FLY INTO TOMORROW

JAL REPORT 2021

The fiscal year ended March 31, 2021
The JAL Group adopts the **Corporate Policy** as its universal management goal and management rationale, and established the **Safety Charter** as the Group’s safety policy based on the Corporate Policy.

The JAL Group also established the **JAL Philosophy** as a mindset, values and attitude expected of all Group employees, with the hope that application of this Philosophy will lead to realization of the Corporate Policy.

**Safety Charter**

Safety: The protection of lives.

This is the commitment and basic foundation of business continuity for the JAL Group. We take to heart our mission and responsibility as safety professionals to ensure a safe operation on every flight with the best of our knowledge, skills and abilities.

To accomplish this, we will act according to the following principles.

- Stop immediately when safety concern arises.
- Comply with rules and strictly follow standard operating procedures.
- Always check and confirm; never rely on assumptions.
- Promptly communicate information without omission to ensure safety.
- Deal with problems quickly and appropriately without underestimation.

**JAL Philosophy**

### Part 1 In Order to Lead a Wonderful Life

#### Chapter 1 The Formula for Success

The Result of Life and Work = Attitude × Effort × Ability

#### Chapter 2 Have the Right Attitude


- Have a Beautiful Mind
- Be Humble and Honest
- Always Be Cheerful and Positive

A Small Good Is Like a Great Evil, While a Great Good May Appear Merciless

We wrestle in the Center of the Ring

Grapes Matters Simply

Possess Opposing Extremes

#### Chapter 3 Accumulate Tedious Efforts with Passion

Work Ramandy

Accumulate Tedious Efforts

Work with Voluntary Attention

Fire Yourself Up

Strive for Perfection

#### Chapter 4 Ability Will Improve

Ability Will Improve

To lead a wonderful life, we will act according to the following principles.

- Deliver unparalleled service to our customers;
- Increase corporate value and contribute to the betterment of society.

---

The JAL Group Will:

Pursue the material and intellectual growth of all our employees;

- Deliver unparalleled service to our customers;
- Increase corporate value and contribute to the betterment of society.
The JAL Group has published this JAL REPORT 2021 to inform stakeholders about our business activity outcomes in the previous financial year, our strategies for the future, and to provide an understanding of the Group’s pursuit of social value along with economic value, and sustainable growth. This report has been collated from a wide range of both financial and non-financial information that the JAL Group has deemed to be of particular importance to Group management, all of which is made available on the Group’s website.

Period covered by the report
Primarily April 2020 to March 2021 (FY2020)

Scope of the report
This report covers 131 JAL Group companies, comprising Japan Airlines Co., Ltd., 79 subsidiaries and 51 affiliates.

Reference guidelines
The International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC) and the Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry were used as reference in preparing this report. The GRI Standard issued by the Global Reporting Initiative (GRI) was used as reference for ESG information.

Date of publication
September 2021

JAL corporate website
www.jal.com/en

 Offers a comprehensive insight into JAL Group’s business approach, activities in general, IR (Investor Relations) information and sustainability information.

Regarding statements about the future outlook
This report includes statements about the future outlook of JAL Group businesses and forecasts. These statements reflect current JAL Group analysis related to existing information and various trends. Actual results may differ from the forecasts due to business risks and uncertainties.

Regarding products, services, events, etc.
Some of the products, services, events, etc. contained in this report have been suspended due to extenuating circumstances. For the latest information, please refer to sources such as JAL corporate website.

Regarding the photos included
In some of the photos in this report, masks are not worn however masks were only removed for the purposes of the photograph.

The following detailed information is also posted on the JAL corporate website.

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In addition to this report, detailed information is available on our corporate website and various booklets for stakeholders.

JAL Group Information System

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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.
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.”

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.
The JAL Group aims to contribute to the betterment and development of society as set forth in the Corporate Policy, and create social value along with economic value through business activities utilizing our management resources, with safety as the basic foundation of business continuity. We will base our actions on the JAL Philosophy, the divisional profitability management system, the JAL Group Code of Conduct “Commitment to Society” and corporate governance.

The Value Creation Process

**INPUT** (Key Management Resources)

- **Human capital**
  - Diverse and professional human resources:
    - Consolidated employees: 36,060
    - Percentage of men: 48.3%, Percentage of women: 51.7%
    - Total hours spent on drills and training per person: 277.3

- **Intellectual capital**
  - Accumulated expertise:
    - Regulations and manuals, IT systems (e.g. enterprise systems)
    - Open innovation (JAL Innovation Platform)

- **Social capital**
  - Networks connecting regional areas in Japan and the world:
    - Finance
    - Safety
    - Comfort
  - Wide customer base:
    - JAL Mileage Bank members: approx. 30 million
    - JAL Card members: approx. 3.6 million

- **Production capital**
  - Aircraft and serviced airports:
    - JAL Group aircraft: 16 aircraft types, 237 aircraft
    - Domestic and international airports: 96

- **Financial capital**
  - A strong financial base:
    - Equity: 947.4 billion yen
    - Equity ratio: 45.0%

- **Natural capital**
  - Finite resources:
    - Energy sources such as aviation fuel
    - Tourism resources, materials, and merchandise generated from a rich natural environment and biodiversity

**OUTPUT** (Management Targets)

- **Safety and Comfort**
  - Safety → P.45
  - Comfort → P.46

**OUTCOME** (JAL Vision)

- **Sustainability**
  - Realize an affluent society where each one of us can sense and hope for a brighter future

- **Safety and Comfort**
  - Realize a safe, secure, and reliable society in a comfortable environment

**Foundation for Value Creation**

- **Safety Charter** → P.16
- **JAL Philosophy** → P.19
- **Discretionary Profitability Management System** → P.19
- **JAL Group Code of Conduct “Commitment to Society”** → P.20
- **Corporate Governance** → P.21

**Changes in the business environment**

- **Airline Industry / JAL**
  - Severe damage on business
  - Air travel demand in 2020: reduced by approx. 70% (YoY)

- **Market**
  - Structural changes in air travel and consumer behavior

- **Society**
  - Growing social awareness to achieve the SDGs

**Stakeholders**

- **Customers**
- **Regional communities**
- **Business partners**
- **Administration**
- **Shareholders**
- **Employees**
70 Years of Challenge and Innovation

This year marked the 70th anniversary of the foundation of the JAL Group. We would like to reflect on our history from the founding of the company as the first post-war private airline in Japan to the present, together with episodes of challenge and innovation.

Leaping into the age of mass transportation through the establishment of a flight operation system and management base

1951 – 1970s
JAL started business by borrowing aircraft from another airline and outsourcing operations and maintenance, but we eventually realized our dream of independent operations with our own aircraft and expanded our route network.

Growing into one of the world’s leading airlines and driving globalization

1980 – 2000s
With the liberalization and deregulation in the aviation sector, we entered an era of intensifying competition. We grew into a global airline by improving quality and differentiating ourselves from other airlines.

To become “the world’s most preferred and valued airline group”

2010 – Present
After JAL went into bankruptcy in January 2010, we achieved revitalization through business optimization and awareness reform. Now that we face an unprecedented crisis due to the COVID-19 pandemic, we will utilize the strengths we have cultivated through history to overcome it and strive to realize “JAL Vision 2030” through the combined efforts of all our employees.
JAL Group’s Strengths

Three strengths cultivated through 70 years of history

Human resource base
Customer base
Financial base

Human resource base

Human resource base is a collective term for every employee who belongs to the JAL Group, corporate policies, the corporate stance and corporate culture such as the JAL Group Corporate Policy and the JAL Philosophy. Air transportation requires advanced expertise and precision. Therefore, the JAL Group has continuously improved human skills, while accumulating knowledge and experience in flight operations and everyday work, and passing on skills from veteran employees to the next generation including lessons learned from the past. Human resources who practice the JAL Philosophy and act autonomously and voluntarily are the greatest strengths of the JAL Group.

Customer base

Customer base refers to everything related to customers such as our mileage program, membership organizations, data accumulated over the years and relationships with customers who have used the JAL Group to date. The JAL Mileage Bank has more than 30 million members. We aim to improve customer satisfaction and preference and attract even more customers by reviewing problems identified through assessments and customer feedback and by making improvements each day.

Financial base

Financial base collectively refers to the financial position of the JAL Group, strict financial discipline on resource allocation and cost management, communication with our stakeholders, and other financial matters. After our bankruptcy in 2010, we have built a solid financial base, which stands out amongst global airlines, through steady and sound management. In 2021, we have further maintained a sound financial position, enabling stable business operations.

Foundation for Value Creation/Safety Charter

Basic Stance on Safety

Safety Charter

The JAL Group has established a Safety Charter based on its Corporate Policy in order to indicate in greater detail its fundamental policy regarding safety. It clearly states, “Safety: the protection of lives,” to ensure that decisions and actions are aimed at protecting lives with a shared awareness among all organizations that safety is the basic foundation of our business. All JAL Group staff carry a Safety Charter Card printed with the Safety Charter and abide by it as professionals on a daily basis.

Safety Management System

We have established a safety management system (SMS), which is a systematic framework including the organizational structure, responsibilities, policies, and operational procedures necessary for safety management.

[System]

Under the overall management of the General Safety Manager, who is appointed pursuant to the Civil Aeronautics Act, senior management executives, the Corporate Safety and Security Division, and each division operate their respective safety management cycles, which are organically linked, and make continuous improvements. Management regularly reviews achievement outcomes of safety initiatives and safety targets, and gives necessary instructions to improve the SMS, and the need for safety investment and resources.

• For the Safety Management Organizational Chart SMS, click here.

[Risk Management and Corrective Action]

Safety is maintained by accurately grasping the actual status of daily operations, monitoring the SMS based on information on incidents and other data, and continuously implementing necessary improvements. In order to grasp the actual status, it is essential for employees to report unsafe situations that they experienced or discovered and the resulting events (“unsafe events”). We have therefore created an environment to facilitate and encourage reporting. Necessary measures are formulated and implemented for high priority risks in order to reduce risks, using risk assessment and human error analysis methods in the process. In addition to reports from employees, flight data recorded during flight are analyzed to provide information for risk management.

[Human Resources]

Employees are educated and trained on skills, knowledge and abilities necessary to ensure proper implementation of the SMS. We also conduct education and activities to raise safety awareness and develop human resources to equip them with necessary skills, knowledge and abilities.
A safety culture

A safety culture is an organizational culture and a shared awareness of safety of members in an organization. Recognizing that “Safety: the protection of lives. It is the basic foundation of business continuity for the JAL Group,” we are taking steps to cultivate a safety culture in which every employee acts on the basic foundation of safety at all times. Safety cannot be increased immediately by simply doing something particular. The accumulation of multifaceted efforts is needed to proactively prevent accidents. The JAL Group uses the term “safety layers” to describe its broad range of safety initiatives and is making unwavering efforts to accumulate our safety layers.

A culture of reporting

Reporting hazards is essential to safety management. Therefore, we have introduced a voluntary reporting system to avert emerging safety problems. Even minor human errors are reported and used to establish preventive measures. In 2007, JAL became the first airline in Japan to introduce a non-punitive reporting policy to inform employees that they will not be punished for human errors if the Company deems that they occurred even though every precaution was taken. In this way, we have created an environment to encourage employees to report spontaneously without hesitation.

A culture of decision-making and challenge

The JAL Group aims to achieve sustainable growth and development by adapting to the rapidly changing environment. As it is extremely important from the viewpoint of safety for employees to make decisions within their authority and responsibility, we are reviewing and improving the decision-making process to ensure smooth and prompt decision-making. These improvements will not only accelerate decision-making but will also increase employee motivation and serve as the basis for activities to accumulate safety layers.

A culture of communicating with one another

The JAL Group is promoting communication and creating opportunities for employees to verbally share and convey information face-to-face. One such activity is the Communication Leader Meeting (CLM), which has been running since 2006, where employees across divisions meet and revitalize the organization. We also employ “verbal confirmation” as a means of interactive communication to ensure thorough checks, and instill this practice in workplaces.

A culture of improving manuals

In the aviation industry, many protocols and regulations are linked to safety and an accurate understanding of their true meaning is vital. All JAL Group employees always ask themselves, “Why is this procedure necessary?” to grasp its true meaning. We have manuals to follow specific rules but also to make changes. Therefore, we have created a framework to regularly inventory manuals qualitatively and quantitively to find room for improvement in actual practice and to make revisions in cooperation with manufacturers.

