increased the number of employees finding success beyond their home country or region. In 2020, one of our female employees in Singapore was selected among the Women to Watch 2020 by Campaign Asia-Pacific, one of Asia's most popular marketing and advertising magazines. The work of our global employees is steadily creating value for the JAL Group.

Opportunities for People with Disabilities

In fiscal 2019, a massage room run by staff with vision impairment was opened in JAL Head Office, and the coffee shop "SKY CAFÉ Kilatto" is run by staff with mild intellectual impairments, expanding their range of activities.

Promoting Understanding of LGBTQ

The JAL Group is continuing with activities to promote understanding of the LGBTQ community. In fact, for four consecutive years, Japan Airlines has received a gold rating on the Pride Index of "work with Pride," a private organization which recognizes companies and organizations that foster awareness of LGBTQ and other sexual minorities. In particular, the LGBT Ally Charter flight we operated in fiscal 2019 was well-received, and among the companies recognized by Work with Pride, JAL was selected as a "best practice" company for our particularly advanced activities in the LGBTQ field. In September 2020, our activities were also recognized at the 6th Japan Tourism Awards.



LGBT Ally Charter flight

Passing on the Experience and Expertise of Senior Employees

In fiscal 2019, 72% of senior employees over the retirement age continued to play an active role in various workplaces, utilizing their long-accumulated experience and expertise, and passing on their techniques to the younger generation.

Human Resources Development

Basic Concept

In line with its Corporate Policy, the JAL Group is committed to developing professionals throughout the Group who accommodate different cultures and actively engage in a world of diversity.

Specific Initiatives

In-house training and workshops

In 2012, we established "qualities expected of JAL Group staff" based on the JAL Philosophy and introduced new education and training programs. The JAL Group joint entrance ceremony for new employees and joint new employee orientation began in 2013, where they together, learn, despite the company they belong to, the mindset and knowledge needed to provide unparalleled service to our customers while maintaining flight safety.

In addition to new employee education seminars, we conduct training programs to promote interaction beyond companies and job types, such as Leader's Workshops, JAL Philosophy Workshops, seminars for new managers, and seminars on career building and business skills.

Not only does the Group provide standardized education and training programs, we also provide specialized job training and company-specific education and training courses to develop leaders and safety and service professionals. In fiscal 2019, the average training hours per employee was 72.3 hours.

Developing professionals beyond company walls

The JAL Group is also focusing on education to transmit knowledge and experience cultivated in the aviation business to university students, who will become the next generation of leaders. Through education, we aim to deepen understanding of the aviation industry, develop human resources for the tourism industry and contribute to vitalizing regional economies and industries. We offer lectures at universities on the airline business that introduce the industry's history, features and latest business models, and hospitality management to understand the meaning of hospitality while sharing JAL's approaches. In addition, we hold problem-solving classes where we discuss issues in the aviation industry, explore solutions through the students' flexible and creative thinking, and use group discussions to help them reach conclusions, thereby improving teamwork-building. These activities broaden the career options of university students.

The JAL Group is also actively working on human resources development overseas. We initiated a partnership with a vocational training school in Myanmar in 2018 and have

made similar arrangements in Fiji and Nepal. We aim to train overseas airline personnel by providing education on the airline business and JAL Group's operating system and business through online lessons, e-learning and instructors sent to local schools. We hope that the active participation of overseas human resources in the aviation industry will lead to increased corporate diversity and inclusion as well as the creation of new business ideas.



Partnership with Myanmar vocational training schools

Toward the Future

In 2020, we made at-home online learning possible in order to help prevent the spread of COVID-19. By incorporating online learning, we have not only made education available regardless of location or region, but also created greater opportunities for conversation on work, culture and customs, deepening mutual understanding among employees beyond borders and regions, prompting many employees to voice their appreciation of this progress in diversity and inclusion.

The JAL Group plans to continue to make maximal use of digital technology to enable employees to be actively involved while enjoying greater freedom of lifestyle and workstyle options to provide ever better instruction and training, and to fulfill its Corporate Policy.



Joint online instruction in Japan and overseas regions

Workstyle Innovation

Basic Concept

We have been quick to introduce measures to develop a foundation to improve employee motivation. Innovations include the use of IT tools that give people more freedom in workstyles, improvements to offices and work environments, and the introduction of "workation," "bleisure" that leverage the features of an airline, thus encouraging employees to take long vacations. We will continue to move forward with a range of initiatives to innovate workstyles.

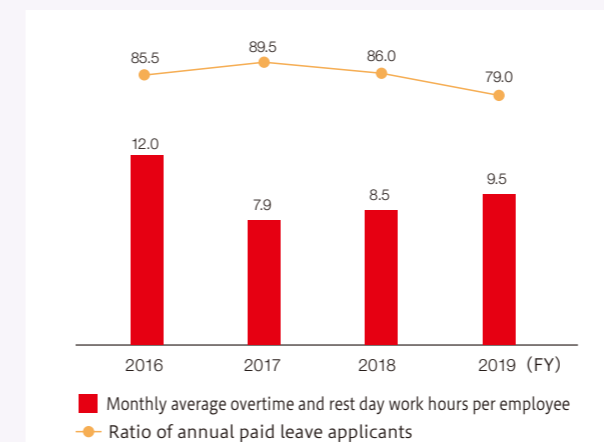
Specific Initiatives

Optimizing work hours

The JAL Group seeks to cultivate a climate where employees with time limitations due to parenting, nursing care or other obligations can work in a fair manner and achieve professional advancement. We feel that increasing work efficiency and productivity will generate more free time for employees to refresh themselves physically and mentally and to achieve self-development, and that feeding back their experience and values to the company will lead to corporate growth. Therefore, we are taking measures to encourage employees to take annual paid leave under a plan and to optimize work hours.

In fiscal 2019, the rate of annual paid leave taken was 15.8 days, or 79% of the total entitlement, and the average monthly overtime and rest day work hours was 9.5 hours (excluding general staff on shift work). The actual work hour total in fiscal 2019 was 1,862 hours, against our target of 1,850 hours, representing a 99.4% achievement of the target.

Monthly Average Overtime and Rest Day Work Hours per Employee



*In fiscal 2019, there was a decrease in the ratio of actual annual paid leave applicants and the amount of overtime worked compared to the previous year. Despite this, as fiscal 2019 had two fewer work days (16 hours), total work hours decreased by 11.9 hours. The success rate for our target of keeping total annual work hours down to 1,850 hours rose from 98.7% to 99.4%.

Remote work, workations and bleisure

In order to realize workstyles unconstrained by time and space, the JAL Group is promoting remote work. The defining characteristic of our remote work system is that every employee is eligible to apply for it, regardless of position or reason. Since beginning trials of our work-from-home system in fiscal 2014, we have gradually improved and updated it, resulting in the system that is in place today. In July 2017, we introduced "workation," which permits employees to work remotely while on vacation. This enables employees to attend sudden meetings without requiring them to alter their long vacation plans. In addition, since May 2019, the introduction of "bleisure" has allowed employees to take vacations while at business trip locations. In these ways, we are progressing with diversifying ways of taking leave.



A Hawaii "bleisure"

Communication space

As well as providing more freedom in workstyles, we believe in expanding communication spaces that spark cross-section communication. In March 2019, we launched the SKY TERRACE communication space at JAL Head Office.



Communication space SKY TERRACE

Toward the Future

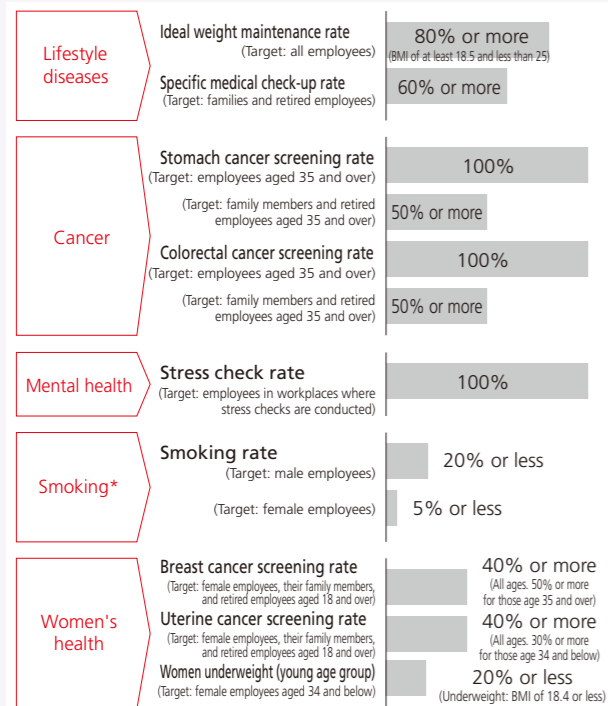
We accelerated streamlining with a review of business processes in fiscal 2019, introducing Robotic Process Automation (RPA) that incorporates AI and robotics. As a result of advancements in our IT infrastructure making remote work possible for all employees, we were able to reduce attendance at support departments to 20% or less following the outbreak of COVID-19. We have reduced the number of employees coming to work to a minimum in fiscal 2020 through remote work and other initiatives, and we continue to adapt our communication and business processes to those tasks suitable for remote work.

Health and Productivity Management

Basic Concept

The JAL Group recognizes that the mental and physical health of all employees is essential to follow its Corporate Policy to pursue the material and intellectual growth of all our employees and deliver unparalleled service to our customers. This thinking was behind the JAL Group's launch of the JAL Wellness health promotion program with initiatives addressing five major health issues: lifestyle diseases, cancer, mental health issues, smoking, and women's health.

JAL Wellness 2020 Targets

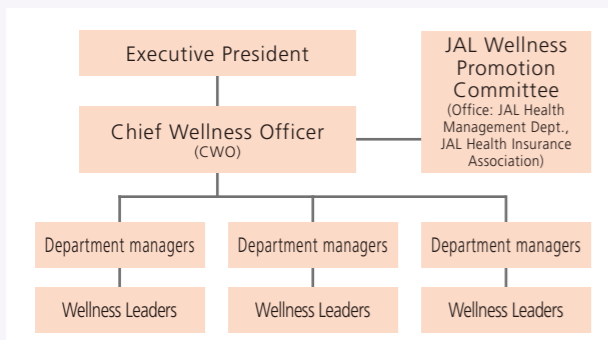


*Due to gender differences in physical impacts of smoking, male and female targets are set separately. At the end of fiscal 2019, the male smoking rate was 27.9% and the female smoking rate was 5.0%.

Health Promotion Program

We continue to advance health and productivity management under the strong leadership of the Chief Wellness Officer (CWO) and initiatives led by wellness leaders in each workplace.

Wellness Promotion Program Chart



Specific Initiatives

The JAL Group prioritizes the health of women, who make up over 50% of our employees and play a central role in their workplaces. As a result of complete coverage for gynecological exams, increased opportunities for check-ups, seminars for both men and women and e-learning initiatives to increase awareness, we have met our screening rate targets for employees and we are working toward increasing those numbers, including for family members, throughout the Group. In the event of an illness, our substantial support systems help employees to continue working.

