

We aim to be “the world’s most preferred and valued airline group” with “Safety and Comfort” and “Sustainability” as the engines of growth.

Foreword

First and foremost, I would like to express my heartfelt sympathy to those affected by the novel coronavirus (COVID-19) and their families and my deepest respect and gratitude to all the healthcare professionals and others working to protect human lives and bring the situation under control.

Since last year, the COVID-19 pandemic has had a tremendous impact on many industries including the aviation industry, and we were not an exception. Our company is facing an extremely difficult situation, and I express my sincerest appreciation to our customers and stakeholders for your tremendous support and kindness.

Amid an uncertain business environment, the JAL Group formulated a new Medium Term Management Plan in order to overcome the current crisis and make steady progress toward the future. We will endeavor to achieve sustainable growth and development and increase corporate value in the post COVID-19 era through the execution of our business strategy, finance strategy and ESG strategy as the pillars of strategic management.

This year marks the 70th anniversary of the foundation of the JAL Group. Given the dramatic shifts to values in these changing times brought about by the pandemic, we will make concerted efforts to become “the world’s most preferred and valued airline group” by leveraging the strengths we have cultivated to date with a focus on “Safety and Comfort” and “Sustainability” as the engines of growth. We look forward to your continued support and patronage.

September 2021

AKASAKA Yuji

Representative Director, President





Facing dramatic environmental shifts without precedent

Fiscal 2020 was a turbulent year of rapid changes in the business environment brought about by the spread of COVID-19. We were forced to steer through difficult waters in **maintaining essential air transport networks** and transporting healthcare workers and medical supplies, while reducing flights to the extent possible to control the movement of people. We also did everything possible to **stop negative cash flows and ensure employment security to all our employees** through intensive cost reduction and investment control.

On the other hand, I was sure the pandemic would generate **far-reaching and unprecedented changes in the environment**. Experiencing the pandemic, a crisis that confronted humanity, has sharpened awareness of global social issues such as risk exposure and the SDGs and has increased momentum to address these issues head-on. Furthermore, the acceleration of digital

transformation is drastically changing private lives and we are bound to see huge changes in society in the future. Based on these perceptions of the business environment, I strongly felt a sense of crisis that we will fall behind the times if conventional thinking remained unchanged. To overcome the current crisis and facing the urgent need to **implement financial and business structure reforms**, we have redefined **the vision of what the JAL Group aspires to be in the future**.

The JAL Group's reason for being is to contribute to the betterment and development of society through air transportation as social infrastructure and a community lifeline. This stance has not and will not change. I feel that it is our responsibility and mission to **spearhead solutions to social issues and reforms** and to stand at the forefront of driving initiatives in the coming era. For this purpose, we have set goals that are appropriate for this.

Spearheading solutions to social issues and reforms through ESG strategy as our strongest growth strategy

Driven by this strong aspiration, we announced **"JAL Vision 2030,"** which defines where the JAL Group wants to be in 2030, and set the goals of creating **"a safe and secure society"** and **"a sustainable future"** in the Medium Term Management Plan, which was announced in May.

While the movement of people posed risks in the pandemic situation, we reaffirmed the importance of meeting people in person and the value of movement, since some things cannot be done without movement. We need to get back to a world where people and goods can move safely and freely.

This may be too big a challenge for one airline to handle. However, the sustainable growth of the JAL Group can only materialize in a society and future such as this. I feel that the pursuit of a sustainable society through business activities driven by **ESG strategies** will create new business opportunities, and we should not miss out on that chance.

In particular, addressing climate change is a pressing social issue for airlines, which emit huge amounts of CO₂ in daily operations. With this in mind, we announced our commitment to **achieve net zero carbon emissions by 2050** at the June 2020 General Meeting of Shareholders.

Advances in aviation technology have replaced four-engine aircraft with long-haul twin-engine aircraft and nearly halved the amount of fuel consumption over the past 30 years. Likewise, continued efforts by manufacturers and airlines to develop cutting-edge aircraft through further technological advances should lead to huge reductions in fuel consumption and carbon emissions.

The question is how net zero emissions can be achieved. The answer is building a supply chain for the development and production of environmentally-friendly alternative and synthetic fuels through long-term cooperation with many partners. I would like to see the JAL Group play a central role in making big waves that swell to form new initiatives.

The JAL Group will focus on the key themes of **"Safety and Comfort"** and **"Sustainability"** as growth engines; amid a time of upheaval with drastic changes in values toward travel.



To become the world's most preferred and valued airline group, where many people and goods lively move around.

A safe and secure society and a sustainable future created by diverse human resources

Originally, air transportation developed with **a spirit of challenge** to open uncharted routes. Given the major unprecedented changes in the business environment, now is the time to apply the spirit of challenge we inherited from our predecessors and the strengths we have developed over the years, that is, our human resource base, customer base and financial base. In particular, our human resources are our greatest assets. Our **diverse workforce, including the young generation of the future and female employees**, will drive initiatives toward “JAL Vision 2030.” Even amidst large-scale flight reductions and suspensions due to the pandemic, we saw every one of our 36,000 employees voluntarily do “what we can do now,” which reaffirmed my belief in the underlying strength of our human resources.

With this strength, I am confident that we can take the lead in finding solutions to social issues and promoting reforms, and contribute to the betterment and development of society. I will provide opportunities for **every employee to demonstrate their abilities**, give words of encouragement, “You can do it, let’s do it together,” and together, take on new challenges.

The JAL Group will continue to move forward to become **“the world’s most preferred and valued airline group”** of all our stakeholders. We look forward to your continued support and patronage.



chapter 01

The JAL Group Value Creation Story