A culture of thinking from the “second to third person perspective”

In order to encourage JAL Group employees to think from the customer’s perspective, we place importance on the “second to third person perspective,” which combines the third person perspective of thinking from a specialized airline professional and the first and second person perspective of treating customers as if we or our family were the customer. All JAL Group employees study the “second to third person perspective” during JAL Group Safety Seminars for New Employees and other training courses, and always reflect on whether they are thinking and acting from this perspective in their daily work.

Developing Safety Professionals

The JAL Group conducts various education courses to study safety in real-life situations from the viewpoint of one’s job and to raise awareness that safety is the basic foundation of our business. In particular, we continuously educate our employees on lessons learned from the JAL Flight 123 accident based on the Three Actuals Principle (the actual place, the actual object, the actual people) in order to instill the importance of safety in the depths of our minds. Activities include climbing the Mt. Otsukata Ridge (the actual accident site), seeing aircraft debris (the actual object) in the Safety Promotion Center, and meeting people who experienced the accident (the actual people) through news footage and pre-recorded video interviews.

Third-party Assessment

The JAL Group regularly conducts internal and external audits in accordance with requirements of the Japanese Ministry of Land, Infrastructure, Transport and Tourism and IATA in order to assess safety management enhancement initiatives. All IATA airlines are required to pass IOSA (IATA International Safety Audit) every two years to ensure that safety management is functioning properly. In the JAL Group, Japan Airlines has been an IOSA registered airline since 2004, Japan Transocean Air since 2010 and J-AIR since 2016.

Safety Advisory Group

In August 2005, the JAL Group requested an external panel of five experts, called the Safety Advisory Group, to provide advice on safety issues. The members possess extensive knowledge and experience in human factors, failure and defect analysis, organizational operation and culture, and safety, and provide a wide range of objective advice and recommendations on safety from an expert’s viewpoint, which we apply to Group management and safety operations.

JAL Group Safety Report

The report describes JAL Group’s safety initiatives in an easy-to-understand manner.

Food Safety

Allergy free food

In addition to seasonal and route-specific meals, Japan Airlines offers a wide variety of special meals available by advance reservation. In particular, we pay close attention to offering allergy free food, which directly affects the customers’ lives, through measures to prevent mistakes in the meals served. In 2017, we introduced meal vouchers, which are exchanged between customers and cabin attendants after confirming details of their reservations. We also introduced colored paper napkins to visually distinguish meals in order to ensure safety and security of our in-flight meals.

Food Safety Management

Hygiene management of in-flight meals and lounge meals

To provide meals that customers can enjoy safely and with peace of mind, we conduct hygiene management of the entire process from the development of menus to loading of meals onto aircraft. Our hygiene audit staff, who are knowledgeable of the international food safety standard IFS22000, visit catering companies and JAL airport lounges around the world to conduct hygiene audits. After confirming in detail whether management standards and procedures are followed and appropriate risk measures are taken, they provide guidance on areas for improvement and other advice. Although there is a time gap between the preparation of meals to the time they are consumed, food safety is maintained through temperature control, hygiene management of workers and tableware, and various inspections.
### Foundation for Value Creation/JAL Group Code of Conduct

#### “Commitment to Society”

The JAL Group Code of Conduct “Commitment to Society” was established in July 2019 as a guideline for professional behavior to be observed by all JAL Group employees. Based on the attitude espoused in the JAL Philosophy, it is more firmly grounded in the company’s business and activities. The 10 principles of the United Nations Global Compact and Charter of Corporate Behavior of Keidanren (Japan Business Federation) were used as reference. Behavior in accordance with “Commitment to Society” will enable all JAL Group employees to more securely implement the JAL Philosophy in actual practice, while further linking these practices to the realization of the Corporate Policy and to the achievement of SDGs and other goals of society.

#### JAL Group Code of Conduct

1. **Safety**
2. Pursuit of customer satisfaction
3. Trust with stakeholders
   - (1) Information disclosure and dialogue
   - (2) Preventing insider trading
4. Fair business practices
   - (1) Global environmental preservation initiatives
   - (2) Disclosure of environmental information and dialogue
5. **Mission and responsibility as a member of society**
   - (1) Contributing to regional revitalization through our business
   - (2) Responsibility as a company that plays a role in social infrastructure
   - (3) Responsibility as a corporate citizen
6. **Passing on the precious generation (global environment)**
7. **Fair business practices**
   - (1) Reinforcing compliance
   - (2) Preventing corruption
   - (3) Fair business relations with business partners
   - (4) Free and fair competition
   - (5) Management of personal information and intellectual property
   - (6) Eliminating relations with antisocial forces

In fiscal 2020, we compiled a collection of practical examples of practicing the JAL Group Code of Conduct “Commitment to Society” in our everyday work. Through group discussions and other means, every employee thinks of what they can do from today and puts them into action.

Full text of the JAL Group Code of Conduct

Foundation for Value Creation/Corporate Governance

Basic Stance

We maintain an awareness that the JAL Group is a corporate citizen with the duty of fulfilling our financial responsibility of earning adequate profits through provision of high quality products in a fair and competitive environment as well as fulfilling our corporate social responsibility. Thereby, we will deliver unparalleled service to our customers, while upholding safety as a leading company of safety in the transport sector.

Based on this stance, we have established the JAL Philosophy based on the Corporate Policy, and a corporate governance system that exerts strong management monitoring while maintaining high management transparency and makes speedy and appropriate management decisions in order to increase corporate value and fulfill accountability.

Corporate Governance System

Board of Directors and Directors

Board of Directors

The Board of Directors exercises strong management monitoring with a high degree of transparency through the nomination of Directors, Audit and Supervisory Board Members and Executive Officers, decision of director remuneration, and important decision-making.

1. The Board separates the management monitoring and business execution functions. The Board Chair is nominated from among Directors who do not concurrently serve as Outside Officer.
2. At least three highly independent candidates are nominated for Outside Director, and from the Ordinary General Meeting of Shareholders in June 2021, Outside Directors account for at least one-third of all Board members.
3. From fiscal 2021, Directors and Audit and Supervisory Board Members are required to basically attend at least 80% of all Board meetings.
4. The Board delegates appropriate authority to the President to ensure efficient decision-making.

Directors

< Board diversity >

1. In fiscal 2021, we redefined diversity to make board composition diverse in terms of gender, nationality, work history, age, and other variables. Directors are nominated from among persons with extensive experience, deep insight, and specialized knowledge in various fields.
2. In fiscal 2021, we decided to increase female Director appointments.
3. In fiscal 2021, we formulated and published a skills matrix specifying the specialized knowledge and experience required of Director.

< Outside Directors >

1. Outside Directors provide advice to management from a practical and multilateral perspective and monitor business execution appropriately. Any person who does not qualify as highly independent within the definition of Standards for Independence of Outside Directors established by the Company shall not be nominated. For Standards for Independence of Outside Directors, please refer to the JAL Group Fundamental Policies of Corporate Governance.
2. One Outside Director shall be appointed as Lead Independent Outside Director to improve coordination with Audit and Supervisory Board Members and internal divisions.

Main Agenda Items Discussed by the Board of Directors

In fiscal 2020, a total of 20 regular monthly Board meetings and extraordinary Board meetings were held.

[Response to the Spread of COVID-19]
- Agile business - Earnings policy
- Financing
- Director remuneration

[Management strategy]
- Formulation of a new Medium Term Management Plan
- Business strategy (LCC business, new businesses, etc.)
- Finance strategy
- ESG strategy
- The active role of women and Board member development

[Governance and risk management]
- Decision of executive appointments
- Board Effectiveness Assessment (P. 25)
- Strengthening internal controls in the JAL Group
- IT BCP (Business Continuity Plan)
- Serious incident reports
[Dialogue with Stakeholders]
- Feedback on IR (Investor Relations) briefings, etc.
- Customer Voices
[Decision-making and monitoring of the execution of important business matters]
Optional Committees

We have established various committees under the Board of Directors in order to build a corporate governance system that demonstrates high management transparency and strong management oversight. A majority of the committee members are Outside Directors, ensuring independence from management.

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<th>Nominating Committee</th>
<th>Compensation Committee</th>
<th>Personnel Committee</th>
<th>Officers Disciplinary Committee</th>
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<tbody>
<tr>
<td>Chairman</td>
<td>Outside Director</td>
<td>Outside Director</td>
<td>Outside Director</td>
<td>President</td>
<td>Outside Director</td>
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<td>Lead Independent Director</td>
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Chairman

LDN Yoshinori
AKASAKA Yuji
SHIBARIO Seiko

Outside Director

HATCHOJI Sonoko
KOBAYASHI Eizo

Frequency and main discussions at meetings in FY2020

In addition to the above voluntary committees, the Lead Independent Outside Director organized a few Independent Outside Audit and Supervisory Board Member Opinion Exchange Meetings, comprising only Outside Directors and Outside Audit and Supervisory Board Members, to strengthen the network between Outside Directors.

Audit and Supervisory Board and Its Members

Audit and Supervisory Board

The Audit and Supervisory Board makes objective and appropriate decisions from an independent standpoint, based on their responsibility to shareholders, in fulfilling their role and responsibility pertaining to their duties, namely, audit of business execution, nomination and dismissal of accounting auditors, and exercise of rights concerning auditor remuneration.

Audit and Supervisory Board Members

Audit and Supervisory Board Members attend Board meetings and other important meetings, and audit important management matters, business operations and business execution by exchanging opinions with Representative Directors and Outside Directors, and inspecting important agenda items and resolutions to be passed. They also audit business sites and subsidiaries each year together with the Corporate Auditors Office, report back to Representative Directors and provide feedback to executing departments. Further, they work closely with the internal Audit Department and accounting auditors, meet regularly with full time auditors of major subsidiaries, and strive to improve and strengthen Group auditing. Audit and Supervisory Board Members are nominated from among persons with extensive knowledge and experience in various fields to conduct audits from a neutral and objective perspective and ensure sound management.

Succession plan for President and other leaders

1. The qualifications required of the President and other leaders are as follows: “Persons with qualities to steadily achieve positive results toward realizing the Corporate Policy by working together with all employees based on a firm commitment to flight safety, which is the basic foundation of business continuity for the JAL Group. They must also display initiative in practicing the JAL Philosophy. The Nominating Committee continuously discusses possible candidates for President and other executives. By providing candidates with practical and diverse experiences, such as management in a Group company and overseas assignments and activities in external organizations, they acquire the necessary grounding for management at an early stage.

Support for Directors and Audit and Supervisory Board Members

1. Legal considerations are explained to Directors, as necessary, to ensure that they are fully aware of their duties, including the fiduciary duties of the duty of loyalty and the duty of care. They are provided opportunities for continuous participation in external training and affiliated organizations.

2. In addition to the provision of corporate information, Audit and Supervisory Board Members are given opportunities to participate in external training and external organizations.
Board Effectiveness Assessment

The Company aims to increase corporate value over the medium- to long-term through a Board Effectiveness Assessment each year, with reference to the self-assessment of each Director and Audit and Supervisory Board Member, and a review of Board operations to increase corporate value over the mid- to long-term.

Challenges
- In-depth discussions on long-term issues and visions are needed.
- Monitoring needs to be enhanced to strengthen risk management.
- Conducted perceptions of the environment surrounding the aviation industry and the vision we want to realize for the JAL Group.

Initiatives
- Discussed perceptions of the environment surrounding the aviation industry and the vision we want to realize for the JAL Group.
- Conducted effective monitoring, including advice on solving issues. The Group governance system was restructured.
- Conducted analysis of the current situation and discussions to solve issues.

Assessment
- Appointment of officers; Need to deepen activities of remuneration and personnel committees and improve reporting to the Board.
- Need to hold in-depth discussions responding to the COVID-19 pandemic and the post-COVID-19 world.

Initiatives
- Need to strengthen Group governance for new businesses through monitoring.
- Need to hold in-depth discussions responding to the COVID-19 pandemic and the post-COVID-19 world.

FY2020

For details of 2020 assessment results and future initiatives, please refer to Corporate Governance on the JAL website.


Skills Matrix

We have created a skills matrix, which is a set of skills required by Directors and Audit and Supervisory Board Members regarding their specialized knowledge and experience. It includes basic corporate management skills of management experience, financial accounting, and legal affairs and risk management, and also safety management, which is particularly important in view of our business characteristics, global experience, sales and marketing, and IT and technology.