Furthermore, in order to carry out our mission as a gateway to the rest of the world and a public transport operator, we are committed to thorough prevention measures to keep our employees and their family members, and all customers reassured and safe from COVID-19 and other infectious diseases.



Toward the Future

We will increase health awareness and promote the well-being of every employee so that they can work cheerfully and energetically, which in turn will lead to improvement in productivity and corporate value. To achieve this, we will continue to improve on health and productivity management, effectively using health data to provide every employee and family member with the tailored support they need for their health.

We are also working hard to help society and our customers through health and productivity management. We launched in June 2020 the JAL Wellness & Travel service, awarding miles for wellness activities, as we increase the level of support we provide for customer health.

Communities Route Network Expansion

Basic Concept

As the Wings of Japan, the JAL Group fosters interaction of culture and economy, making use of its network and extensive knowledge of the air transport business. Not only do we contribute to economic and social development, we also connect the international community and share the Japanese culture with the world. We will continue to contribute to society by making connections and possibilities a reality through the air transport business, and in an contingency, maintain operations as a transport infrastructure to fulfill our responsibility as a public transport service provider.

Specific Initiatives

Tokyo metropolitan area network

The JAL Group is working to build the optimal network by expanding its route network following development of airports in the Tokyo metropolitan area and promoting airline partnerships.

At Haneda Airport, JAL will offer more international flights to improve convenience for customers in the Tokyo metropolitan area, and improve connectivity to our domestic network for both customers in regional cities and foreign visitors traveling across Japan, as part of efforts to contribute to regional revitalization. At Narita International Airport, we will expand the Group's international route network, including ZIPAIR, and improve Narita's standing as a hub for international connections.

We will cater to all air travel markets both as a full-service carrier and an LCC and expand our global network through airline partnerships.

Japan regional network

The JAL Group has regional airlines that operate routes connecting regional cities and outlying islands. We will maintain sustainable lifeline routes essential to them, fulfill our function as a transport infrastructure, connect regions and the world, expand the movement of people and the distribution and consumption of goods, and thereby contribute to regional revitalization.

Establishment of Essential Air Service Alliance Limited Liability Partnership

Five airlines, namely, Amakusa Airlines, Oriental Air Bridge, Japan Air Commuter, All Nippon Airways and Japan Airlines, established in October 2019 the Essential Air Service Alliance LLP (EAS LLP), a limited liability partnership to maintain essential and lifeline air links to Japan's outlying islands.



Increase Inbound Tourism

Basic Concept

The JAL Group is promoting initiatives to help make Japan a tourism-oriented nation, which is one of the pillars of the Japanese government's growth strategy. To further increase inbound demand and attract more visitors to regions across Japan, we are working with our partner airlines to expand the Group's international route network, offering special fares for exclusive use by foreign visitors to attract them to Japan, and making efforts to contribute to solving social problems through our business activities. Furthermore, to maintain regional economies, communities and environmental sustainability and promote sustainable tourism, we are collaborating with the public and private sectors, NGOs and NPOs to help create region-specific content, develop a welcoming environment for visitors, and attract more travelers to these regions.

Because of travel restrictions due to the spread of COVID-19, we expect that travel by people across borders will be limited for the time being. However, we have partnered with the Japan Tourism Agency and the tourism agencies of other countries to revitalize tourism when the demand recovery phase begins. We are also contributing to reach the Japanese government's target of 60 million international tourists in 2030.

Specific Initiatives

Multilingual websites

We have developed a website that caters to 26 regions around the world in order to provide services that meet the needs and preferences of international customers. Customers can now view the JAL website to make reservations, purchase tickets, check in and find out about onboard services in 16 languages, including Japanese, English, and Chinese.



Multilingual websites

Support for overseas airlines operating to Japan

JAL established the Ground Handling Strategy Department in the Airport Operations Division in November 2019 to optimize the JAL Group's network and know-how, support foreign carriers serving hub and regional airports in Japan and contribute to the expansion of inbound demand.

Regional Revitalization

Basic Concept

The JAL Group's business activities are supported by exchanges of people and products between regions, and we coexist with those regions. However, these regions face numerous problems, such as depopulation, due to declining birthrate and an aging population, and concentration of population in the Tokyo area. While the outbreak of COVID-19 has resulted in a decline in demand for tourism, a shift to the new normal is anticipated in communities such as a rapid migration from rural to urban areas. We will not limit ourselves to continuing our regional contribution or revitalization activities but will promote a multilateral, sustainable approach. Even in this new age, we will work closely with communities, thinking and acting together, to bring out and raise the attractiveness and value of the region, expand the movement and circulation of people and goods, and create more vibrant regions.

Specific Initiatives

Furusato (Home town) Ambassadors

In fiscal 2020, we moved some of the headquarter functions to our satellite offices in the Hokkaido, Tohoku, Chugoku, Shikoku and Kyushu regions, and assigned cabin attendants from these regions as Furusato (home town) Ambassadors as part of our efforts to revitalize regional areas. With their experience and perspective as cabin attendants, they will play a role in planning and designing new regional revitalization plans for the COVID-19 pandemic period and post COVID-19.

NEW JAPAN PROJECT

Through the NEW JAPAN PROJECT, launched in 2015, we not only promote popular local delicacies through our inflight magazine, videos, and meals on domestic flights, but also use the Group's expertise and networks to increase the number of travelers and the movement of products, support the revitalization of tourism and regional industries, and thereby develop sustainable regions and create new demand for air travel. Our plan is to partner with community residents to uncover and create hidden regional products, promote sixth sector industrialization and expand distribution channels. Based on the concept of "Growing together with the community," we will work in hands together with the regions, people and products to build a better future together.

<http://japan.jal.co.jp/index.html> (in Japanese only)



NEW JAPAN PROJECT website

Tourism promotion

To increase interaction of various networks, we provide support for the creation and promotion of unique regional content, formulation of inbound strategies, and development of tourism infrastructure.



JAL is a special sponsor of the Ninja Trial Running Race, part of the Shinobi no Sato Iga ninja theme village project, held in November each year since 2017 in collaboration with the city of Iga, Mie Prefecture, and Mie University. (The race was canceled in 2020 due to COVID-19.)

Regional industry support

We will support regions in increasing the value of regional specialties, developing products, expanding sales channels, conducting promotions, and energizing local industries.



Thonglor Market "Directly from Japan Special." A "food special" which was held at Thonglor market, in Bangkok Thailand, where fresh fish, vegetables, and fruits were sent directly from Kyushu to the store.

Regional Area Promotion

In our Regional Area Promotion, which we began in May 2011. We reveal the allure of individual regional areas, serve inflight meals using food from the area, and promote the area through various JAL Group media each month. In March 2020, we introduced our 107th feature.



Kitami First Class dinner. The first class dinner from our domestic flight, which featured regional specialties from Kitami, Hokkaido, July 2020.

Collaboration

We collaborate with other companies and organizations who share the same drive to revitalize regions by holding events, creating travel products, and expanding sales channels for regional specialties in order to energize those regions.



For example, together with Kagawa Nutrition University, we developed products using a Kagawa Prefecture specialty, Obarabeniwase tangerines. Sales were launched in March of 2020 and the products completely sold out.

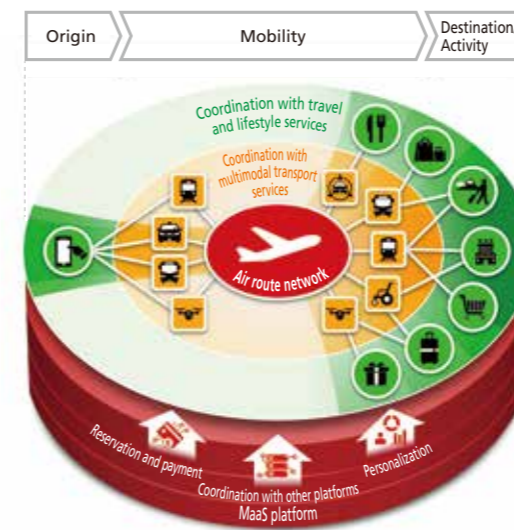
Improving Convenience in Travel

Basic Concept

The expansion of Mobility as a Service (MaaS)*¹ is anticipated to provide a new means of transportation and transport for regional areas undergoing depopulation, and a solution to traffic congestion in cities. JAL Group has begun MaaS initiatives in order to create enhanced transportation experiences by providing seamless movement and personalized services at the destination. We will continue to contribute to solving social issues in terms of mobility and transport through the development of next-generation air mobility services including flying cars, and provide seamless transportation solutions in the field of aviation.

*1 Mobility as a Service (MaaS) is the integration of various forms of transport services into a single mobility service accessible on demand.

The JAL Group's Aviation Network is the Core of its MaaS Concept



Specific Initiatives

Introduction of autonomous personal driving electric vehicles at Haneda Airport

The JAL Group has introduced the world's first autonomous personal driving electric vehicles as a personal mobility service at Haneda Airport. The service, one of the new JAL SMART AIRPORT services, provides safe, comfortable and seamless mobility to all airport users.



WHILL autonomous personal driving electric vehicles introduced at Haneda Airport

Aiming toward flying cars for air mobility

The environmentally friendly electric Vertical Take-Off and Landing (eVTOL)*² 'flying car,' which has been in the spotlight in recent years, is anticipated to provide air mobility solutions with its ability to land and take off without a runway and travel short and medium-length distances inexpensively and easily. The JAL Group has partnered with Sumitomo Corp. and Bell Textron Inc. and has begun studies into providing services using the eVTOL developed by Bell. We are moving into the future with the construction of a next-generation air mobility operations platform with a flying car, building on our expertise in safe and secure air transit operations.

*2 Small aircraft with multiple propellers.



The much-anticipated Bell eVTOL flying car

Toward the Future

We are innovating with medium- and long-term strategies to improve the convenience of mobility. In 2020, in light of COVID-19, we are moving forward with drone logistics demonstration tests and environmental surveys for flying cars as we aim toward providing MaaS and next-generation air mobility services. By providing comprehensive air mobility services offering seamless movement and transport, the JAL Group is shortening distances between people, goods and activities around the world and contributing to the realization of a sustainable society.

Disaster Restoration Assistance

Basic Concept

In addition to the swift resumption of air transport and cooperation with transport for recovery efforts, we provide continuous support to boost the morale of disaster victims as part of our mission and responsibility as a transportation infrastructure operator.

Specific Initiatives

From post disaster to the recovery stage

By coordinating with a network of government, local organizations, NGOs and NPOs, we transport disaster relief personnel and supplies to areas struck by disaster, contributing to the speediest possible recovery. Also, in addition to making charitable contributions directly to these areas, we enable JAL Mileage Bank members to help by contributing miles through our Charity Miles program.