<table>
<thead>
<tr>
<th>Position at the Company</th>
<th>Name</th>
<th>Management Experience</th>
<th>Finance &amp; Accounting</th>
<th>Legal/Risk Management</th>
<th>Safety Management</th>
<th>Global Experience</th>
<th>Sales/Marketing</th>
<th>IT/Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director, Chairperson</td>
<td>UEKI Yoshiharu</td>
<td>○</td>
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<tr>
<td>Representative Director</td>
<td>AKASAKA Yoji</td>
<td>○</td>
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</tr>
<tr>
<td>Director, Executive Vice President</td>
<td>SHIMIZU Shinichiro</td>
<td>○</td>
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</tr>
<tr>
<td>Representative Director, Senior Managing Executive Officer</td>
<td>KIKUYAMA Hideki</td>
<td>○</td>
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</tr>
<tr>
<td>Director, Senior Managing Executive Officer</td>
<td>TSUTSUMI Tadayuki</td>
<td>○</td>
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<tr>
<td>Outside Director</td>
<td>KOBAYASHI Eizo</td>
<td>○</td>
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<tr>
<td>Outside Director</td>
<td>HATCHOJI Sonoko</td>
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<tr>
<td>Outside Director</td>
<td>YANAGI Hitoyuki</td>
<td>○</td>
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<tr>
<td>Audit and Supervisory Board Member</td>
<td>SAIITO Noboru</td>
<td>○</td>
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<tr>
<td>Audit and Supervisory Board Member</td>
<td>KITADA Yutaro</td>
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<tr>
<td>Outside Audit and Supervisory Board Member</td>
<td>KAMO Osamu</td>
<td>○</td>
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<tr>
<td>Outside Audit and Supervisory Board Member</td>
<td>KUBO Shinsuke</td>
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<tr>
<td>Outside Audit and Supervisory Board Member</td>
<td>OKADA Kiichi</td>
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</tr>
</tbody>
</table>
The JAL Group Value Creation Process

Chapter 1

The JAL Group Value Creation Story

Management Team (Board of Directors)

UEKI Yoshiharu
(Sep 1962)
Director, Chairman

Since joining the Company, he has acquired an extremely high level of insight on flight safety and front-line experience as a pilot. As Representative Director and Director of the Board of Directors, he has demonstrated determination to direct, formulate and exercise the Medium Term Management Plan. Since 2016, he has contributed to strengthening the monitoring and advisory function of Board of Directors at Board of Out and a member of Corporate Governance Committee.

AKASAKA Yuji
(Jan 1962)
Representative Director, President

Since joining the Company, he has been actively engaged in maintaining and improving maintenance and planning and coordination skills. As Representative Director and Director of the Board of Directors, he has contributed to the formulation and execution of the Medium Term Management Plan. Since 2013, he has greatly contributed to maintaining flight safety with his high level of insight on flight safety and frontline experience.

SHIMIZU Shinichiro
(Sep 1952)
Representative Director, Chairperson

Since joining the Company, he has acquired an extremely high level of insight on flight safety and front-line experience as a pilot. As Representative Director and Director of the Board of Directors, he has demonstrated determination to direct, formulate and exercise the Medium Term Management Plan. Since 2016, he has contributed to strengthening the monitoring and advisory function of Board of Directors at Board of Out and a member of Corporate Governance Committee.

KIKUYAMA Hideki
(Mar 1960)
Representative Director, Senior Managing Executive Officer

Since joining the Company, he has held successive positions in flight safety, flight reservation and general management, and has contributed to improving the monitoring and advisory function of Board of Directors at Board of Out and a member of Corporate Governance Committee. Since 2019, he has greatly contributed to maintaining flight safety with his high level of insight on flight safety and frontline experience.

TOYOSIMA Ryuuo
(Aug 1960)
Director, Senior Managing Executive Officer

Since joining the Company, he has held successive positions in flight safety, flight reservation and general management, and has contributed to improving the monitoring and advisory function of Board of Directors at Board of Out and a member of Corporate Governance Committee. Since 2019, he has greatly contributed to maintaining flight safety with his high level of insight on flight safety and frontline experience.

HATCHOJI Sonoko
(Jan 1949)
Independent Outside Director

She has extensive experience in financial products, corporate, and asset management. She is a director of various companies, including JAL Engineering Co., Ltd. She has extensive experience in financial products, corporate, and asset management. She is a director of various companies, including JAL Engineering Co., Ltd.

YANAGI Hiroyuki
(Nov 1949)
JAPAN EXCHANGE GROUP, Inc.

He has a wealth of experience and knowledge as a senior management executive at companies that promote global expansion. He provides advice to our management executive at companies that promote global expansion. He provides advice to our management executive at companies that promote global expansion.

Important positions concurrently held:

Outside Director, Dai-ichi Life Insurance Company
Outside Director, MANA Holdings Co., Ltd.

* Newly nominated at the 72nd Ordinary General Meeting of Shareholders held on June 17, 2021.
Management Team (Audit and Supervisory Board Member)

1. SAITO Norikazu
   (November 23, 1954)
   Audit and Supervisory Board Member
   Since joining the Company, he has accumulated extensive knowledge of finance, accounting, and risk management. From 2016, serving as Director, Senior Managing Executive Officer and Senior Vice President of Finance and Accounting, he supervised financial management on a comprehensive and highly transparent basis, making contributions to our shareholders and investors.
   *Important positions concurrently held:
   None.

2. KITADA Yuichi*
   (June 22, 1980)
   Audit and Supervisory Board Member
   Since joining the Company, he has worked actively on maintenance including maintenance technology and quality assurance. Serving as Executive Officer of Engineering and Maintenance from 2018, he supervised the maintenance activities of the JAL Group and contributed significantly to maintaining and improving engineering and quality. Since June 2020, as Managing Executive Officer of Engineering and Maintenance, he has provided strategic management at Board meetings and other meetings from the perspective of maintaining flight safety.
   *Important positions concurrently held:
   None.

3. KAMO Osamu
   (March 25, 1947)
   Audit and Supervisory Board Member/Independent Director
   After registering as an attorney-at-law in April 1973, he has accumulated extensive experience and insight on compliance and corporate governance, including guidance on compliance for government agencies and companies. Since June 2016, he has provided legal and auditing advice to the Company as an Audit and Supervisory Board Member.
   *Important positions concurrently held:
   Attorney at Law, Managing Partner of Ginza Sogo Law Office.

4. KUBO Shinsuke
   (March 8, 1952)
   Outside Audit and Supervisory Board Member/Independent Director
   Since joining Sano & Co. Silay, Matsubara Office (currently Deloitte Touche Tohmatsu LLC), he has gained a wealth of experience in auditing through experience in corporate audits, share listings, corporate restructuring, M&A and other areas.
   *Important positions concurrently held:
   Representative Partner, Kyoei Accounting Office Certified Professional Accountants.

5. OKADA Joji
   (October 10, 1957)
   Outside Audit and Supervisory Board Member/Independent Director
   He possesses extensive experience and expertise as a senior management executive and director of finance at a general trading company. Through his experience as Audit and Supervisory Board Member of a general trading company and Chair of the Japan Audit and Supervisory Board Members’ Association, he has gained a good understanding of governance and auditing including risk management.
   *Important positions concurrently held:
   Member of the Business Accounting Council of Financial Services Agency.
   *An executive means an Executive Director or an Executive Officer.

* Newly nominated at the 72nd Ordinary General Meeting of Shareholders held on June 17, 2021.
Message from Outside Directors

Towards a sustainable future
The JAL Group has three Independent Outside Directors, who actively share their opinions at Board meetings and committee meetings, and whose experience and knowledge is utilized in the formulation of JAL Group strategies and management decisions.

Cultivating a corporate culture of embracing challenge without fear of failure at a time of great upheaval

The JAL Group’s strength lies in its world-class JAL brand and strong human resource base. The fact that each employee understands their mission and devotes themselves to their work is a great asset to the company. I am working to strengthen corporate governance from the standpoint of Lead Independent Outside Director and believe the Company has achieved high corporate governance through its honest approach. However, given the uncertainty of the future in the COVID-19 pandemic, a higher level of risk management is needed, which requires capacity building to proactively respond to issues through information-gathering and multilateral analysis. Furthermore, we will closely monitor development of management competencies, which is an important responsibility of the Board, with consideration to business and management experience and career path mapping including experience in overseas postings. Society is changing dramatically and we have entered a new normal that has arisen out of 20 meetings.

Ensuring Safety, Quality and Strengthening Global Management

I am YANAGI Hiroyuki and was recently appointed Outside Director. I have been engaged for many years in global management in the manufacturing industry, which is grounded in robust safety and high quality. Although there are differences between the manufacturing industry and service industry, I will use my experience and knowledge to contribute to the development of the company. When evaluating the quality assurance system that supports aviation safety, three perspectives are important. Can “management” grasp the current situation and speak frankly about the company? How accurate are “frontline operations?” Are business processes documented in manuals? What exactly is “management that links management with the frontline”? In other words, are systems for education, open organizations and accident prevention in place? I would like to visit the frontline to provide guidance and advice in these areas. I also hope to be helpful in promoting global expansion in the post COVID-19 world. The essence of globalization is value creation and commercialization. We must create value utilizing the JAL Identity and JAL Brand under the Corporate Policy while identifying diverse market characteristics and targets. To commercialize products and services, we need to develop new business models and systems in close cooperation with customers and markets, and to secure and develop suitable human resources. From this perspective, my role will be supporting management in implementing appropriate, swift and decisive management practices in order to achieve medium- to long-term growth and increase corporate value.

Further promotion of diversity from the viewpoint of sustainability

The JAL Group is committed to achieving the SDGs. The new Medium Term Management Plan has defined specific issues in four areas; Environment, People, Communities, and Governance, and aims to create a sustainable society. Regarding the Environment, I applaud the Company for drawing up a concrete roadmap to achieve net zero carbon emissions by 2050, which was announced in early 2020. As for Communities, personal knowledge gained through interactions with regional communities will transform into organizational knowledge and will be used to strengthen relationships with communities and customers in the future. We will also focus on governance and human resource development to support this.

Amid the rapidly changing business environment, we will strengthen initiatives to develop diverse human resources who can participate in management in the future. Fortunately, the JAL Group has many outstanding women with specialized knowledge, abilities and great potential. In order to further promote diversity, I feel that in addition to providing training, we need to more boldly allocate experts in their specialized fields across divisions at a certain stage and develop them through practical experience as candidates for Manager and Director. I will contribute to the promotion of sustainability of the Company based on my own experiences.
Message from the Chair of the Board of Directors

Fostering a relationship of trust with each employee is the foundation of corporate governance

The Board of Directors is expected to promote the sustainable growth of the company and the enhancement of corporate value over the medium- to long-term based on its responsibilities to our shareholders and stakeholders. In order to fulfill this role, we must provide highly effective supervision from an independent standpoint, while taking appropriate risks and presenting the general direction we are heading. The Board comprises members of diverse backgrounds and extensive knowledge, and diversity is our strength. In particular, Outside Directors, who possess extensive management experience and advanced expertise, express opinions that are rarely raised by our executives. In many instances, proposals are not approved as originally drafted due to severe objections. In that sense, there is no doubt that highly effective supervision is in place.

On the other hand, in order to increase corporate value over the medium- to long-term, we should not be complacent with sustainable growth of the company and the enhancement of corporate value. For example, in the aviation industry, my experience as pilot has shown me that we can overcome any crisis with sufficient preparation. We heads toward the direction pointed out by the Board. I fulfill my role as Board Chair to unite management and the frontline. Although the COVID-19 pandemic has devastated the aviation industry, my experience as pilot has shown me that we can overcome any crisis with sufficient preparation. We are determined to become “the world’s most preferred and valued airline group” and meet the expectations of our stakeholders.