Fiscal 2019 Charitable Contributions

(Unit: JPY)

	Contributions	Donations	Charity Miles	Employee Donations	Other
Typhoon Faxai (Typhoon 15)	5,000,000 (to Chiba Pref.)	A total of 7,000,000 (to 9 municipalities in the Narita area)	2,739,000 (to Chiba community chest society)	615,866 (to the Central Community Chest of Japan)	Personnel support and supplies
Typhoon Hagibis (Typhoon 19)	5,000,000 (to the Central Community Chest of Japan)	A total of 11,000,000 (to 8 refectories and 3 municipalities)	6,469,500 (to the Central Community Chest of Japan)	1,206,472 (to the Central Community Chest of Japan)	Transport of emergency relief supplies

Recovery stage

We support economic recovery through industrial development and creation of tourism demand in disaster areas. We also consider supporting the morale of disaster victims to be an important responsibility; therefore, we support sales promotions of local products in coordination with local governments and conduct training to support restoration, in which employees visit affected areas and listen to real-life stories from disaster victims. In addition, we conduct Donation Tours, where a portion of the tour cost is donated to affected areas to support restoration.



Harvesting mustard seeds to support restoration efforts in Kumamoto

Community Relations

Basic Concept

As an upstanding corporate citizen, the JAL Group uses its strengths in various activities to contribute to the betterment of society in collaboration with a range of stakeholders.

Specific Initiatives

Nurturing the next generation—JAL SORAIKU®

Hands-on experiences of the wonder of the skies gives JAL SORAIKU® participants an opportunity to think about their own futures, and about the future of the world and the environment. That is the goal behind the activities that we provide, which include JAL Origami Plane Classes and JAL Career Talks for Students.

JAL SORAIKU® Participants

FY	FY2016	FY2017	FY2018	FY2019
Participants	152,323	201,983	197,469	191,840

<http://www.jal.com/ja/csr/soraiku/> (in Japanese only)

Support for sports

We have implemented the JAL Next Athlete Project, which includes activities to evaluate the sporting abilities of children in the 47 prefectures and advise them on the sport most appropriate for them. In addition, we co-sponsor the Challenge for Tomorrow School "Asuchalle," where para-sports are offered to children to try by staff from the Nippon Foundation Paralympic Support Center.



Sports Abilities Evaluations for the Next Generation

Sponsorships, donations, international cooperation, etc.

In fiscal 2019, the JAL Group made donations for the reconstruction of Notre Dame and Shuri Castle. The JAL Group supports education for children impacted by the Great East Japan Earthquake through Chance for Children, providing education coupons through Charity Miles donations from customers and matching the amount with donations from JAL. The JAL Scholarship Program conducted by the JAL Foundation invites university students from Asia and Oceania to Japan to a three-week study program to further mutual understanding and their understanding of Japan. (A total of 1,641 students have participated in the 50 times the program has been held through to fiscal 2019.)

Fiscal 2019 Charitable Contributions

Notre Dame Cathedral in Paris	Shuri Castle	Chance for Children
40,000 EURO (approx. JPY 5 million)	JPY 10 million	A total of JPY 6,342,000 (Charity Miles and JAL contributions make up 50% each)

Topic "What we can do now" during the COVID-19 pandemic

Physical Support on Medical and Agricultural Frontlines

We have introduced a system for employees with medical qualifications to take concurrent jobs in medical or caregiving, driven by their desire to support medical frontlines. Three cabin attendants made use of this program to work in health centers and care facilities. In the Narita area, we assisted with carnation wrapping and packaging at farms to help with the Mother's Day rush, and with harvesting green onions, a local specialty of Yokoshibahikari town near Narita Airport. This activity not only taught lessons about hourly productivity but also enabled employees to earn extra income.



Green onion harvesting to support agriculture

Home-made Videos Introduce Aircraft Trivia

We began streaming aviation video lessons made by maintenance engineers in order to bring people staying at home closer to aviation. The videos give explanations on the mechanisms of plane flight, lavatories and other topics of interest. We also made other videos available, such as a flight crew choir singing their support for professional healthcare workers and stretching classes by cabin attendants.



Flight crew choir singing with enthusiasm

Manufacture of Face Shields and Eco-bags

Maintenance engineers have designed face shields using maintenance scrap materials. Approximately 1,200 face shields have been made and donated to medical facilities with a personal message. Employees in Japan and around the world have also participated in making masks and donating them to kindergartens in their towns. Furthermore, fabrics for uniforms that became unnecessary with the April 2020 uniform makeover were used to make approximately 850 tote bags, and used as gifts to employees who made donations. The donations were given to local governments, while the tote bags contributed to a reduction in the use of plastic bags in company facilities.



New Chitose Airport staff who proposed to make tote bags

Donations of Food and Supplies

Due to the reduction in visitors to the JAL Agriport Strawberry House, we sent gifts of 10 kg packages of freshly picked strawberries to facilities for children with disabilities in Narita to help boost morale. JAL employees also joined with American Airlines employees in collecting food, disposable diapers, antiseptic solution, masks and medical supplies, donating them to welfare facilities in Taiwan.



Donations of freshly picked strawberries

Governance Corporate Governance

Basic Concept

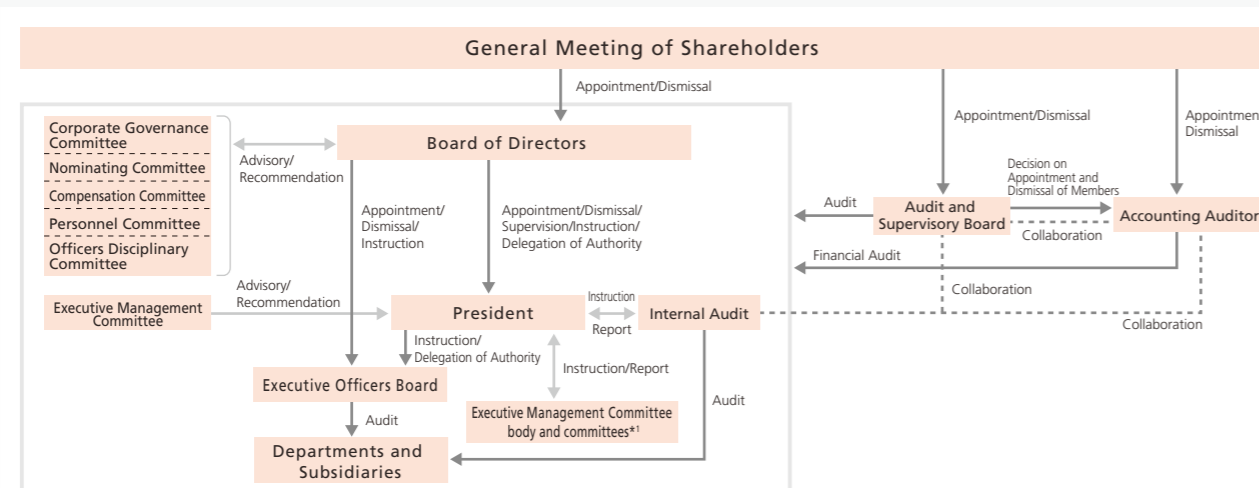
We maintain an awareness that our corporate group is a member of society at large with the duty to fulfill our corporate social responsibility and contribute to society as we develop our business, in addition to fulfilling our financial responsibility of earning adequate profits by providing high quality products through fair competition while maintaining flight safety, which is the core of our business, and providing the finest service to our customers. Taking this into account, we have established JAL Philosophy in accordance with the JAL Group Corporate Policy, and engage in speedy and appropriate management decision making. At the same time, we will strive to increase corporate value and achieve accountability by

establishing a corporate governance system that results in high management transparency and strong management monitoring.

The Board of Directors has established a robust corporate governance regime that adheres to the Fundamental Policies of Corporate Governance as important policies in accordance with the Companies Act and relevant laws and regulations. It is subject to regular review. For the Fundamental Policies of Corporate Governance and the Corporate Governance Report, please refer to the JAL website.

 <https://www.jal.com/en/outline/governance/>

Corporate Governance System



*1 Established as follows as a management body directly under the President. JAL Philosophy Council, Group Earning Announcement Session, Group Safety Enhancement Council, Group Risk Management Council,*2 Group Management Council.*
 *2 Established Risk Management Committee and Financial Risk Committee under this.
 *3 Established Sustainability Promotion Committee, JAL Wellness Promotion Committee, Committee for Tokyo 2020 Olympic Paralympic Promotion Committee, Investment Monitoring Committee under this.

Board of Directors and Directors

Board of Directors

The Board of Directors ensures strong management oversight based on a high level of management transparency through the election of candidates for the positions of Director, Audit and Supervisory Board member and Executive Officer, decides their remuneration, and makes important decisions.

- (1) The Board of Directors appoints an appropriate number of three or more External Directors who qualify as highly independent and appoints a Director who does not concurrently serve as Executive Officer as Chairman in order to separate the management monitoring function and business execution function.
- (2) To carry out efficient decision-making, the Board may delegate decision-making concerning matters set forth in the Administrative Authority Criteria Table to the President pursuant to Regulations for Kessai (written approval) and Administrative Authority approved by the Board. The Executive Management Committee has been established for contributing to appropriate and flexible decision-making concerning management issues by the Board of Directors and the President.
- (3) We have established the following committees under the Board of Directors. External Directors make up the majority of each of the committees, ensuring independence from JAL's executive management. The Corporate Governance Committee, which comprises the Chairperson of the Board and External Directors, reviews the Fundamental Policies of Corporate Governance every year.
- (4) The Committee evaluates Board effectiveness in terms of its make-up, operation, culture, oversight, management strategies and dialogue with shareholders, takes appropriate action and discloses its findings.

Directors

Directors' term of office is set at one year to ensure their accountability each fiscal year. External Directors are appointed from among persons with vast knowledge and experience in various fields to ensure diversity, to offer practical advice from multiple standpoints regarding management, and to provide appropriate oversight regarding the execution of business. Furthermore, one External Director among the External Directors is appointed Lead Independent External Director to improve coordination with the Audit and Supervisory Board members and internal divisions. Those who do not qualify as highly independent as defined by the Standards for Independence of External Directors established by the Company are not appointed. For the standards used in determining the independence of External Directors, please refer to the JAL Group's Fundamental Policies of Corporate Governance.

Main Subjects of Deliberation at Board Meetings

Medium-to-long-term strategies

- Review of FY2017 and FY2018
- Progress toward achieving Grand Design
- Business strategies, production framework, revenue and expenditure plans

Corporate governance

- Formulating the JAL Group Code of Conduct "Commitment to Society"
- Evaluating Board effectiveness
- Officers' remuneration

Risk management

- Dealing with alcohol-related incidents
- COVID-19 vigilance and response

Shareholders

- Shareholder returns policy

Corporate Governance

Establishment of Various Committees

To build a corporate governance system that results in high management transparency and strong management monitoring, various committees have been established under the Board of Directors. External Directors make up the majority of each of the committees, ensuring independence from JAL's executive management.

(FY2020)

Committee	Corporate Governance Committee	Nominating Committee	Compensation Committee	Personnel Committee	Officers Disciplinary Committee*
Chairperson	Eizo Kobayashi	Masatoshi Ito	Eizo Kobayashi	Yuji Akasaka	Sonoko Hatchoji
Board members	Yoshiharu Ueki Masatoshi Ito Sonoko Hatchoji	Yuji Akasaka Shinichiro Shimizu Eizo Kobayashi Sonoko Hatchoji	Yuji Akasaka Shinichiro Shimizu Masatoshi Ito Sonoko Hatchoji	Shinichiro Shimizu Eizo Kobayashi Masatoshi Ito Sonoko Hatchoji	Yuji Akasaka Shinichiro Shimizu Eizo Kobayashi Masatoshi Ito
Functions	The Corporate Governance Committee checks whether activities comply with JAL Group Fundamental Policies of Corporate Governance, conducts analyses and evaluations to determine whether such activities contribute to sustainable growth and enhancement of medium and long term corporate value, and provides necessary findings and reports to the Board of Directors.	When submitting a proposal to the general meeting of shareholders concerning the appointment of candidates to the positions of Director and Audit and 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. Furthermore, it defines qualifications required of the President, etc., and manages the early training status of those candidates. It also reports investigation results to the Board of Directors in the event that a situation occurs where the qualifications of senior management should be called into question.	The Compensation Committee reports back the Board of Directors concerning the amount of compensation for Directors, Executive Officers and Audit and Supervisory Board Members based on an inquiry from the Board of Directors.	When appointing or dismissing an Executive Officer, the Personnel Committee reports back to the Board of Directors based on an inquiry from the Board.	When taking disciplinary action against Directors and Executive Officers, the Officers Disciplinary Committee makes decisions.
No. of meetings, key topics of discussion in FY2019	2 meetings held	2 meetings held	7 meetings held	4 meetings held	4 meetings held
	<ul style="list-style-type: none"> Deliberations and recommendations regarding Board effectiveness Revision of the Fundamental Policies of Corporate Governance in accordance with updates to the Corporate Governance Code 	<ul style="list-style-type: none"> Candidates for the positions of Director and Audit and Supervisory Board member Responses to the Corporate Governance Code and to the evaluated Board effectiveness 	<ul style="list-style-type: none"> Officer remuneration (basic remuneration, annual incentives, long-term incentives) 	<ul style="list-style-type: none"> Structure of Executive Officers 	<ul style="list-style-type: none"> Disciplinary actions against officers

*Eizo Kobayashi was chairperson of the Officers Disciplinary Committee until FY2019.

Audit and Supervisory Board and Audits

Audit and Supervisory Board

Audit and Supervisory Board makes objective, appropriate judgments from an independent perspective, based on their fiduciary responsibilities to the shareholders, when fulfilling their roles and responsibilities, such as auditing the execution of Directors' duties, appointing or dismissing accounting auditors and executing rights concerning auditors' remuneration.

Audit and Supervisory Board members

Audit and Supervisory Board members monitor important matters concerning corporate management, business operations and the execution of duties by reviewing important Kessai (written approval) documents, as well as participating in Board meetings and other important meetings. Furthermore, Audit and Supervisory Board members and staff members conduct an annual audit of each business site, subsidiary and affiliated company and report the results to the Representative Directors. They also cooperate with internal audit departments and accounting auditors and hold regular meetings with corporate auditors of subsidiaries to improve and strengthen auditing within the JAL Group.

Audit and Supervisory Board members are provided with company information, and opportunities to participate in external training and external associations, etc. External Audit and Supervisory Board members are appointed from among persons with vast knowledge and experience in various fields to ensure sound management by conducting audits from a neutral and objective standpoint.

Successors to the President and Other Leaders

The Nominating Committee holds ongoing discussions on potential successors to the President and other company leaders responsible for reforming the Group and driving growth to ensure the Corporate Policy and management strategies are maintained.

The Company defines the President and other Board members as persons with qualities to steadily get positive results toward realizing the Corporate Policy by working together with every staff based on a firm commitment to flight safety, which is the foundation of the JAL Group, and display of initiative in practicing the JAL Philosophy. The Company assists candidates for President and other posts to quickly acquire grounding and discipline necessary for management through practical and diverse experiences.

Support and Training Policy for Directors and Audit and Supervisory Board Members

Legal considerations are explained to Directors to ensure that they are aware of their responsibilities including the fiduciary duty of loyalty and the duty of care as a prudent manager, and opportunities are provided for continuous participation in external training, affiliated organizations and such. In fiscal 2019, directors and Executive Officers attended three external training courses, including one on corporate governance, and participated in a variety of finance industry committees.

We provide opportunities to External Audit and Supervisory Board members for continuous participation in external training, affiliated associations, etc., in addition to providing corporate information.

To deepen their understanding of the Company, External Directors and External Audit and Supervisory Board members are provided safety education such as a memorial climb up Mt. Osutaka and visits to the Safety Promotion Center, in addition to visiting frontlines. We also offer a variety of opportunities for deepening understanding of the JAL Group's history and Philosophy. Elsewhere, we provide advance explanations on agenda items to be submitted for deliberation at the Board of Directors and other meetings, as necessary, and opportunities to explain other matters at their request.

In addition, the Forum of Independent External Officers, which meets several times per year, is comprised of External Directors and External Audit and Supervisory Board members, and sponsored by the Lead Independent External Director, held four meetings in fiscal 2019. The participants interview people from pertinent departments in relation to JAL's international network strategy, competition strategy, human resources strategy, and risk management, in order to deepen their understanding of the Company's business.

Corporate Governance

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 and Supervisory Board Member.

Fiscal 2019 Effectiveness Evaluation Process

- (1) The Corporate Governance Committee (Comprised of External Directors and the Chairman of the Board of Directors. Chairperson is an External Director.) decided the way to proceed with the effectiveness evaluation, which includes the details of the questionnaire.
- (2) To maintain anonymity, the Secretariat of the Board sent the questionnaire to the members of the Board. Primary items for evaluation in the questionnaire were board composition, operations, culture, oversight, and discussion on management strategies, as well as free description.
- (3) The Secretariat of the Board reported to the Board of Directors on the results of assessment and individual opinions provided in the free description column. Then, the Board of Directors discussed the Board's issues and measures.
- (4) Later, the Corporate Governance Committee compiled proposals, based on which further discussion was held by the Board of Directors and decisions for future initiatives were made as below.

Overview of the results of assessment

The Board of Directors conducts free and open-minded discussions, while receiving an audit of execution of duties from Audit and Supervisory Board Members, with the opinions of External Directors respected by Directors who have been assigned from within the Company and accordingly appointed in a good balance including from frontline divisions given the importance of flight safety. In addition, External Directors have been highly accessible to information as requested, and the roles of External Directors are being appropriately fulfilled. As a result of promoting the shift toward strategic discussions and engaging in constructive dialogue with shareholders in FY2019 based on the previous effectiveness assessment, overall evaluation has improved from the previous year.

Overview of future initiatives

The Board has identified the following challenges, and will endeavor to overcome them through the initiatives set forth below.

- (1) Deepen discussions on long-term issues and visions for sustained improvement in corporate value in a rapidly changing business environment.
- (2) Enhance monitoring by the Board in order to strengthen the management of risks such as investment in new businesses.
- (3) Deepen discussions on strategy for human resource diversity, including the promotion of female advancement.

Remuneration of Directors

Policy Regarding Directors' Remuneration, etc.

Basic policy

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 annual incentive (performance-linked bonus) linked to fiscal year performance and, for the purpose of further promoting the aligning of interests with shareholders, a long-term incentive (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 incentive remuneration, the Company sets the proportions of (A) amount of fixed basic remuneration,* (B) amount of annual incentive (performance-linked bonus) to be paid according to degree of achievement against targets, and (C) amount of long-term incentive (performance-linked share-based remuneration) to be issued according to the degree of achievement against targets, as follows.

Guideline for the case of 100% achievement against targets (A):(B):(C) = 50%:30%:20%

* 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.

The above ratio is meant to be a guideline only, and changes may be made to reflect changes in the share price of the Company's shares or for another reason.

Fiscal 2019 Actual Remuneration Paid to Directors and Audit and Supervisory Board Members*1

	Number of Directors and Audit and Supervisory Board Members	Total amount paid (Millions of yen)	Total amount paid by type (Millions of yen)		
			Basic remuneration	Bonuses*2	Share-based remuneration, etc.*3
Directors	12	340	281	25	34
(Of which, External Directors)	(3)	(35)	(35)	(-)	(-)
Audit and Supervisory Board members	6	78	78	-	-
(Of which, External Audit and Supervisory Board Members)	(3)	(29)	(29)	(-)	(-)
Total	18	418	359	25	34

*1 With regard to short-term incentives, the portion based on evaluation of net profit was not paid due to the effects of COVID-19. With regard to long-term incentives, the decision was made to cancel payment of the portion started in 2017 and payable in 2020.

*2 Annual incentive (performance-linked bonus)

*3 Long-term incentive (performance-linked share-based remuneration)

Framework for incentive remuneration

1. Annual incentives (performance-linked bonuses)
The amount to be paid every fiscal year as an annual incentive will vary from approximately 0 to 200 depending on the degree of achievement, with 100 representing the amount to be paid when achievement is in line with performance targets.

Performance evaluation indices

- Net profit attributable to owners of parent
- Indices related to safe flight operations
- Individual evaluation indices for each officer, etc.

Performance evaluation indices will be considered for review as necessary in accordance with changes in business conditions, the roles of each officer and other factors. Payments were made in July 2020 based on fiscal 2019 outcomes relating to net profit attributable to owners of parent, indices related to safe flight operations, and individual evaluation indices for each officer. The target for net profit attributable to owners of the parent was achieved.

2. Long-term incentives (performance-linked share-based remuneration)
The number of shares to be granted every fiscal year as a long-term incentive will vary from approximately 0 to 220 depending on the degree of achievement, with 100 representing the number to be granted when achievement is in line with performance targets. The performance evaluation period will be three years, with performance for three consecutive fiscal years evaluated every year.

Performance evaluation indices

- Indices prioritized in the Medium Term Management Plan:
- Consolidated operating profit margin
 - Consolidated ROIC
 - Customer satisfaction, etc.

Performance evaluation indices will be considered for review for each Medium Term Management Plan period. With respect to common stock granted to eligible Directors and Executive Officers through the share-based remuneration plan, the Company will establish a target number of held shares for each position and impose limits on share sales to further promote the aligning of interests with shareholders.

Procedures for determination of remuneration, etc.

Matters related to remuneration of Directors and Executive Officers 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.