<table>
<thead>
<tr>
<th>Position</th>
<th>Number of people</th>
<th>Total remuneration, etc. (1 million yen)</th>
<th>Total remuneration by category, etc. (1 million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Basic remuneration</td>
<td>Performance-linked bonus</td>
</tr>
<tr>
<td>Director</td>
<td>11</td>
<td>294</td>
<td>294</td>
</tr>
<tr>
<td>(Including Outside Director)</td>
<td>(3)</td>
<td>(36)</td>
<td>(36)</td>
</tr>
<tr>
<td>Audit and Supervisory Board Member</td>
<td>6</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td>(Including Outside Aud and Supervisory Board Member)</td>
<td>(4)</td>
<td>(28)</td>
<td>(28)</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>371</td>
<td>371</td>
</tr>
</tbody>
</table>
The COVID-19 pandemic has severely impacted the airline business and airline financial performance. In 2020, global air transport demand dropped 70% resulting in significant industry losses. Demand for JAL Group international and domestic flights also fell sharply. Fiscal 2020 was JAL’s first financial loss since our relisting in 2012.

Although environmental uncertainty remains, the aviation industry is expected to show some recovery over the medium-term led by global economic recovery and growth.
The JAL Group Value Creation Story

Business strategy
In addition to restructuring the business model to address market changes, we will implement initiatives to make our customers feel safer and more secure in the recovery and growth phase of demand.

Finance strategy
On swiftly rebuilding our financial base, which was damaged by the serious demand slump, we will steadily implement investment strategies and profit returns to our shareholder to achieve future growth.

ESG strategy
Positioning ESG strategy as our top growth strategy, we will promote ESG management to achieve the SDGs through business and accelerate CO2 reduction initiatives.

These three strategies are not independent but interconnected. We believe that simultaneous strategy implementation will increase corporate value.

In order to address environmental changes post COVID-19 and promote sustainable growth and development utilizing JAL Group’s strengths; our human resource base, customer base and financial base, we will pursue initiatives based on “business strategy, finance strategy and ESG strategy” as the pillars of management strategy as mentioned in the Medium Term Management Plan.

Business strategy
Restructuring business model addressing changes in market trends and provide a safe and secure travel experience.

Finance strategy
Rebuilding our financial base, growth investment, and shareholder returns.

ESG strategy
ESG management to achieve SDGs through business

Three pillars of management strategy

Strategic Overview

Timeline

Global aviation demand, hit by COVID-19 since January 2020, dropped sharply and threw the airline industry and our company into turmoil. In fiscal 2020, we focused on the three points below while maintaining flight safety, the basic foundation of our business, and fulfilled our mission and responsibility as an air transport operator.

• Measures against infectious diseases and maintenance of air transport networks
• Thorough cost reduction and liquidity
• Initiatives to create a sustainable society

Review of fiscal 2020

Although market conditions remain uncertain, efforts to bring COVID-19 under control such as vaccinations are making steady progress across society. Against this backdrop, from fiscal 2021 onwards, all JAL Group employees will make combined efforts to adapt to environmental changes and achieve sustainable growth and development under the JAL Group Medium Term Management Plan for FY2021-FY2025, a 5-year plan to achieve speedy recovery from the crisis and the long-term targets in “JAL Vision 2030.”

We target profit of pre-COVID-19 levels and EBIT of 170 billion yen by fiscal 2023 and EBIT of approximately 185 billion yen by fiscal 2025 as well as achievement of the JAL Vision and the SDGs by 2030 and net zero emissions by 2050.

Positioning of the Medium Term Management Plan

Timeline

Pre-COVID-19 level of profit

Current conditions
Early recovery from COVID-19

Medium Term Management Plan for FY2021-2025

Future realization of “JAL Vision 2030”

Current conditions
Early recovery from COVID-19

Medium Term Management Plan for FY2021-2025

Future
Realization of “JAL Vision 2030”

Illustrative diagram of profit growth

Olympic and Paralympic Games
Tokyo 2020

EXPO 2025
Osaka, Kansai

Target of 60 million inbound tourists to Japan Expansion of Narita Airport (2029)

Profit target
EBIT
JPY170 bn
Approx. JPY185 bn

Management targets
Medium term management targets

* EBIT: Earnings Before Interest and Taxes

JAL Vision
Net zero CO2 emissions

Timeline

Review of fiscal 2020

Global aviation demand, hit by COVID-19 since January 2020, dropped sharply and threw the airline industry and our company into turmoil. In fiscal 2020, we focused on the three points below while maintaining flight safety, the basic foundation of our business, and fulfilled our mission and responsibility as an air transport operator.

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Positioning of the Medium Term Management Plan

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We target profit of pre-COVID-19 levels and EBIT of 170 billion yen by fiscal 2023 and EBIT of approximately 185 billion yen by fiscal 2025 as well as achievement of the JAL Vision and the SDGs by 2030 and net zero emissions by 2050.
Management Targets

**FY2025 Targets**

**Safety and Comfort**

Aircraft Accidents and Serious Incidents: 0 (during the entire period of the Medium-term management plan)

Top Level Customer Experience in all travel services and daily life

- NPS® +4.0pt (International/domestic flights) (FSC)

**Finance**

- EBIT Margin: 10% or Higher in FY2023 (to improve onwards)
- ROIC: 9% in FY2023 (to maintain or improve onwards)
- EPS: ¥260 Pre-COVID level, ¥290 FY2025 (to improve onwards)

**Sustainability**

- Environment: CO2 Emission Reduction: Total emission below 9.09 million tons (FY2019 level)
- Reduction of Single-use Plastic: No use of virgin petroleum-based plastic at cabin/lounge (100% switch to eco-friendly alternatives at Cargo/Airport service)

**People**

- Promotion of D&I: Group Female Managers Ratio: 30% (FY2023 vs FY2019)
- Domestic passenger¹ and cargo transport volume: +10% vs FY2019

**Communities**

- Regional Revitalization: Domestic passenger² and cargo transport volume: +10% vs FY2019

¹: Net Promoter Score - objective indicator of customer satisfaction (as of the beginning of FY2021)
²: Increase in passenger numbers by stimulating tourism demand and creating new flows

FY2025 Management targets

The JAL Group has set management targets for safety and comfort, finance, and sustainability to be achieved by fiscal 2025, based on global trends, shareholder expectations, impact on business, and their importance to management. We will treat them as high priority management issues.

**Finance**

In fiscal 2023, which will be a turning point for rebuilding our financial base, we will strive to achieve pre-COVID-19 levels in each indicator and maintain them from fiscal 2023 onwards. In particular, we will offset the impact of stock dilution from our public offering in November 2020.

**Safety and Comfort**

As a leading company in safety and comfort, we aim to maintain a clean record, free of aircraft accidents and serious incidents. We will also do our best to ensure comfort both in everyday life and air travel, and provide a world-class customer experience.

**Sustainability**

Our Environment strategy is to reduce both single-use plastics and CO2 emissions. People strategy is to promote Diversity and Inclusion (D&I) such as increasing the ratio of female managers, and Community strategy is to promote domestic transportation that contributes to regional revitalization.

Business Strategy

Promote Business Structure Reform Addressing Changes in the Business Environment

**Market changes**

COVID-19 has changed the business landscape and has resulted in two marked changes in market trends. Firstly, structural change in air travel demand. Our strategy as a full service carrier (FSC) is to attract business travelers; however, demand-side recovery is likely to take some time. Conversely, leisure and visiting friends and relatives (VFR) travel markets are likely to fuel demand, and some signs of this have already been observed. Secondly, changes in consumer behavior. It is suggested that e-commerce, which grew by leaps and bounds during the pandemic, will continue strong growth and that digital transformation will increase rapidly changing customer demands for personalized service.

**Basic stance on business structure reform**

In the Medium Term Management Plan for FY2017-2020, we pursued strategies to capture growing business demand, with international flights in the FSC business as the growth driver. We will continue to promote agile capacity strategies to meet robust demand for air freight and capture demand for high value-added commodities that require high quality transport so as to secure stable revenues.

**FSC Domain (P. 45)**

We will strive to minimize costs through aircraft downsizing and network optimization and improve profitability by maximizing revenues through enhanced product competitiveness and marketing.

**LCC Domain (P. 49)**

We will deploy three business models; ZIPAIR, SPRING JAPAN, and Jetstar Japan, in growing low-priced markets and explore new markets.

**Cargo and Mail Domain (P. 51)**

We will continue to promote agile capacity strategies to meet robust demand for air freight and capture demand for high value-added commodities that require high quality transport so as to secure stable revenues.

**Mileage, Lifestyle and Infrastructure Domain (P. 53)**

We will apply our strengths such as our customer base and brand, and human skills such as operational know-how and technical capabilities to develop businesses in growing non-airline domains.
The JAL Group Value Creation Story

Changes in the business structure

Through business structure reform addressing market changes, we will reduce dependence on the FSC business, and expand our LCC and non-airline businesses such as mileage. As a result, we aim to achieve steady profit growth by fiscal 2023, when a return to 2019 demand levels is expected, and by fiscal 2025, the final year of Medium Term Management Plan, and to retrieve 43 billion yen of losses in the recovery phase, starting from 89 billion yen in EBIT in fiscal 2019.

Business Structure Reform and Profit Growth

Going forward, we seek to improve profit by increasing FSC business and cargo revenues and expanding in LCC and non-airline domains such as mileage to achieve the EBIT target of 170 billion yen by fiscal 2023. If we can achieve this profit target, earnings per share will be at the same level as pre-COVID-19 levels. We will strive to expand our business domains and achieve EBIT of approximately 185 billion yen by fiscal 2025.

Outline of Business Structure Reform

Changes in market trends during COVID-19

- Structural Changes in Air Travel Demand
  - Delayed recovery of business demand
  - Solid recovery of leisure and VFR demand

Changes in Consumer Behavior

- Growth of IC market
- Growing needs for personalized services

Full Service Carrier (FSC)

Improve Profitability

Downsizing fleet, optimizing network, and enhancing product competitiveness/marketing

- Resumption of highly-profitable international routes
- Expand use of JAL’s flagship aircraft – Airbus A350
- Global Expansion of JVs in not only Pacific/European routes

Develop New Markets

Multi-model strategy in the growing low-yield market

- ZIPAIR: Asia/Hawaii/Pacific routes
- SPRING JAPAN: Expand areas in China
- Jetstar Japan: Capture tourism demand based in Narita Airport to act as a hub

LCC

Expanding business domains to address the changing market trends

Cargo and Mail

Steady Revenue Increase

Promoting a flexible supply strategy featuring cargo space and alliance tie-ups

- Full utilization of belly space (incl. LCC)
- Strengthen collaboration with partners to expand capacity and network
- Capturing demand for items requiring high transportation quality

Mileage, Lifestyle and Infrastructure

Expand into Growing Fields

Expanding business domains leveraging robust customer base and human skills

- Mileage/financial/merchandise services
- Expansion of market shares in contracted services (Ground Handling/MRO/Cargo)
- Commercialization of regional revitalization and next-gen air mobility service

Path to Profit Growth

EBIT [JPY Bn]

FY2019 Revenue Breakdown 2023

Actual EBIT (JPY) 16

FSC/Cargo

LCC

Mileage etc.

2025

Profit growth in each domain c. 1.165
### Air Passenger Business

**Both FSC and LCC Businesses Are Essential to Growth**

In addition to diversification of pricing and services to meet customer needs, a trend observed in pre-COVID-19 times, and growing demand driven by Asia’s economic growth, business demand is expected to decline post COVID-19 leading to major structural changes in demand. The JAL Group will provide both affordable LCC services and high end FSC services, and build networks covering all markets through integrated international and domestic services. Through our joint businesses with leading airlines in key areas and partnerships including those with one world partners, we will boost demand reciprocally and expand our networks while reducing risks.

#### Outline of Air Passenger Business Strategy

**Environmental Awareness**

**Mid- to Long-term Demand Trend**
- Diversification of needs regarding pricing and services
- Growing demands driven by economic growth in Asia

**Structural Changes due to COVID-19 Pandemic**
- Decline in business travel following proliferation of web conferences
- Strong leisure/VFR demand in post-COVID-19 era

#### Strategy of Air Passenger Domain

- Revenue growth in the low-yield market for both LCC and FSC models
- Establish comprehensive network for domestic and international routes
- Enhance demand and expand the network through JVs with leading airlines in key areas and align with one world partners

#### Air Passenger Business/Aircraft

**Aircraft strategy to support sustainable growth and development**

We will flexibly introduce and retire aircraft according to air passenger business strategies, upgrade our international and domestic flagship fleets to fuel-efficient cutting-edge aircraft and introduce the Airbus A350. The Airbus A350-1000 will start international services from fiscal 2023.

With regard to fleet composition, in order to accelerate the retirement of old Boeing 777 aircraft, large aircraft will be reduced and medium and small aircraft will be increased for the LCC business. As a result, we plan to have 229 aircraft as of the end of fiscal 2023, an increase of 11 from the end of fiscal 2020.

#### Renewal of Flagship Fleet

- **International:** 777-300ER
- **Domestic:** 777-200/300/200ER
  - (777-200ER to be redeployed to domestic flights)
- **International:** A350-1000 (FY2023)
- **Domestic:** A350-900 (FY2019)

**Fuel Efficiency Improvement**
- 25% (vs incumbent aircrafts)

**Interior Renewal to Be More Preferred by Customers**
- A350/787 for domestic flights are equipped with personal monitor AC power in all seats.

**Joint Venture Partners**

- American Airlines
- British Airways
- Finnair
- Iberia
- Malaysia Airlines

#### Fleet Composition (ZIPAIR: from FY2019, SPRING JAPAN: FY2023 only due to consolidation in FY2021)

- **Reduce the ratio of large-sized fleet**
  - [from 18% (FY2019)] to [14% (FY2023)]
- **Increase fleet for LCC (medium- and small-sized)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Large</th>
<th>Medium</th>
<th>Small</th>
<th>Regional</th>
<th>Propeller</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>44</td>
<td>83</td>
<td>62</td>
<td>32</td>
<td>20</td>
</tr>
<tr>
<td>2020</td>
<td>218</td>
<td>80</td>
<td>61</td>
<td>32</td>
<td>16</td>
</tr>
<tr>
<td>2023</td>
<td>229</td>
<td>82</td>
<td>65</td>
<td>32</td>
<td>19</td>
</tr>
</tbody>
</table>

2020: Aircraft in service excluding early retirement

Note: Unless otherwise noted, the number is end of the fiscal year aircraft.
Chapter 2

Medium Term Management Plan

Air Passenger Business/FSC (international passenger business)

The impact of COVID-19 on international passenger demand is expected to linger from 2023 into 2024. For the time being, we will improve profitability through business optimization and enhanced initiatives to respond to changes in demand and needs in the post COVID-19 world.

While suspending operations on unprofitable routes, we will maintain our network through code-sharing. We will also introduce cutting-edge aircraft and innovate new services using the latest technologies to meet diverse customer needs and increase competitiveness.

Implement business structure reform to improve profitability leading to growth

Business optimization

While promoting business optimization until the recovery of demand, we will introduce aircraft with superior product competitiveness and environmental performance to increase profitability, leading to the next growth phase.

- Expand the network out of Haneda, which has high demand among business travelers
- Provide products and services that are safe, secure, and clean
- Enhance product competitiveness by deploying the cutting-edge Airbus A350-1000
- Expand smart airports (JAL SMART AIRPORT) and touchless and smooth services via mobile devices

Capture high yield transit passengers between North America and Asia

We will increase high yield demand between North America and Asia post COVID-19, utilizing Narita’s improved hub function.

- Create timetables with improved connections
- Open the San Francisco route and Bengaluru route from Narita
- Strengthen web sales in regions outside Japan

Improve ancillary services (paid ancillary services)

In order to meet diverse customer needs, we will create new paid services and achieve both convenience and profitability.

- Current ancillary services
  - JAL Bid Upgrade (UG) (paid lounge service)
  - Paid advance seat selection (seat with extra legroom)

Deepen cooperation with partners

By deepening cooperation with partners, we will complement our route network and improve convenience. At the same time, we will utilize the sales capabilities in the partner’s home market and capture inbound demand.

- Maintain and expand networks utilizing code-sharing and joint businesses
- Strengthen sales by expanding and promoting joint businesses

Illustrative Revenue Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>FY2020</th>
<th>2023</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in the number of aircraft</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2019</td>
<td>777</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>A350</td>
<td>777</td>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

Employee’s Commitment

Turn a pinch into an opportunity and take on bold challenges in growth markets

2020 was supposed to be a year of rapid growth generated by significant increases in international departures and arrivals from the Tokyo metropolitan area. However, the COVID-19 pandemic turned the situation upside down and I felt frustrated. I will instead look ahead to the future when the pandemic subsides and make preparations to capture emerging demand. For example, our main target on international routes is the growing number of transit passengers from Asia and North America, triggered by Asia’s economic growth. Previously, we developed products and services tailored to the tastes of international travelers and strengthened cooperation with our joint business partners. But now we are building networks with convenient connections based out of Narita and improving on our marketing strategies to increase our share in competitive markets.

Given the environmental challenges we face, I will continue to do my best to capture growing demand and put the FSC business back on the growth track.
Air Passenger Business/FSC (domestic passengers)

Enhance product competitiveness and capture growing demand to improve profitability

On domestic routes, we expect the impact of COVID-19 on passenger demand to subside from the end of 2021 to the first half of 2022. However, major changes in workstyles and lifestyles are expected, such as the proliferation of remote work and web conferencing.

As passenger demand recovers, we will strengthen measures to meet air transport demand between the Tokyo metropolitan area and regional areas in Japan, stimulated by new lifestyles and values, and measures to capture growing inbound demand.

Capture growing demand

We will strengthen measures to meet air transport demand between the Tokyo metropolitan area and regional areas in Japan, stimulated by new lifestyles and values, and measures to capture growing inbound demand.

- Establish fares and tours leading to urban-to-rural migration and promotion of workation
- Strengthen overseas sales to attract inbound demand to regional areas across Japan

Renew aircraft and optimize routes to improve profitability

We will maintain business size but optimize routes and enhance product competitiveness to improve profitability.

- Reduce maintenance costs through early retirement of old aircraft
- Enhance product competitiveness and reduce CO2 emissions and operating costs by upgrading to the fuel-efficient Airbus A350-900
- Expand Okinawa routes, with growing demand (open new routes and allocate large aircraft)

Develop regional networks with Group airlines and vitalize regional areas

JAL Group airlines (JAL, J-AIR, JAC, HAC, JTA, RAC), which have close ties with the local community, will leverage their community-based strengths to communicate the charms of the region and fulfill their mission as lifeline routes.

Furthermore, we will build JAL Group networks that connect regional areas in Japan with the world to achieve growth and development with the regions.

- Develop tour packages to World Heritage sites
- Explore and develop tourism materials in regional areas in cooperation with local governments and partners

Illustrative Revenue Trend

<table>
<thead>
<tr>
<th>Changes in the number of aircraft</th>
</tr>
</thead>
<tbody>
<tr>
<td>A350: 777 to 777 (0% change)</td>
</tr>
<tr>
<td>A330: 777 to 777 (0% change)</td>
</tr>
<tr>
<td>Other: 777 to 777 (0% change)</td>
</tr>
</tbody>
</table>

* Employee’s Commitment

Protect sustainable livelihoods on outlying islands and contribute to regional revitalization

Over 80% of the networks operated by JAPAN AIR COMMUTER (JAC) are lifeline routes to outlying islands. Our mission is to protect their lifelines, such as hospital visits, nursing care, and the transport of healthcare and infrastructure workers and medical and daily essentials. We have maintained flights even in the COVID-19 pandemic, while keeping flight reductions to the minimum so that the network will not be disrupted.

As you may know, several islands in Kagoshima and Okinawa prefectures; Amami-Oshima Island, Tokunoshima Island, the northern part of Okinawa Island, and Inume Island as a World Natural Heritage site (Top JTA, Bottom: RAC)

The JAL Group Value Creation Story
Air Passenger Business Domain/LCC

Build global networks of three LCCs based out of Narita ~ “Connecting Regions in Japan with the World” ~

One of the pillars of the Medium Term Management Plan is to strengthen and expand the LCC business and increase revenues in growing VFR* travel markets. As part of these efforts, we will inject additional capital into Spring Japan and Jetstar Japan, develop businesses with the three LCCs including ZIPAIR, and build LCC networks based out of Narita, while adapting to market changes post COVID-19.

The JAL Group will build global networks leveraging the strengths of the three LCCs based in Narita, with safety and security as our top priority, to connect regional areas in Japan with the world. We will also contribute to regional revitalization and meet diverse customer needs.

* VFR: Visit Friends and Relatives

Illustrative Revenue Trend

Cities in Japan

Narita Airport

ZIPAIR

Jetstar

Spring

Cities in China

North America

Southeast Asia

China-focused LCC

ZIPAIR

First Mid-to-long Haul LCC in Japan

Capture demand in global major cities utilizing high-performing 787 aircraft
- Create low-yield travel demand in Asia, US West Coast, Hawaii, etc.
- Utilize belly space as a revenue source

Expansion to 10 aircraft by FY2024
- Introduce two aircraft per year

China-focused LCC

China-focused operation utilizing small aircraft partnering with Spring Airlines, the largest LCC in China
- Attract inbound tourists from China leveraging Spring Airlines’ strong brand recognition in China

Consolidate SPRING JAPAN in June 2021
- Achieving high-quality, low-cost operation fully leveraging resources of JAL Group

Capture latent demand in regional cities in China
- Targeting Chinese cities with a population of more than 10 million, we will develop new “white spots” where direct flights are not yet available.

Strong LCC Network in the Tokyo Metropolitan Area

Lead the growth of the domestic LCC market by leveraging the business model we have developed
- Capture tourism demand, mainly through domestic flights from/to the Tokyo metropolitan area (Narita)
- Increase revenues under the dual-brand strategy with JAL in domestic flight operation

Improve profitability through business restructuring
- Enhance profitability by reviewing the fleet and network, and enhance cargo revenue
- Partnering with the Qantas/Jetstar Group to strengthen marketing and revenue management
- Utilization of aircraft parked at night for short-haul international flights will improve operations.

VOICE

Employee’s Commitment

Become a “NEW BASIC” Airline

ZIPAIR is the newest airline in Japan that started last year. Even amidst the COVID-19 pandemic, we have offered services that are “just right” for customers traveling overseas. We cater to the diverse needs of our customers by differentiating ourselves from other LCCs, such as offering full-flat seats, which are unusual for an LCC, free in-flight Wi-Fi, and flat fares for children under six. As a result, we are receiving more and more positive comments such as, “I’m glad I chose ZIPAIR. I will fly with you again when returning home.” We are constantly striving to find out what kind of service satisfies our customers. After COVID-19 is contained, we look forward to the day when we can welcome many more customers. I will perform my duties responsibly to support flight safety and high quality operations of ZIPAIR.

HATANAKA Aoi
Chief Cabin Attendant ZIPAIR Tokyo

Note: Illustrative map
Meet market and customer needs and achieve stable business development

In fiscal 2020, when COVID-19 began to run rampant around the world, we experienced a shortage of capacity to transport air freight due to the significant global reduction of passenger flights. Under these circumstances, we actively operated cargo flights using passenger aircraft on international and domestic routes to create capacity and transport medical products and daily essentials to meet customer needs. Especially on international routes, we used freighters of partner carriers overseas and secured maximum capacity in the tight air cargo market.

Agile capacity strategy

- Speedily increase capacity and networks by utilizing LCCs and enhanced partnerships to capture growing demand
- Improve convenience of domestic and international flight connections and optimize networks connecting regional Japan and the world

In order to respond to the strong cargo growth trend, we will implement agile capacity strategies through our partnerships and expand our network, using cargo space on passenger aircraft to the maximum capacity. Furthermore, we will position e-commerce, home delivery, healthcare products (pharmaceuticals and medical products), food and local specialties as strategic products, provide high quality services, and ensure profitable growth.

Focus on spot demand

- Demand for advanced transportation services is increasing due to changes in commodities that are transported prompted by changes in lifestyles.

Focus on spot demand and establishing a system to respond to demand

- e-commerce and home delivery
- Healthcare products (pharmaceuticals and medical products)
- Food and local specialties

Shorter lead time
Thorough quality control management
Build a production system

Carry the sentiments behind vaccines

Since we became the first in Japan to transport pharmaceuticals on international flights, we have pursued air logistics services to support safety and security in society, such as developing cold storage facilities and transport equipment and establishing procedures to meet the needs of each customer. I am in charge of transporting special cargo such as pharmaceuticals and I am also project leader of COVID-19 vaccine shipments. I am especially determined to put my knowledge and experience to work to make sure that not a single bottle is wasted. We are applying our knowledge on temperature control, monitoring transport time and cargo conditions to ensure the quality of vaccines and fulfill our responsibility to society.