Robust Risk Management (Promotion of BCM) BCM: Business Continuity Management

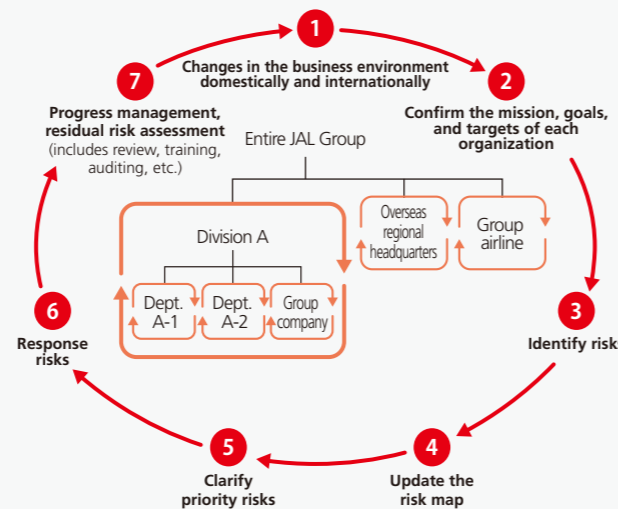
Basic Concept

The JAL Group recognizes that trust from society is a managerial resource for aviation infrastructure, where safety is the basic foundation of business continuity. To protect and enhance that trust, we conduct comprehensive risk management of our business activities to achieve stable management of the entire Group and promote activities to fulfill our corporate social responsibility. Even at Group companies which are not directly involved in air transport, we are coordinating within the Group to enhance the risk mindset and risk practices of all employees. Specifically, we have a standardized Risk Management Manual for the JAL Group, based on JAL Group Basic Policies on Risk Management, to control risks in order to achieve our management goals. Organization leaders bear responsibility for risk management. Risk is defined as "events or behaviors which threaten the achievement of the missions, goals, or targets of individuals or organizations," and is classified into two types: operational risks and business risks. Priority risks are selected from among the risks confronting each organization with reference to risk assessment criteria, and dealt with by effectively allocating resources. All priority risks of the JAL Group are aggregated, and critical risks are identified and treated intensively.

Risk Categories

Operational risks
Risks which directly bring about delay, suspension, or stoppage of products and services provided, accidents, or quality or safety problems in the air transport business
Business risks
Other risks excluding operational risks

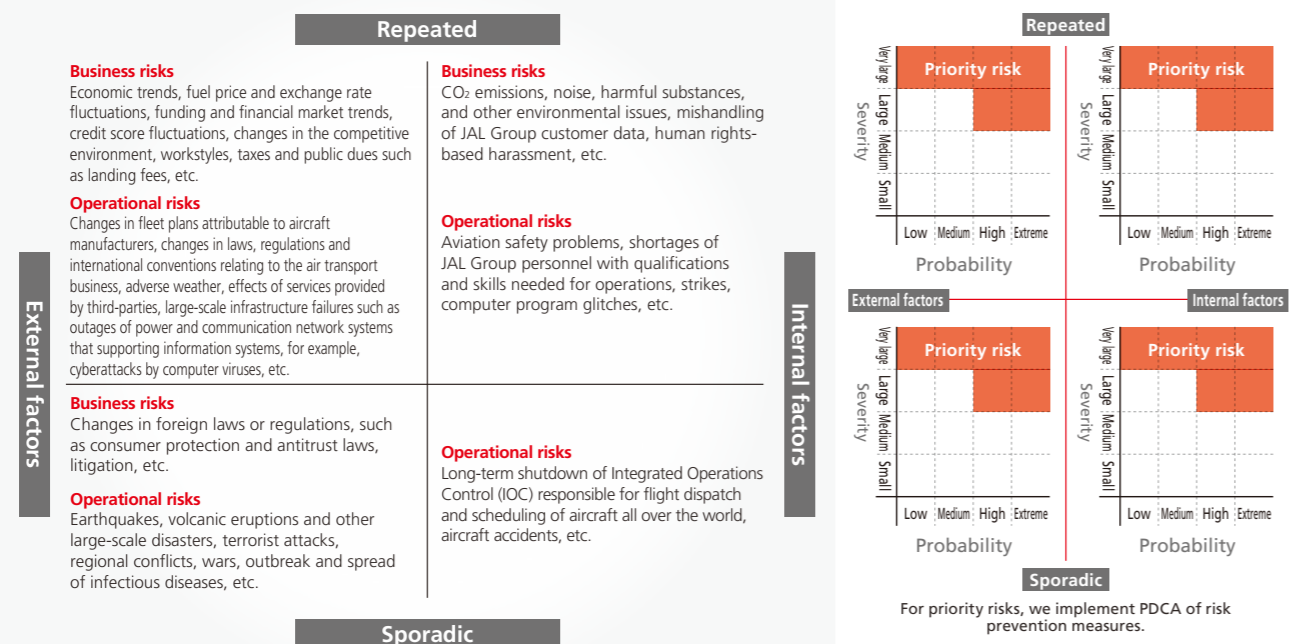
Risk Management Cycle



We execute regular risk management cycles so that each organization can achieve their goals.

Risk Map (For details on each risk, and examples of responses, see pp. 94-95)

After classifying risks based on four characteristics (repeated, sporadic, external factor, internal factor), a risk map is prepared by evaluating risk probability and severity in each category.



Risk Management System



Risk Management System

Group Risk Management Council

This Council is chaired by the President, and primarily comprises responsible General Managers of frontline divisions. The Council comprehensively manages operational risks and business risks to stabilize Group management. It also functions as a venue for providing progress reports, sharing information and making decisions on various matters, such as establishment of JAL Group Basic Policies on Risk Management, regular risk assessments, implementation of measures when risks eventuate, and risk auditing.

Risk Management Committee

Operating under the Group Risk Management Council, the committee is chaired by the General Manager of General Affairs and comprises General Managers of relevant divisions. Its role is to conduct administrative work in support of the Group Risk Management Council, including any preparations that will contribute to making and executing decisions.

The committee also serves as the committee for personal information and information security, comprising General Managers of relevant divisions and chaired by the General Managers of the General Affairs and the IT Planning. The committee continuously looks at ways to strengthen information management.

Financial Risk Committee

This committee is chaired by the General Manager of Finance and Accounting and comprises the President, Executive Vice President and General Managers of relevant divisions. The committee identifies financial risks appropriately and strives to facilitate improvements in corporate management. Specifically, it conducts regular simulations of financial conditions and checks the content.

In case of a risk event which the committee determines will have a serious, quantifiable impact on the Group's business performance, such as a major financial crisis or large-scale disaster, it will calculate the estimated financial impact and deal with the risk jointly with the Risk Management Council, as necessary.

Group Safety Enhancement Council

This council is chaired by the President of Japan Airlines and comprises officers and presidents of Group airlines appointed by the general safety manager and Chair. The role of the committee is to ensure safety of the entire Group and promote safety management by establishing important policies on safety management, clarifying the status of corporate activities, and reviewing organizations, systems and measures, as necessary.

Group Operational Safety Promotion Committee

Operating under the Group Safety Enhancement Council, the committee maintains and strengthens collaborative, safety measures among departments, divisions and Group airlines with the aim of enhancing overall air transport safety of the Group. The committee comprises the General Manager of JAL Corporate Safety and Security (Chair), General Manager of safety management at JAL appointed by the Chair, and the general safety manager or responsible officer of safety of each Group airline.

Information Security Measures

The JAL Group fell victim to a data security breach in 2014. Hackers attacked JAL Mileage Bank systems and gained illegal access to the customer information management system. We deeply regret the inconvenience and concern caused to customers and all those affected by this incident. In response, we are strengthening information security as a top priority issue and taking steps to prevent recurrence. These steps include creating up a JAL Group Handbook on Protecting Personal Information, and revising information handling categories to strictly distinguish between customer information and other information and thereby ensure proper management. The Risk Management Committee also plays the role of a committee for personal information protection and IT security in order to reduce those risks. A robust system has been established to detect and monitor increasingly sophisticated and complex cyberattacks, and preventive measures will be continuously upgraded to the highest level.

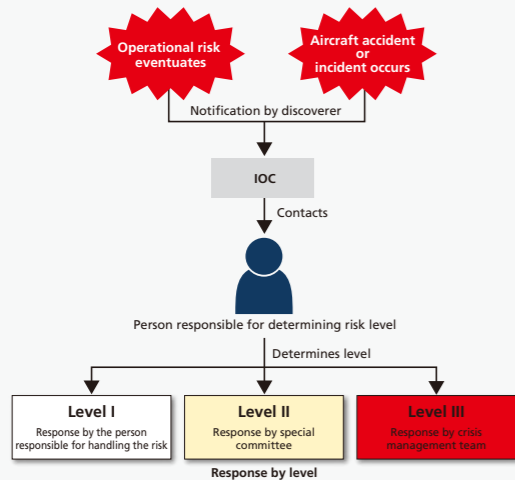
Fair Business Practices

Crisis Management System

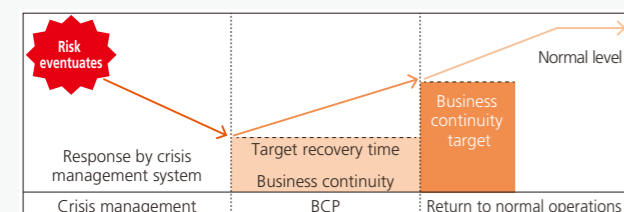
When risks (operational risks) associated with aviation safety, aviation security and other issues related to the air transport business eventuate, or are suspected or confirmed, they are reported quickly (within 15 minutes as a general guideline) to Integrated Operations Control (IOC). In JAL Group, the person responsible for determining the level of risk decides the applicable risk management level (from Level I to Level III) according to the situation and risk response is implemented. Exercises, reviews, education, and training are conducted regularly for each type of disaster or purpose in order to increase risk management awareness of every employee.

<p>Level I Response by the person responsible for handling the risk</p> <ul style="list-style-type: none"> The responsible person (leader of organization where the risk has eventuated) responds by assembling people deemed necessary. The responsible person advises the person responsible for determining the level of risk to shift to Level II or III according to the severity of the situation.
<p>Level II Response by special committee</p> <ul style="list-style-type: none"> A committee is formed by Vice Presidents of main departments with Vice President of General Affairs as Secretariat and risk response is implemented. Vice President of General Affairs advises the person responsible for determining the risk level to shift to Level III or I according to the situation.
<p>Level III Response by Command Office</p> <ul style="list-style-type: none"> A Head Office Command Office chaired by the President (or Executive Vice President) is set up and normal operations quickly shift to the crisis management system.

Flow for Determining Risk Level



Flow of BCP Activation



Business Continuity Plan (BCP)

To respond to specific risks that threaten our ability to fulfill our responsibilities as a public transport service provider such as pandemic influenza, unidentified infectious diseases or earthquakes, we have established a business continuity plan (BCP) that enables us to continue business effectively in a contingency based on guidelines established in collaboration with regulatory bodies and other relevant institutions. The BCP covers basic matters such as policies and procedures necessary to ensure the safety of customers, JAL Group staff and their families, and other affected persons, and to maintain air transport operations essential to the Group, including reservations, information provision, payments, and settlements. The plan is reviewed regularly and revised as required to improve its application. During the outbreak of Ebola hemorrhagic fever in West Africa in 2014, we activated our BCP regarding responses to pandemic influenza or unidentified infectious diseases. We coordinated our actions with relevant government bodies, developed necessary systems and added the Policy for Handling the Ebola Virus Disease (International Flights) to our BCP. The same BCP was activated on January 21, 2020 for the COVID-19 outbreak, and is continuing at present. In fiscal 2018, we reviewed regulations related to earthquakes and expanded our strategies and BCP to include, in particular, a potential earthquake striking Tokyo. In fiscal 2019, we updated the JAL Group Risk Management Manual, including the establishment of regulations on business continuity management as the basis of each BCP. Japan Airlines Co., Ltd. was certified on November 30, 2019 as an Organization Contributing to National Resilience (Resilience Certification) by the Resilience Japan Promotion Council. On March 30, 2020, we received an A rating for BCM (special interest rate II) from the Development Bank of Japan.



In March 2020, we received a DBJ BCM rated loan from the Development Bank of Japan (DBJ), and the rating results commended Japan Airlines for "particularly advanced business continuity initiatives."

Basic Concept and Promotion System

To promote compliance with all applicable laws, regulations and rules governing our corporate activities, we focus on elevating compliance awareness through various measures, with General Affairs Department of Japan Airlines overseeing all compliance matters.

Uploading the regulations and handbooks to the Intranet

Every JAL Group employee is encouraged to practice the JAL Philosophy in their day-to-day work and can view the following regulations and handbooks related to compliance on the intranet.

- JAL Group Regulations on Preventing Insider Trading
- JAL Group Handbook on Protecting Personal Information
- Information Security Action Handbook
- Guide to the Antimonopoly Act
- Group Hotline Regulations

Various activities

The following diverse initiatives are implemented for Group employees. Furthermore, we conducted alcohol-related training throughout fiscal 2019 and took various steps such as setting up a new external hotline for employees seeking consultation.

- Talks and face-to-face dialogue on compliance with frontline staff
- Quarterly publications of compliance newsletters
- Seminars on laws and ordinances by Legal Affairs
- Training based on actual incidents such as target email attacks
- Biannual information security training through e-Learning

Through these activities, we aim to foster a culture of compliance across the entire JAL Group, ensure business activities are in tune with accepted social standards and reduce legal risk.

In addition, an officer from each JAL Group company is given overall responsibility for compliance at their respective company. These officers comprise the JAL Group Compliance Network, which is responsible for swiftly sharing relevant information and strengthening the compliance framework in each Group company. This includes sending quarterly email newsletters containing useful information, such as news about compliance developments inside and outside the Group and compliance case studies.

In-house Reporting System

We have established Group Hotlines internally and at outside the Group (open 24 hours a day) as contact points for anyone working for the JAL Group with the aim to uncover unlawful acts, power harassment and other misconduct, take corrective action and reinforce compliance management.

Anti-Corruption Policy

With the global tide of business scope expansion and efforts to prevent bribery and prevent money laundering, the JAL Group has stipulated corruption prevention as part of the JAL Group Code of Conduct "Commitment to Society" in order to pursue profit in a fair manner. The Company complies with anti-corruption laws and regulations in countries and regions where it conducts air transport business, such as Japan's Unfair Competition Prevention Act, the U.S. Foreign Corrupt Practices Act, the British Bribery Act, and the Chinese Commercial Bribery Act, and proactively prevents bribery and corruption which could lead to suspected bribery to prevent corruption as a member of society.

JAL Group Code of Conduct "Commitment to Society" — Anti-Corruption —

We do not give or accept bribes of any form, whether direct or indirect, in our business activities domestically or internationally. In addition, we do not give or accept undue cash, gifts or entertainment or any other benefits in excess of social norms.

Responsible Procurement

Basic Concept —With Our Suppliers—

The JAL Group is aware of the need to gain the cooperation and support of many suppliers to operate its flights and provide products and services to customers on a daily basis. Therefore, we strive to build strong partnerships with suppliers based on mutual trust by ensuring fair and transparent procurement activities and showing our appreciation for their support, as explained below.

1. Fair and transparent procurement

When selecting suppliers, we comprehensively assess a broad range of factors, such as product and service quality, costs and delivery periods, the company's reputation, and its corporate social responsibility (CSR) and sustainability initiatives. We also ensure fair and transparent procurement activities by offering numerous opportunities for domestic and international suppliers to do business with the JAL Group.

2. Providing safe and secure services to customers

To deliver a sense of security to customers when they board our flights, we cultivate a culture of safety as top priority with our suppliers and conduct rigorous quality management to offer the finest hospitality.

3. Promoting sustainable procurement

We work with suppliers to build sustainable supply chains, including initiatives aimed at legal compliance, global environment preservation, respecting of human rights, appropriate labor practices, and fair business practices.

Dissemination of the JAL Group Supplier Code of Conduct

In July 2019, the JAL Group made major revisions to the JAL Group Supplier Code of Conduct. The revised code covers eight key areas on the major premise of securing safety: (1) quality assurance, (2) human rights and labor, (3) safety and sanitation of work environment, (4) global environment, (5) business management, (6) expansion to suppliers, (7) contribution to regions and society, and (8) establishment of internal promotion systems. Commentary on social background and examples of specific initiatives have also been added. We ask all our suppliers to understand and comply with the Supplier Code of Conduct, as we aim to establish sound supply chains with considerations for sustainability to achieve the Sustainable Development Goals.

Identifying High-Risk Products and Key Suppliers

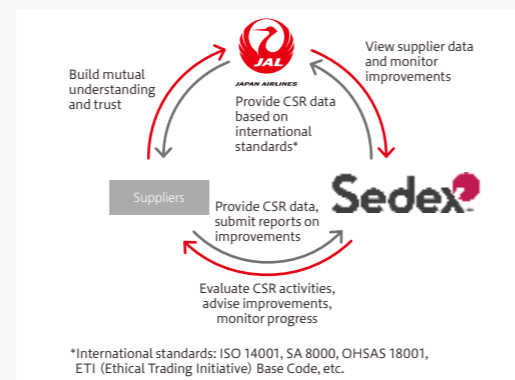
The JAL Group identifies key suppliers by considering factors such as procurement cost, procurement volume, product importance,

and substitutability. Since fiscal 2018, we have screened all products procured by the JAL Group, and to ensure that we provide safe and secure services, we have identified products posing especially high risks to our commitment to sustainability in areas such as the environment, human rights, and labor conditions.

Cooperating with Suppliers and Monitoring

To verify compliance with the JAL Group Supplier Code of Conduct, we utilize Sedex Information Exchange Limited (Sedex),*1 which we joined in 2015.

Using the CSR information platform provided by Sedex, we select certain Group suppliers regardless of product type or domestic/overseas location, ask them to become Sedex members and to respond to a self-assessment questionnaire. By fiscal 2019, responses had been received from 293 suppliers. We will continue to conduct supply chain risk assessments based on the results of verification with self-assessment questionnaires and other tools, and request improvements as needed. When a serious issue is confirmed, we conduct an SMETA audit**2 and other necessary auditing of the supplier. Going forward, we will also further achieve sustainable procurement by consulting and engaging in dialogue with experts and NPOs.



We ensure that our suppliers understand the JAL Group's basic concept towards procurement, and we periodically hold conferences to liaison with our suppliers as forums for information sharing and exchange. In fiscal 2019, we invited outside lecturers to raise awareness of ESG and SDGs for participants from 41 companies.



Supplier liaison conference (Nov 2019)

*1 Sedex, the Supplier Ethical Data Exchange, is a non-profit organization that provides a platform for managing and sharing corporate ethical information with the aim of ensuring responsible business practices on supply chains. Established in the U.K. in 2004.

**2 SMETA (Sedex Members Ethical Trade Audit) is an auditing scheme designed to improve corporate ethics in global supply chains and is widely accepted as an international standard. It enables strengths and weaknesses (non-conformities) of companies to be identified against international standards and clarifies necessary action to further improvements. For further details, please see the official Sedex website (English only).

<https://www.sedex.com/our-services/smeta-audit/>

Use of Certified Products

Nowadays, responsible procurement requires environmental and social impacts to be considered, and an objective means for this is certification programs. In the JAL Group, we compare the standards of each certification program, and adopt third party certification programs with a global presence as our procurement standards. These programs must have certification requirements ensuring high standards, and must satisfy the three elements of Environment, Society and Governance, and the four elements of safety for food material. We then promote the use of raw materials which have acquired these certifications.

About the use of certified products

<https://www.jal.com/en/sustainability/certified-products/>

FSC® certification

Since September 2018, we have adopted FSC® certified goods as service products offered to customers inflight. We are requesting that our suppliers acquire FSC® CoC (Chain-of-Custody) certification, and we have already adopted FSC® certified products for the majority of our paper products, such as paper cups, menu cards, and inflight magazines, as well as for wooden toys.



ASIAGAP certification

Since December 2018, we have been providing ASIAGAP-certified ingredients for Business and Economy Class inflight meals and lounge meals. In November 2019, our group company JAL Agriport acquired ASIAGAP certification for its independently-operated farms, and the company provides ingredients for inflight and lounge meals.

MSC/ASC certification

Since June 2019, we have been purchasing MSC/ASC certified marine products through AEON Co., Ltd., for use in Business Class inflight meals. In February 2020, we were the first airline to acquire MSC/ASC CoC (Chain-of-Custody) certification. We have established a traceability management procedure for our inflight meal kitchens to ensure ingredients are sourced from responsibly-managed fishing grounds and aquaculture farms, and we have developed an operational structure that ensures the caterers who prepare inflight meals strictly comply with that procedure.



Inflight meal using MSC-certified and ASIAGAP-certified ingredients

Rainforest Alliance certification

In 2011, we became the first airline to offer sustainably produced coffee. At some stage in 2020, we are planning to begin using coffee beans that have received Rainforest Alliance certification both inflight and in our lounges.



GOTS certification

Our First Class loungewear is made entirely from organic cotton that has received GOTS certification, an international standard for organic fibers.

ST Standard (Japan Toy Safety Standard)

We are continuing our effort to provide toys for children that have passed the inspections for and conform to the ST ("Safety Toy") Standard. Currently, all of the toys we provide have passed these inspections as performed by third-party institutions.