The shipments consigned to us are filled with the customers’ sentiments. I will do my best to carry the sentiments behind the vaccines by working professionally and providing the highest level of value through the transport of air freight transportation.
Mileage, Lifestyle and Infrastructure Business

Expand domains leveraging JAL Group’s strengths

The dramatic decline in air transport caused by the pandemic has raised awareness of the importance of establishing non-airline revenue streams and pursuing compatibility and synergies with the airline business to achieve future growth.

We will draw on JAL Group’s strengths; our customer base, brand, and human skills, to achieve growth in profitable domains.

Strategic outline of Mileage, Lifestyle and Infrastructure Domain

| JAL Group’s strengths | Customer base/Brand | Human skills |

Mileage and Lifestyle Business Domain

Increase revenue opportunities by deepening customer relationships

Contracted Services Domain (Ground Handling/MRO/Cargo)

Maximize technical capabilities to ensure safe operations, and promote a business model that supports the needs of the airline industry

Regional Business Domain

Evolve into a community-based solution business through regional revitalization initiatives

Next Generation Air Mobility Domain

Co-develop next-gen transportation and mobility infrastructure with global partners

Mileage and Lifestyle Domain

Illustrative Revenue Trend

Deepen customer relationships and create new revenue streams in non-airline domains

We will actively utilize the JAL Group membership base and mileage domain, which we have cultivated in the airline business, to provide new value in customers’ daily lives and life stages and create new revenue streams in non-airline domains.

In the mileage domain, we will expand opportunities for customers to earn and use miles in their daily lives and lifestyles, continuously improve the appeal of the JAL Mileage Bank (JMB) program and increase sales.

In financial services, we will increase the number of JAL NEOBANK™ members and establish a customer base in financial services, using JMB’s customer base.

In the commerce (product sales) domain, we will expand our product sales business leveraging JAL’s brand values and unify sales points of e-commerce sites to develop a comprehensive, user-friendly e-commerce platform.

The JAL Group will continue to pursue an operator-friendly, user-friendly frequent flyer program to bring JAL closer to the customers’ daily lives.

Pursue a user-friendly mileage program that brings JAL closer to the customers’ daily lives

Provide new values in the customers’ daily lives and life stages using JAL Group’s membership base and mileage domain

Continue efforts to enhance and differentiate the airline’s business model

Expand opportunities to “earn” and “use” miles by increasing collaborative partners

Increase revenue opportunity by creating services accessible during the daily life of a customer

Mileage Business

Continue efforts to enhance and differentiate the airline’s business model

Expand opportunities to “earn” and “use” miles by increasing collaborative partners

Increase revenue opportunity by creating services accessible during the daily life of a customer

Mileage and Lifestyle Domain

Financial Services

- Banking
- Expand JAL NEOBANK™ members
- Offer travel reserves and housing loans
- Insurance
- Insurance products in line with each itinerary
- Securities
- Offer investment services according to the stage of life

Product sales domain

- Enhance accessibility for users
- Develop and offer proprietary products in collaboration with Regional Domain teams

JAL Group Member Base

Daily life

©Volocopter ©Volocopter ©Bell Textron Inc.
Regional Business Domain

Create new flows utilizing JAL Group’s strengths and regional resources

The objective of regional business, in addition to air transport, is to utilize our strengths including employees’ knowledge, experience, and skills, and regional resources to create new and sustainable flows of people in order to solve regional problems and contribute to revitalizing regional economies. Launched in November 2020, the Regional Vitalization Division acts as a bridge and driving force for JAL Group’s regional activities. It makes continuous efforts to solve regional problems together with JAL district branches, district airport and cargo branches, JAL Furusato (hometown) Ambassadors and JAL Furusato Cheering Teams, and communities in each prefecture. We will connect regions in Japan with the world and people with people and create new flows, applying JAL Group’s strengths and regional resources to seven priority businesses: travel (new tourism), inbound tourism, sales channels, logistics, human resources development, intermodal transport, healthcare, and the environment.

Regional Resources
- Tourism resources (rich natural environment, cultural heritage, etc.)
- Regional specialty goods
- Wide variety of art and culture

Regional Business
- Seven Priority Businesses
  - Travel
  - Inbound
  - Transportation
  - Logistics
  - Healthcare
  - Environment
  - Intermodal

JAL Strengths
- Network
- Human resources
- Customer base

Strategy of contracted services business

- Provide airlines and public agencies with various services leveraging our facilities/equipment and human skills cultivated in air transportation
- Build a solid supply structure in alliance with partners to flexibly respond to changes in demand trends and expand our market share
- Expand businesses in the contracted services domain using our strengths to support the development of society and the aviation industry

Ground Handling
- Lead the way to a tourism-oriented country by supporting air travel demand
  - Expand Market Share
    - High quality and stable services to meet various demand (certified by SAGI)
    - Package services including administrative operations
    - Airline marketing to global airlines in collaboration with local municipalities

MRO
- Offer various maintenance and technological services from operation support to equipment services
  - Upgrade Service
    - Operations support including responses to irregular events and provision of parts, equipment and tools
    - Maintenance services for engines and landing gears
    - New businesses leveraging expertise in air transportation technologies, training programs, logistics, etc.

Cargo
- Provide comprehensive logistics services to meet strong cargo demand
  - Enhance Logistics Service
    - Extensive contracted services of cargo handling mainly at hub airports in Japan
    - Strengthened comprehensive logistics services using cargo shed facilities
    - Safety and quality of transportation leveraging technological support

Employee’s Commitment

Bring smiles to everyone’s FURUSATO (hometown)

There are many beautiful places in Japan, which are less traveled and unknown to many people. My mission is to discover their “treasures,” work with the local community to find solutions to draw visitors and put our ideas into shape in ways that only the JAL Group can make possible. In JAL FURUSATO NOZEI (hometown tax payment charitable contributions), I started a column on the JAL website outlining what each region has to offer, such as places for nature lovers, delicious local cuisine, handicraft by artisans, and the people in order to connect our customers with local communities. I am meeting with local government officials to increase the number of participating municipalities in JAL FURUSATO NOZEI. I will continue to do my best to bring smiles to everyone’s hometown.
Create a prosperous and sustainable society by shortening the distance between people, products, and things

In order to develop next generation air mobility and create a prosperous and sustainable society, we are working to commence the drone logistics business in fiscal 2023 and the air taxi business in 2025, including studies and trials on the practical and expanded use of eVTOLs, in partnership with developers, Volocopter GmbH of Germany and Bell Textron Inc. of the U.S.

In particular, eVTOL aircraft carrying passengers are expected to be used in a wide range of areas such as rescue operations and disaster relief, in addition to air taxi services from rural to urban areas, utilizing their maneuverability like that of a helicopter.

The JAL Group will contribute to solving regional issues and creating new flows in regions in Japan by providing new mobility services.

Toward an Air Mobility Revolution

Solving regional logistics issues with drones

We are conducting studies on the commercial viability of logistics drones to solve regional issues in rural cities. In October 2020, four companies including Japan Airlines signed a partnership agreement with Setouchi Town (Ainami-Oshima) with the aim of solving regional issues in outlying islands using drones. We plan to conduct demonstration tests using large drones.

Air taxi service using eVTOLs

As it is important to expand the use of eVTOLs and increase their acceptance by society, we are working closely with local governments towards this end.

In April 2021, Japan Airlines and Mie Prefecture signed a next generation mobility partnership agreement to commercialize air taxis. We will work to revitalize regions by revolutionizing mobility.

EXPO 2025 OSAKA, KANSAI

An age of new air mobility is about to start from your town. At EXPO 2025 OSAKA, KANSAI, visitors will be able to enjoy a new experience using air taxis, including a sightseeing flight around the venue, Yumeshima, and airport shuttles between the venue and airports.

The JAL Group will continue to promote initiatives using the creative ideas of our employees to bring more smiles to people’s faces.

The JAL Group will continue to revitalize regions by revolutionizing mobility.

As various school events were conducted in different forms in the pandemic, we assisted in providing memorable school trips to various destinations with innovative ideas of safe and secure air travel.

In Mie Prefecture, a local resort character cheerfully sent off the students at the boarding gate and handwritten messages written by JAL employees were placed inside the school postbox. On the plane, the students clapped with glee to the many surprises prepared by JAL Group employees, and we received many messages of thanks from the teachers and students.

For schools in Nigata and Chiba prefectures, where school excursions were cancelled, we operated a sightseeing flight and let them experience the excitement of air travel by making flight announcements, taking photos from the plane, and using in-flight entertainment equipment. With the cooperation of customs and the airport building, they had a simulated experience of going through immigration with passports handmade by airport staff. In Ishikawa Prefecture, we operated a sightseeing flight above Mt. Fuji.

In addition, the students observed the airline industry behind-the-scenes by watching ground handling vehicles at work, experiencing check-in duties, and listening to lectures by cabin attendants and maintenance engineers.

The JAL Group will continue to promote initiatives using the creative ideas of our employees to bring more smiles to people’s faces.

Voice

Employee’s Commitment

Maintain safety and security in new air mobility

Driven by major changes in values brought about by COVID-19, the JAL Group is preparing to commercialize new air mobility such as drones and eVTOLs. The most important thing about aerial vehicles is ensuring safety. In 2020, we opened JAMOA (JAL Air Mobility Operation Academy), a drone operator training program utilizing our know-how in airline pilot training. We hope to create safe and new air mobility by combining the know-how in operations that we have cultivated in the airline business, such as safety management, aircraft maintenance and operations control, and new eVTOL technology, and create a prosperous society where everyone can live comfortably anywhere as they please.

Based on the shared commitment of all JAL Group employees to deliver safety and comfort in air travel, we will promote the practical use and expansion of air mobility.

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Making memories with “Air Travel”

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The JAL Group will continue to promote initiatives using the creative ideas of our employees to bring more smiles to people’s faces.
Safety and Comfort

Measures to ensure safety

All JAL Group employees always act with awareness that safety is the basic foundation of business. As a leading company in safety, we will bolster our efforts to increase our safety layers to prevent unsafe events. In addition to safety initiatives directly related to aircraft operations, we will contribute to creating a safe and secure society by addressing social issues and environmental changes. For this purpose, we will collect a wide range of internal and external information, improve analytical skills using digital technology, strengthen partnerships with manufacturers to increase flight safety, heighten aviation security against increasingly diverse terrorist threats, develop next generation air mobility, and adapt to changes in the environment such as infectious diseases. Furthermore, we will foster safety awareness by continuously passing on lessons from past accidents and thoughts on safety to the next generation, and to develop safety professionals who always act on the basic foundation of safety.

Create a Safe and Secure Society

Accumulate safety layers and create a safe and secure society as a leading company in safety.

Advanced Safety Measures Utilizing Digital Technologies

Safety Measures in Flight Operation

- Safety of Flights and Aircraft
  - Systems to prevent injuries in turbulence
  - Failure prediction combining maintenance expertise and new technologies (AI/data analytics, etc.)
- Strengthen aviation security and adapt to environmental changes
  - Expand in-flight satellite equipment
  - Establish safety management in the air mobility field

Prevention of Infectious Disease

- Touchless solutions and social distancing
- Expand JAL SMART AIRPORT
- Use digital certificates to support safe and secure transportation

Human Resources for Safety Management

- Human resources who think and act on the basic foundation of safety
  - Expand safety education to learn from past accidents based on the Three Actuals Principle (actual place, actual object and actual people)
  - Improve on the employee assistance program, a counseling service for employees with personal difficulties including mental and physical health problems, and create an environment where employees can focus on safety

Create a new customer experience in air travel and on the ground

Measures to Offer Comfort

The JAL Group aims to offer comfort to our customers and create a prosperous future that brings smiles to everyone. In post-COVID-19 air travel, in addition to providing high quality essential services with top priority on safety and comfort, we will offer personalized products and services by launching “Personalized Concierge” service which combines digital technology and human resources.

We will also provide new financial and e-commerce services in the customers’ everyday lives and life stages through building strong relationships with regions and other companies. We will create a new customer experience that delivers personalized value in both air travel and daily life, and provide “Tailored Comfort” to suit each customer in every situation.