Food Safety Management for In-flight and Lounge Meals Provided by FSSC 22000

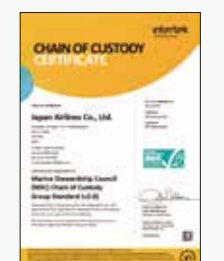
In order to provide safety and a sense of security when enjoying a meal with us, we are conducting food safety management along every step of the process from a meal's conception up to the moment it is served. Food safety auditors with knowledge and expertise on FSSC 22000 food safety management systems conduct food hygiene audits at all of our inflight catering companies and all of our lounges around the world to thoroughly ensure that management standards and processes are being observed, and that appropriate precautions are being taken against potential risks. In accordance with these assessments, they offer guidance on any areas for our improvement. In addition, although there is an inevitable amount of time between when a meal is prepared and when it is consumed inflight, we conduct inspections of temperature control, the hygiene of staff members and the sanitation of utensils in order to maintain safety.



ASIAGAP certificate



MSC CoC certificate



ASC CoC certificate

Disclosure

Basic Concept

The JAL Group emphasizes disclosure in management, and to ensure that all stakeholders understand the Company's stance, posts a wide range of information on the corporate website, including Fundamental Policies of Corporate Governance, Corporate Policy, the company profile, safety and quality information, sustainability information, and IR information. In the JAL Group Safety Report, we report on the Group's safety stance and safety initiatives. We also issue this report, the integrated JAL REPORT, every year to provide comprehensive coverage of financial information, sustainability information, and other topics. On our corporate website, we promptly disclose a wide range of information, and our consolidated report concisely describes matters of particular importance.

JAL corporate website

<https://www.jal.com/en/>

JAL Group Safety Report (in Japanese only)

<http://www.jal.com/ja/flight/report/>

External Evaluation

To provide our stakeholders with a deeper understanding of updates, we are working to improve the quality of disclosures and build relationships of trust through interactive communication. Our proactive efforts to disclose information have been highly evaluated and have given us the honor of receiving the top rating of Excellence in Corporate Disclosure in the Transportation Industry from the Securities Analysts Association of Japan for the second year in a row.

Despite the extreme difficulty of disclosing our earnings forecast for fiscal 2020 due to COVID-19, we have been commended for our stance on disclosure. For example, the announcement of the Company's first quarter financial results was highlighted as an example of good disclosure by the Tokyo Stock Exchange for providing detailed information on the extent of the impact of the virus.

Going forward, we will continue our efforts to improve disclosure and information quality so that we may realize better dialogue with stakeholders.



A New Line of Uniforms Created Together with Staff

In August 2018, we launched a New Uniform Project Team, made up of employees who wear uniforms. As part of the uniform selection process, we gathered opinions on uniforms for cabin attendants and ground staff from a broad range of employees through a questionnaire for JAL's 2020 New Uniform Project, the first time JAL has ever used one.

We received a total of more than 50,000 responses, including comments on the design concept, and created the new uniforms together with many employees, thus embodying the slogan "Fly for it!," the prime mover of the project. Inspired by feedback that we should allow trousers, we designed trousers for female JAL cabin attendants for the first time.

For flight crew, we introduced uniforms with a new design for female pilots. In customer service divisions, we changed

the rules on shoes so that staff can freely choose heel height and shape.

We adopted uniforms that allow each employee to be energetic and active while at work, taking into account employee safety, health, and diversity. These uniforms include polo shirts for ground handling staff to help them cope with intense heat, and outerwear with improved functionality and durability for protecting the body from severe weather conditions such as torrential rains and snowstorms during outdoor work. Our aim is to create fresh and inspiring values and provide unparalleled service through the joint efforts of JAL Group staff wearing their new uniforms with pride in order to become the world's most preferred and valued airline.



Unveiling ceremony of new uniforms on June 23, 2019

Showcasing the Appeal of Okinawa with Kariyushi Wear

Kariyushi wear, worn in the summer by JAL Group staff in the Okinawa area, have been expanded to pilots, in addition to cabin attendants and ground staff. The wear design features colorful flowers from Okinawa, including the Diego (Erythrina variegata, the prefectural flower of Okinawa Prefecture), which express Okinawa-style cheerful and warm utuimuchi ("hospitality" in the Okinawan dialect). The wear also has a fresh, modern sensibility.

By wearing Kariyushi wear sewn entirely in Okinawa, we embody *utuimuchi*, and showcase the appeal of Okinawa.



Kariyushi Wear

Topic Embracing New Challenges in Renewing Uniforms

On April 1, 2020, the JAL Group renewed uniform designs in all air transport-related divisions.

New SDGs-Friendly Uniforms Meeting Quality and Functional Needs

We kept in mind the SDGs from the development and sewing stages. The fabric for the new uniforms was recycled polyester made from collected PET bottles and used fiber products. Considering the durability of polyester, the uniforms will be usable for a long time, which will also promote reuse. When providing cabin attendants and ground staff with their first set of uniforms, we also use reused items.

Our suppliers are asked to join Sedex, and any instances of child and unpaid labor are investigated with the SMETA audit system. As a result of audits conducted in Vietnam and China, where the new uniforms were sewn, we have verified that there were no problems in terms of sustainability at the sewing factories. Local production sites were also visited by the responsible officer, who confirmed that the manufacturing plants were committed to maintaining a human rights-based labor environment.



A production site in Vietnam

Messages from External Directors



JAL Group Governance for the New Normal

The JAL Group has three independent External Directors. They contribute actively to meetings of the Board of Directors and voluntary committees and bring their experience and knowledge to management when formulating Group strategies and making management decisions. In these highly uncertain times, we will continue to realize sustainable growth for the JAL Group by incorporating management objective advice offered by the External Directors.



Eizo Kobayashi
External Director

Lead Independent External Director
Attendance at Board of Directors meetings: 95% (19 of 20 meetings)
Main concurrent positions: Senior Representative for Business Community Relations of ITOCHU Corporation, Director (Outside), OMRON Corporation, Outside Director of Japan Exchange Group, Inc.

Chairperson, Corporate Governance Committee

Chairperson, Compensation Committee

In an Era of Change, Strengthen Governance

In fiscal 2019, management conditions through to January were extremely favorable, but were severely impacted by COVID-19 in and after February. There are numerous ways to regard this situation, but from the standpoint of treating change as a management opportunity rather than a risk, the pandemic can be an opportunity to take a leap forward.

To seize this opportunity requires strengthened governance, and I believe the following three points will be important: effective use of managerial resources, that is, capital and human resources; risk management, which is inevitably more important than ever; and stringent monitoring of new challenges and developments, and effective countermeasures at the right time. Companies do business through the movement of people, products, capital, and information, but the pandemic has halted the movement of people and products. Other countries such as the United States possess an advantage in capital and information, while human resources are an asset for Japanese companies. It is important to develop strong human resources and nurture them into competitive assets. Considering that people who flexibly use resources make innovations, I feel it is necessary to cultivate a culture of continuously challenges in business management while accepting failure. Finally, in highly uncertain times, it is most important that the organization moves ahead firmly with eyes on the future. I will continue to provide support as an External Director and will make my expertise available to the best of my ability.



Masatoshi Ito
External Director

Attendance at Board of Directors meetings: 100% (20 of 20 meetings)

Main concurrent positions: Chairman of the Board of Ajinomoto, Chairman of the JAA Council, Japan Advertisers Association, NEC Outside Director of NEC Corporation

Chairperson, Nominating Committee

Management Planning for a Sustainable Future

Following incidents of inappropriate alcohol consumption by flight crew members and an on-duty cabin attendant in fiscal 2019, in October, President Akasaka took over the position of general safety manager responsible for safety issues. I feel that his unifying capabilities have proven effective in promoting Group-wide reforms and new mechanisms for flight safety. I would also like to praise the company for its capital investments in environmentally-friendly flight equipment such as the Airbus A350. However, COVID-19 has transformed the operating environment. The state of emergency declaration led to travel restrictions, which greatly impacted airline companies. Under these conditions, the Company reacted quickly to the rapid changes in markets and implemented countermeasures speedily such as reducing flights and raising capital. Seeing these responses to the unprecedented situation, I received a strong impression of a sense of unity among organizations in the Company. It is difficult to plan for medium- to long-term growth under unforeseeable conditions. There are optimistic views that air travel will return to pre-COVID-19 levels, while others expect the current restricted lifestyle to stay. In view of recent developments, the latter view is becoming stronger, and perhaps this is natural when considering we are working toward a sustainable society as described by the SDGs. Before planning actions to achieve medium- to long-term growth, we need to consider what the world will be like in the future and build businesses in line with social developments. I will continue to provide advice by backcasting from 10 to 20 years in the future to support management planning.



Sonoko Hatchoji
External Director

Attendance at Board of Directors meetings: 100% (20 of 20 meetings)

Main concurrent positions: Special Advisor to the President of Tsuda University, External Director of Daicel Corporation, External Director of Maruha Nichiro Corporation

Chairperson, Officers Disciplinary Committee

An Era Where Integrated Management will be Essential

In experiencing the COVID-19 pandemic, I am struck by the changes in values. This experience has demonstrated the truth in a realistic and concrete way that only when society is healthy can companies conduct business activities. Stakeholders are progressively changing their values and are more attentive than ever from a variety of perspectives to responses by companies toward a sound society and the achievement of the SDGs. We are truly entering an era where integrated management will be essential to balancing economic advancement with the resolution of social problems. In this era of change, organizations will need systems to understand diversifying values, requiring them to assign human resources with diverse thinking and experience to important positions and combining diversified wisdom. The JAL Group has already achieved an 18.4% representation of women in managerial positions (13.2% as directors), with goals of 20% by fiscal 2023 and 30% by fiscal 2030. These are high levels for a Japanese enterprise, but when considering the diversity of our customers, I feel it is necessary to appoint even more women to higher level positions, and create more opportunities for non-Japanese employees and employees with disabilities to participate. I often hear comments that in conditions where people must exercise self-restraint on outings and observe travel restrictions in the long term, all the more they will begin to notice the importance of traveling for business and for purposes other than work (trips). I hope the Company's diverse human resources will sense the customers' needs precisely, make efforts to become the customers' airline of choice through efforts based on the JAL Philosophy, and further improve integrated management, which it has already been initiated.

*Figures for attendance at Board of Directors meetings are from fiscal 2019.

Board of Directors Directors

Yoshiharu Ueki
(DOB: September 16, 1952)
Director, Chairperson
Chairman of the Board



Governance

Since joining the company, Chairman Ueki has acquired exceptionally high levels of insight into flight safety and frontline experience as a pilot. As Representative Director and President since 2012, he has demonstrated strong leadership and decision-making capabilities, overseeing the preparation of the Medium Term Management Plan and executing it responsibly. He continues to help strengthen the oversight function of the Board as Chairman of the Board, a member of the Corporate Governance Committee, the Nominating Committee, the Compensation Committee and other committees since 2018, and as Chairman of the Board and a member of the Corporate Governance Committee since 2020.