Create a new customer experience in air travel and on the ground

Offer personalized values through digitalization and build relationships with people and regions

Providing “Tailored Comfort” to each customer in every situation

Safety and Basic Quality

- Best-in-class In-flight Services
  - In-flight comfort at the state-of-the-art cabin of A350-1000
- Personal Concierge
  - Human services and digital communication tailored for each customer
- Expansion of Opportunities to Use Mileage
  - Greater opportunities to “use” and “accumulate” miles by increasing JMB partners
- Services in Financial and Commerce Fields
  - New business development leveraging the customer base and mileage program
- Goods and Services for SDGs
  - Choice of services leading to the reduction of food loss, contributing towards regional revitalization with new services and improved accessibility to promote universal travel
- Collaboration with Communities/MaaS
  - Creation of new styles of travel combining transportation modes, etc.
- Address Diverse Needs
  - Choices suitable for diversification of market utilizing LCC, alliances and business jet, etc.
The global spread of COVID-19 has rapidly changed people’s values and behavior. Against this backdrop, the JAL Group will clarify and deepen fundamental initiatives and accelerate values and behavior. Against this backdrop, the JAL Group will continue to actively invest in creating environments to nurture human resources and utilize individuality to create new value and improve productivity.

Human Resources Strategy

Achieve sustainable growth and development through the united efforts of the JAL Group

The global spread of COVID-19 has rapidly changed people’s values and behavior. Against this backdrop, the JAL Group will clarify and deepen fundamental initiatives and accelerate values and behavior. Against this backdrop, the JAL Group will continue to actively invest in creating environments to nurture human resources and utilize individuality to create new value and improve productivity.

Human resource base for growth and development

On firmly instilling JAL Group’s universal foundations, namely the JAL Philosophy and the divisional profitability management system, we will continuously promote employee wellness and develop autonomous employees who think and act for themselves, thereby solidifying the human resource base and organizational base that will support our growth.

Leverage the activities and challenges of diverse human resources to realize “JAL Vision 2030”

Human resources are a source of value creation for the JAL Group and a driving force for achieving sustainable growth and development. We will respect the diverse individuality and autonomy of our employees and actively implement initiatives to promote personal growth. Although the current situation remains uncertain, we will treat environmental changes as opportunities to create a safe and secure society and a sustainable future as articulated in “JAL Vision 2030” through the joint efforts of all employees.

Achieving high productivity with environmental changes as an opportunity

Through these efforts, the JAL Group will work as a team to achieve sustainable growth and development with society.

Human resource investment policy

The JAL Group has established a system linking important human resource development processes such as recruitment, education, performance review, and training in order to maximize human resource value. We have pursued world-class innovation to enable diverse human resources to work with motivation regardless of gender, nationality, age, or other variables, and have actively invested in office environments and digital devices. We will continue to actively invest in creating environments to nurture human resources and allow individuality to create new value and improve productivity.

Achieving growth in non-FSC business domains

In order to adapt to market changes caused by the pandemic, we need to urgently promote growth of non-FSC businesses. We therefore reviewed our organizational structure and clarified responsibilities for business and performance in each domain. Looking ahead to growth after the recovery phase, we will shift human resources, for example, in the FSC domain to new growth domains. Through these efforts, the JAL Group will work as a team to achieve sustainable growth and development.

Measures and initiatives related to ESG strategies such as D & I are described on pages 87-96.
Digital and IT Strategy

The goal of DX is to maximize the customer experience (CX) by delivering new value and unparalleled services, as well as maximizing the employee experience (EX) through workstyle innovation to improve business quality and productivity. To achieve this, the Digital Innovation Division was established in April 2021 to integrate DX functions in the JAL Group and implement DX across all functions. At the same time, the Steering Committee for the Promotion of Digital Transformation, comprising directors from 14 divisions, was established to check progress of DX projects, discuss issues and priorities, and establish a decision-making system.

Achieving these goals requires speedy execution of investments in three layers: building next generation IT infrastructure, digitalizing business processes, and promoting DX.

By steadily implementing these investments, we will evolve intellectual capital, diverse know-how in services, technology, IT systems, to a higher level in all domains.

Building next generation IT infrastructure

In building IT infrastructure, which will become increasingly important in the future, we will heighten security to ensure data integrity and improve data infrastructure which supports big data and AI.

To maximize CX, we will develop smart mobility solutions using mobile services. We will also develop Maids (Mobility as a Service) for supporting a seamless journey, which we first provided in Hawaii, and offer personalized service and multilingual support on an autonomous wheelchair.

To maximize EX, we are using AI and RPA (Robotic Process Automation) to improve productivity and efficiency, training crew and maintenance engineers using Digital Twin (a digital replica of an object such as a jet engine), upgrading operations based on integrated flight data, and developing failure prediction using an autonomous wheelchair.

Maximizing the customer experience (CX)

Japan Airlines opened the JAL website, jal.co.jp, in 1995, and became the first airline in Japan to offer online ticket reservations the following year. In 2017, we renewed and laid the groundwork for a passenger service system for the first time in 50 years and promoted DX.

going forward, we will continue to provide new services such as mobile apps and innovate business models with speed using our innovation platform built by diverse human resources while expanding partnerships with external partners.

Digital and IT Strategy

Value Maximization of Customer Experience (CX)

Connect various touchpoints around customers

Human Resources Technology

Digital Transformation (DX)

Providing New Customer Experiences

Continuous Improvement of Employee Experience

IT Platform as a Backbone of the Business Strategy

Human Resources X Technology to Promote DX

Human Resources X Technology to Promote DX

JAL Innovation Platform

Collaborating with people outside the company to promote digital transformation (DX)

Human Resources X Technology to Promote DX

Digitalizing business processes

To maximize CX, we will develop smart mobility solutions using mobile services. We will also develop Maids (Mobility as a Service) for supporting a seamless journey, which we first provided in Hawaii, and offer personalized service and multilingual support based on customer data.

At airports, we are working to offer remote customer service using our avatar robot JET, lounge access with facial recognition, self-order menus with mobile devices, and barrier-free mobility on an autonomous wheelchair.

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Promoting DX

We have created “Sozo-no-Tsubasa” (Wings of Creation), an intra-entrepreneur contest for employees to challenge themselves in new domains, opened the JAL Innovation Lab as a base for creating new value and new businesses, and built JAL Innovation Platform using the JAL Innovation Fund for investing in startups inside and outside Japan to assemble internal and external knowledge. In these ways and more, we would like to put more effort into expanding open innovation in collaboration with people and organizations outside the company and create new value, using our human resource capabilities and combining human resources and technology to promote DX.
Finance Strategy

We will accomplish rebuilding financial foundation as we committed toward post-COVID growth.

The spread of COVID-19 infection drastically changed our business environment, but we have a solid corporate culture that has been developed through revenue and cost management based on divisional profitability management system. We will improve our performance all together by improvement of productivity and efficiency and further cost reduction through group-wide business restructuring with the COVID experiences. Conducting those measures, we will retrieve robust financial foundation by fiscal year 2023 for realizing further post-COVID growth.

\[ \text{Liquidity} \]

\[ \text{Leverage} \]

\[ \text{Credit rating} \]

\[ \text{Capital efficiency} \]

\[ \text{Steady cost control and sufficient liquidity} \]

This is the second COVID-year this year but even if the COVID infection continues, we have secured sufficient financial foundation for the prolonged COVID effects. Going forward, we will conduct thorough cost reduction and investment management to minimize monthly cash outflow and financial liquidity through our financing capability based on our solid financial foundations.

\[ \text{Toward rebuilding financial foundation and sustainable development} \]

The JAL Group has been focusing on efficiency, instead of size, to establish management structure with risk tolerance. In this prolonged difficulty, it is time for us to show our tolerance. Yet, we believe that air demand to/from Japan will grow in a mid- and long-run in spite of the temporary decrease caused by COVID-19. The JAL Group will continue to cope with this unprecedented difficulty by taking appropriate measures to increase revenue and decrease costs as much as possible. Those measures include appropriate capacity adjustment, revenue maximization amid the boosted cargo demand, and demand-stimulating measures. We will improve our profitability as our passenger demands recover, and then we will accomplish rebuilding financial foundation as soon as possible and conduct growth investment with financial disciplines toward sustainable growth to increase our corporate value.

\[ \text{Rebuilding financial foundation} \]

Management resources are allocated strategically toward enhancing risk tolerance and improving capital efficiency at the same time.

During the first three years in the Mid-term Management Plan, we will focus on rebuilding our financial foundation that has been damaged by the spread of COVID-19 infections to recover solid financial foundation by fiscal year 2023. Then, we will conduct growth investment activity toward sustainable growth from fiscal year 2024 toward revenue growth and corporate value increase. We will pursue risk tolerance enhancement and capital efficiency at the same time.

For liquidity, we set an appropriate level of liquidity as 5.0~5.6 months of passenger revenues, considering sufficient tolerance for refund risk that is associated with passenger revenue size which varies largely when any event risk occurs. We will maintain that amount of liquidity using credit line to accomplish risk tolerance enhancement and capital efficiency at the same time.

\[ \text{Set an appropriate level of liquidity as 5.0~5.6 months of passenger revenues after the COVID-19 pandemic} \]

\[ \text{Secure liquidity that will enables us to tolerate risks according to the size of passenger revenues subject to potential significant impact if any event risk occurs} \]

\[ \text{Secure an appropriate level of cash and deposits considering asset efficiency} \]

\[ \text{Dividend} \]

\[ \text{Total return} \]

\[ \text{Discipline} \]

\[ \text{Allocation of Resources} \]

\[ \text{Shareholder Return} \]

\[ \text{Preparation for event risks} \]

\[ \text{Financing} \]

\[ \text{Leverage} \]

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Toward shareholders return and growth investment

We will scrutinize investment during the financial foundation rebuilding period, and then will actively conduct shareholders return and growth investment.

Cost management

Flexible variable cost management and fixed cost reduction through structural reforms and further streamlining and productivity improvement

The JAL Group has been conducting disciplined cost management through divisional profitability management system for thorough cost reduction. We are coping with decrease of passenger demand caused by the spread of COVID-19 by swiftly adjusting our capacity to minimize variable costs for appropriate cost control. Also, out of the total fixed costs, costs that may vary according to operational size or the number of passengers and temporary or additional costs that are associated with structural restructuring are excluded to calculate actual fixed cost. The actual fixed cost in fiscal year 2020 was 550 billion yen, 50 billion yen down from the previous year. We will maintain this 500 billion yen level of actual fixed cost for later years by steady cost control through business restructuring and improvement of efficiency and productivity.

Cost management

Flexible and swift adjustment of supply to control variable costs

Reduction of actual fixed costs* to the FY2020 level through structural restructuring and further streamlining and productivity improvement

Illustrative Reduction of Actual Fixed Costs*

Initiatives for Cost Reduction to Offset Cost Increase

- Optimization of the fleet size
- Improve productivity
- More efficient operation with less manpower through adoption of JAL SMART AIRPORT
- Utilization of systems to improve cost efficiency, etc.

Maintain the FY2020 level

JAL regards shareholder return as one of our most important management matters. Our fundamental policy is to actively implement return through continuous and stable dividends and flexible share repurchases, while securing internal reserves for investments for corporate growth in a future and business environment changes and for building a strong financial structure.

The prolonged COVID-19 spread is affecting the JAL Group’s short-term performance severely, nonetheless we believe it is yet temporary and it does not cause fundamental changes to our profit structure, therefore we will not change the above basic policy.

Unfortunately, the prolonged COVID-19 spread made passenger demand recovery unforeseeable throughout the fiscal year 2020. Considering the above situations, we regretfully determined not to pay the interim dividend and the year-end dividend for fiscal year 2020 in order to secure liquidity at hand and maintain financial stability. We would like to ask for shareholders’ understanding in this situation. During the term of the Mid-term Management Plan, we will aim for dividends as early as we can, and while watching development of financial foundation rebuilding, we will aim for rest of stable and continuous dividends and flexible share repurchase.