Tadashi Fujita
(DOB: October 25, 1956)
Director, Vice Chairperson
Chief Wellness Officer,
Chair of the Tokyo 2020 Olympic
Paralympic Promotion Committee



Since joining the company, Vice Chairman Fujita has worked mainly in the sales and marketing division at Head Office. As General Manager of Managing Division Passenger Sales, he assumed overall responsibility for the entire passenger sales division and achieved positive results. As Representative Director and Executive Vice Chairperson since 2016, and as Director and Vice Chairperson since 2020, he has served as Aide to the President and is contributing significantly to further improving and strengthening the management team.

Yuichi Kitada
(DOB: June 22, 1960)
Director, Managing Executive Officer
General Manager of Engineering &
Maintenance, Representative Director and
President of JAL Engineering Co., Ltd.



Since joining the company, Director Kitada has acquired very high levels of insight into aircraft maintenance and frontline experience in the Engineering & Maintenance Division. Since 2018, he has served as Executive Officer in the roles of General Manager of Engineering & Maintenance and as Representative Director and President of JAL Engineering Co., Ltd., during which time he used his precise analytical skills and ability to make decisions and take action to contribute significantly to the maintenance of flight safety.

Eizo Kobayashi
(DOB: January 7, 1949)
External Director Independent



Governance Nominating Compensation
Personnel Disciplinary

As top management of a global general trading company, External Director Kobayashi has extensive experience and vast business insight into global business management and leadership of diversified group companies. He brings practical and diverse perspectives to JAL management and provides sound business supervision for the Company.

Yuji Akasaka
(DOB: January 3, 1962)
Representative Director, Executive President
General safety manager, Oversees JAL SDGs,
Chair of the Executive Management Council,
Chair of the Group Safety Enhancement Council,
Chair of the JAL Philosophy Council,
Chair of the Group Risk Management Council,
Chair of the Group Management Council



Nominating Compensation Personnel Disciplinary

Since joining the company, President Akasaka has served mainly in the Engineering & Maintenance Division and has acquired extremely high levels of frontline experience and insight into flight safety. He also gained extensive knowledge and a network of connections in the airline maintenance industry. From 2014, he has brought his strong leadership and decision-making capabilities to JAL Engineering Co., Ltd. as President and has strengthened the foundations of flight safety. As Representative Director and President since 2018, he aims to realize the Corporate Policy through joint efforts with all employees by maintaining flight safety, the basic foundation of the JAL Group, and guiding employees in practicing the JAL Philosophy by leading by example.


Shinichiro Shimizu
(DOB: December 13, 1962)
Representative Director,
Executive Vice President
Aide to the President



Nominating Compensation Personnel Disciplinary

Since joining the company, Executive Vice President Shimizu has held successive positions in personnel and industrial affairs divisions related to flight crews and cabin attendants, and has exercised strong leadership and planning and coordination capabilities to achieve positive results. As General Manager of Human Resources since 2013 and the Secretary's Office since 2016, he has made considerable contributions to improving and stabilizing JAL's presence through precise evaluation of JAL's position from a high-level perspective. Since April 2020, he has been Aide to the President as Representative Director and Executive Vice President, and is contributing to improving and strengthening JAL's management structure.

Masatoshi Ito
(DOB: September 12, 1947)
External Director Independent



Governance Nominating Compensation
Personnel Disciplinary

As the head of global enterprises, External Director Ito has strong business insight and extensive experience in marketing and business strategy. He brings practical and diverse perspectives JAL management and provides sound business supervision.

Sonoko Hatoji
(DOB: January 15, 1950)
External Director Independent



Governance Nominating Compensation
Personnel Disciplinary

External Director Hatoji has experience in financial product development, loans and risk management at banks, and vast knowledge and extensive experience in customer-centric marketing and management strategy in hotel management. She also possesses diverse perspectives in areas such as education reforms at universities. She draws on this experience to provide JAL with management advice and sound business supervision.

Hideki Kikuyama
(DOB: March 19, 1960)
Representative Director,
Senior Managing Executive Officer
General Manager of the
Finance&Accounting Division



Since joining the company, Representative Director Kikuyama has held successive positions in IT systems, passenger reservations, human resources and industrial affairs, corporate planning and other divisions at Head Office and branch offices in the Americas and other regions, and has exercised exceptional leadership and strong planning and coordination capabilities to achieve positive results. As General Manager of Managing Division Route Marketing since 2016, he has contributed greatly to maximizing route profitability. As General Manager of the Finance & Accounting Division since 2019, he has assured highly transparent disclosures comprehensible to shareholders and investors, and has demonstrated precise management decision-making capabilities that support the shareholders' interests.

Ryuzo Toyoshima
(DOB: August 17, 1959)
Director, Senior Managing Executive Officer
General Manager, Managing Division Route
Marketing



Since joining the company, Director Toyoshima has held successive positions in industrial affairs including Vice President, and has exercised exceptional leadership and strong planning and coordination capabilities to achieve positive results. As General Manager of Corporate Control since 2015, he has contributed significantly to the expansion of the amoeba management system within the JAL Group. Since 2019, Director Toyoshima is making great contributions to maximizing route profitability as General Manager of Managing Division Route Marketing.

Audit and Supervisory Board Members

(As of July 1, 2020)



Yasushi Suzuka
Audit and Supervisory Board Member

Since joining the Company, Mr. Suzuka has engaged in maintenance-related operations such as maintenance project and engineering and acquired insight related to aircraft maintenance at the Engineering & Maintenance Division at an extremely high level as well as contributed to safety operation. He has served as Audit and Supervisory Board Member since July 2012 and has extensive experience in the Company's operations and production-related insight. Accordingly, the Company hereby proposes that you elect him as Audit and Supervisory Board Member.

Important positions concurrently assumed outside the Company: none



Norikazu Saito
Audit and Supervisory Board Member

Since joining the Company, Mr. Saito has engaged mainly in finance and accounting departments over the years and has significant knowledge of finance and accounting, investor relations activities, etc. Since 2014, serving as Director, Senior Managing Executive Officer and General Manager of Finance & Accounting, he has been striving to conduct transparent information disclosure understandable to shareholders and investors and considerably contributing to proper management decisions that make for shareholder returns. He has extensive experience in the Company's operations and deep insight, so the Company hereby proposes that you elect him as Audit and Supervisory Board Member.

Important positions concurrently assumed outside the Company: none



Osamu Kamo
External Audit and Supervisory Board Member Independent Officer

Attended 20 of 20 Board of Directors meetings
Attended 13 of 13 Audit and Supervisory Board

Mr. Kamo has given guidance to government and companies about compliance and successively held positions as member of an investigation committee on misconduct cases since registered as attorney at law in April 1973 and has extensive experience in and insight into compliance and corporate governance. As an Audit and Supervisory Board Member of the Company, he provides audit and advice on legal and other aspects.

Important positions concurrently assumed outside the Company: Attorney at Law, Managing Partner of Ginza Sogo Law Office. External Audit and Supervisory Board Member of Azeath Corporation



Shinsuke Kubo
External Audit and Supervisory Board Member Independent Officer

Attended 20 of 20 Board of Directors meetings
Attended 13 of 13 Audit and Supervisory Board

Since joining Sanwa & Co. Tokyo Marunouchi Office (currently Deloitte Touche Tohmatsu LLC), Mr. Kubo has gained a wealth of experience and accomplishments and deep insight into accounting through practical experience in corporate audits, share listings, corporate revitalization, M&A and other cases. The Company has high expectations he will play his role in the internal audit function appropriately as an External Audit and Supervisory Board Member, who meets the Company's Independence Standards for External Officers.

Important positions concurrently assumed outside the Company: Managing Partner of Kyoei Accounting Office. Representative Director of Japan Enterprise Sustainable Transformation Advisory Co., Ltd. External Audit and Supervisory Board Member of KAWASAKI KISEN KAISHA, Ltd.



Joji Okada
External Audit and Supervisory Board Member Independent Officer

Mr. Okada possesses rich experience and track record along with expertise as a manager in the administration and the finance & accounting department of a general trading company. In addition, through his professional experience as a Full-time Audit and Supervisory Board Member of a general trading company and Chairperson of the Japan Audit and Supervisory Board Members Association, he has significant insight into all aspects of audit work including governance and risk management.

Important positions concurrently assumed outside the Company: Member, Business Accounting Council of Financial Services Agency. Governor (Outside), Japan Exchange Regulation

Note: The number of Board of Directors meetings and Audit and Supervisory Board attended by External Auditors are the actual attendances for fiscal 2019. Mr. Joji Okada was newly appointed at the 71st Ordinary General Meeting of Shareholders on June 19, 2020.

Topic JAL and Athletes: Soaring into the Future

The JAL Group supports athletes under the slogan "Fly for it!," identifying athletes, who believe in themselves and their colleagues as they take on new challenges, with JAL, which aims to become the world's most preferred and valued airline. The Company is sharing this thought with the people of Japan, hoping that everyone will also think positively and challenge themselves to do what they can. JAL's dream is to support athletes and to spread our wings and fly.

Naoto Tobe (joined JAL in 2019): High Jump

After setting a new Japanese record, unbroken for 13 years, with 2.35 meters at a competition in Germany on February 2, 2019, Tobe is currently the Japanese men's high jump record-holder. He also conducted research into the high jump as part of his PhD research. As someone who is not only an athlete, but also a researcher, Tobe is a one-of-a-kind jumper.



Five JAL Athletes

Anna Doi (joined JAL in 2018): Sprint

Doi was a Japanese record-holder at junior high school and high school level for the 100-meter sprint and, at the 2012 Olympics in London, she was selected to represent Japan and Japanese athletics in the women's 4 x 100 m relay. Doi has one of the all-time top times for the 100 m sprint and leads the competition for women's sprinting.



Haruka Kitaguchi (joined JAL in 2020): Javelin Throw

Kitaguchi set a Japanese record for the javelin throw on May 6, 2019, and then went on to beat her own record later the same year, on October 27. Currently, she holds the national women's javelin record, which stands at 66 meters. As an athlete, she is continuing to grow as the queen of Japanese javelin throwing, and is looking to move into international competition.



Ryoma Yamamoto (joined JAL in 2018): Triple Jump

In his third year of high school, in 2013, Yamamoto took the triple crown of victories in the Inter-High School Sports Festival, the National Sports Festival, and the Japan National Junior and Youth Championships, setting a new Japanese high school record in the process. In 2017, he achieved the sixth-longest jump in Japanese history with 16.87 meters, and was selected to represent Japan at the IAAF World Championships in London. Yamamoto is an athlete you can expect to see hop, skip, and jump into the limelight.



Koki Kano (joined JAL in 2020): Fencing (Épée)

At an international competition held in Vancouver on February 9, 2019, Kano achieved his first victory in individual competition. On March 24 of the same year, he claimed his first victory in the team event at a competition in Buenos Aires. He is one of the Japanese athletes in the fencing world that carries the hopes of the nation.



From left: Haruka Kitaguchi, Koki Kano, Naoto Tobe, Anna Doi and Ryoma Yamamoto