Also, we set our profit target at 170 billion JPY in fiscal year 2023 to make them equivalent to a pre-COVID level of 260 yen. We will achieve 10% EBIT margin and 9% ROIC in fiscal year 2023 to make them equivalent to a pre-COVID level and further maintain or improve those targets. We will strive altogether to make sufficient profits that will recover dilution caused by the public offering conducted in November 2020 and realize stable and continuous shareholder return.
### Investment strategy

We will advance effective investments with disciplined investment control

Prior to COVID-19, we had invested more than 200 billion yen annually toward the expansion of Tokyo metropolitan area airport capacity. However, during the term of the Medium Management Plan, we will focus on rebuilding financial foundation and sustainable growth investments at the same time. For the first three years till fiscal year 2023, we will scrutinize investments such as introduction of fuel efficient A350 to reduce CO2, LCC business enhancement or IT investments for “contactless” or efficiency improvement. The average investment per annum is expected to be about 150 billion yen. From fiscal year 2024, we will enhance sustainable growth investment. The average investment per annum for the latter two years is expected to be about 200 billion yen, which makes the total investment for the five years about 850 billion yen.

![Graph showing investments for FY2017~2025](image)

<table>
<thead>
<tr>
<th>Period</th>
<th>Investment (billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017~2019</td>
<td>220~230 (3-year total: 700)</td>
</tr>
<tr>
<td>FY2021~2023</td>
<td>150 (3-year total: 450)</td>
</tr>
<tr>
<td>FY2024~2025</td>
<td>200 (2-year total: 400)</td>
</tr>
</tbody>
</table>

Consider non-organic growth opportunities depends on the status of cash flows.

**Aircraft**
- Continuous introduction of A350-900
- LCC business
- DX promotion, JAL SMART AIRPORT

**Other**
- Introduction of A350-1000 into international routes
- Expansion of business domains
- Promoting initiatives to achieve SDGs

**Targeted investment with restrained size:**

**Sustainable growth through:**

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### Dialogue with Stakeholders

**Events for Investors**

Each year, we hold various events for investors such as individual meetings, briefings on the Medium Term Management Plan and financial results, IR DAY, small meetings with the CEO and CFO, overseas IR sessions for institutional investors, and presentations for individual investors. In fiscal 2020, these events were held online to maintain close dialogue with market participants. Valuable opinions are fed back to management, the Board of Directors and relevant departments to be reflected to Group management.

Going forward, we will further improve the quality of disclosure and dialogue and continue these IR events to increase corporate value.

**IR DAY**

IR DAY has been held annually since 2017, and it was held in May 2021 for investors and analysts. In addition to dialogue with top management on the Medium Term Management Plan announced in May, we created opportunities for dialogue, centered on questions and answers, with directors who are in charge of the full service carrier (FSC) business, low cost carrier (LCC) businesses, and our new domains; Mileage and Lifestyle Business and Regional Business. External Director Sonoko Hatchoji participated in the meeting, where she deepened investors’ understanding on JAL Group from various perspectives through dialogue on corporate governance with investors.

**Presentations and briefings for individual investors**

In August 2021, we held a briefing for individual investors, which was attended by more than 100 people. Representative Director, Executive Vice-President Shimizu provided basic background information about the company and explained the Medium Term Management Plan and COVID-19 initiatives including episodes on the frontline. We received positive feedbacks from many participants that our corporate culture of proactive work behavior even during the pandemic has filtered through the company. Also, they replied that their impression of JAL Group was improved. We will continue to provide opportunities for further dialogue with individual investors.

**Evaluation by external organizations**

The JAL Group is working to build trusting relationships through two-way communication. Our proactive disclosure of information was highly recognized by external organizations.

Received the IR Good Visual Award from the Japan Investor Relations Association

Ranked No. 1 in the Transportation category for “Award for Excellence in Corporate Disclosure” sponsored by the Securities Analysts Association of Japan

Click here for more information.
Creating a sustainable society through our business

JAL Group’s business environment

The COVID-19 pandemic has not only changed lifestyles but also posed unprecedented challenges to society. It was a year where we more strongly felt the importance of securing transportation for the circulation of people and goods necessary for daily life. Furthermore, we felt the importance to accelerate our efforts to address social issues, such as infectious diseases and climate change. At the same time, we will seize this opportunity to actively contribute to creating a sustainable society through our business, such as improving public hygiene through the transport of medical supplies and revitalizing regional areas by expanding sales channels for local specialties.

Foundation for ESG management

The JAL Group Medium Term Management Plan positions ESG strategy as one of the pillars of strategic management for promoting ESG management and achieving the SDGs. “JAL Vision 2030” expresses the central, transformative promise of the SDGs, “Leave no one behind,” and our commitment to “realize an affluent society where each one of us can sense and hope for a brighter future.” Our employees base their actions on the JAL Group Corporate Policy, the JAL Philosophy and the JAL Group Code of Conduct “Commitment to Society”, and fully understand that “each of us makes JAL what it is” and “Today will be better than yesterday and Tomorrow better than today.” This is JAL Group’s strength and the driving force for addressing social issues and contributing to the betterment of society.

ESG promotion system

In order to further promote ESG management, we have established the Sustainability Promotion Council chaired by the President to raise the bar on our sustainability initiatives including addressing climate change and respect for human rights. The Council sets numerical targets and KPIs in each priority area and reviews. The Board of Directors has also strengthened its function to achieve sustainable increases in corporate value, such as holding in-depth discussions on sustainability, long-term issues and visions. Going forward, we will provide external stakeholders with more opportunities for dialogue in order to incorporate social trends in our initiatives in a timely manner and improve proactive communication of our sustainability approaches and initiatives.

Supported by the unwavering efforts of our employees

The unwavering efforts of every employee as well as leadership by management are essential to driving sustainability initiatives in diverse areas. We feel that an engaged and conscious workplace, where diverse individuals work energetically and achieve personal growth will lead to corporate growth and continuous value creation, which is indispensable to society. It is important that our employees have a “feel” of the relationship between their work and the SDGs; therefore, we are providing training and information to raise awareness and taking the bottom-up approach to turn their ideas into SDGs initiatives. The JAL Group will take action to achieve sustainable development together with society and become “the world’s most preferred and valued airline group” of our stakeholders.

SDGs Achievement

<table>
<thead>
<tr>
<th>SDG</th>
<th>Specific Initiatives</th>
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<tbody>
<tr>
<td><strong>E</strong></td>
<td><strong>Sustainable Development Goals</strong></td>
</tr>
<tr>
<td><strong>People</strong></td>
<td><strong>Promote ESG management to Achieve SDGs</strong></td>
</tr>
<tr>
<td><strong>Communities</strong></td>
<td><strong>by Specifying 4 Priority Areas, 22 Issues, and c. 180 Initiatives to be Addressed</strong></td>
</tr>
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<td><strong>Environment</strong></td>
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<td><strong>Business Activities</strong></td>
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</table>
Main Initiatives and Medium-Term Targets for Sustainability

The JAL Group has set medium-term targets for each of the "4 priority areas and 22 priority issues" and will promote ESG management to achieve the SDGs through our business and create a sustainable society. Through extensive discussion by management, taking into account global trends, stakeholder expectations, impact on business, the importance of Group goals on management, and the opinions of external experts, 4 priority areas were identified (CO₂ emission reduction, reduction of single-use plastic, increase ratio of female managers, regional revitalization) and established as priority issues in the Medium Term Management Plan. Going forward, we will disclose our achievements each year, expand the scope of our initiatives, and accelerate ESG initiatives.

For more information, please visit the JAL website. [https://www.jal.com/ja/sustainability/]

### Environment

<table>
<thead>
<tr>
<th>22 Issues</th>
<th>Main Initiatives</th>
<th>Target for FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Addressing Climate Change</strong></td>
<td>Reducing CO₂ emissions</td>
<td>Reduction in CO₂ emissions by 2020 compared to base year 2019</td>
</tr>
<tr>
<td>Effective Use of Limited Resources</td>
<td>Reducing single-use plastic</td>
<td>No use of single-use plastic in cabin/hotel</td>
</tr>
<tr>
<td></td>
<td>Reducing food loss and waste</td>
<td>Reduce food waste ratio to 5%</td>
</tr>
<tr>
<td></td>
<td>Paper reduction</td>
<td>Paperless in cargo warehouses</td>
</tr>
<tr>
<td>Prevention of Environmental Pollution</td>
<td>Industrial waste reduction</td>
<td>Final disposal rate: Keep below 1%</td>
</tr>
<tr>
<td>Noise Reduction</td>
<td>Operation with low-noise aircraft</td>
<td>Reduction in noise exposure to 90dB</td>
</tr>
<tr>
<td>Biodiversity Conservation</td>
<td>Prevention of illegal wildlife trade</td>
<td>Number of illegal wildlife transported: 0 times</td>
</tr>
<tr>
<td>Use of certified products</td>
<td>Ratio of paper used with FSC® certified paper used in flights: 100%</td>
<td></td>
</tr>
</tbody>
</table>

### Communities

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<tr>
<th>22 Issues</th>
<th>Main Initiatives</th>
<th>Target for FY25</th>
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<tr>
<td>Route Network Expansion</td>
<td>Preserving and development of regional routes including island routes</td>
<td>More than 62 routes</td>
</tr>
<tr>
<td>Increase Inbound Tourism</td>
<td>Promotion of passengers from outside of Japan boarding on domestic flights:</td>
<td>Over 5,500,000 people</td>
</tr>
<tr>
<td>Improving Convenience in Travel</td>
<td>Commercialization of drone logistics/ eVTOL air taxi service</td>
<td>FY2025: commercialization of drone logistics services</td>
</tr>
<tr>
<td>Regional Revitalization</td>
<td>Increase of tourists to regional areas</td>
<td>+10% v.s. FY19 result</td>
</tr>
<tr>
<td>Community Relations</td>
<td>Promotion of volunteerism</td>
<td>Track participation</td>
</tr>
<tr>
<td></td>
<td>Nurturing the next generation</td>
<td>Track participation programs</td>
</tr>
<tr>
<td>Disaster Restoration Assistance</td>
<td>Disaster relief</td>
<td>Track the value of charity miles donated</td>
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### People

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<tr>
<td><strong>Promotion of Diversity and Inclusion (D&amp;I)</strong></td>
<td>Promoting diverse talent participating actively in work</td>
<td>Group female Managers Ratio: 30%</td>
</tr>
<tr>
<td><strong>Workstyle Innovation</strong></td>
<td>Improvement of working productivity</td>
<td>Total work hours: 1,850 hours</td>
</tr>
<tr>
<td><strong>Health and Productivity Management</strong></td>
<td>Improvement of health check-up participation rate</td>
<td>Ratio of health check-ups taken by employee: Keep 100%</td>
</tr>
<tr>
<td></td>
<td>Ratio improvement of gynecological checkups</td>
<td>Ratio of breast cancer check-ups taken: 70%</td>
</tr>
<tr>
<td><strong>Respect for Human Rights</strong></td>
<td>Conducting of Human Rights Due Diligence</td>
<td>Specifications of issues and conducting of improvement plans</td>
</tr>
<tr>
<td><strong>Human Resources Development</strong></td>
<td>Enhancement of employee training</td>
<td>Training hours per person:</td>
</tr>
<tr>
<td><strong>Improving Accessibility</strong></td>
<td>Promotion of boarding passengers who feel barriers to travelling</td>
<td>Ratio of passengers onboard: 2.5 times vs. FY19 result</td>
</tr>
<tr>
<td><strong>Prevent the Spread of Infectious Diseases</strong></td>
<td>Activation of medical items transportation</td>
<td>≤52% v.s. FY19 result</td>
</tr>
</tbody>
</table>

### Governance

<table>
<thead>
<tr>
<th>22 Issues</th>
<th>Main Initiatives</th>
<th>Target for FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fair Business Practices</strong></td>
<td>Compliance to the Corporate Governance Code</td>
<td>Keep 100% compliance rate</td>
</tr>
<tr>
<td></td>
<td>Function improvement of Board of Directors</td>
<td>Ratio of Outside Directors: Over one third</td>
</tr>
<tr>
<td></td>
<td>Prevention of information leakage</td>
<td>0 days</td>
</tr>
<tr>
<td></td>
<td>Prevention of corruption and bribery</td>
<td>0 days</td>
</tr>
<tr>
<td><strong>Disclosure</strong></td>
<td>Reinforcement of information disclosure in Sustainability pages of the Corporate website</td>
<td>Number of views: Over 5,000,000</td>
</tr>
<tr>
<td><strong>Responsible Procurement</strong></td>
<td>Supply chain management</td>
<td>Soundness confirmation ratio of primary suppliers: 100%</td>
</tr>
<tr>
<td><strong>Promotion of BCM</strong></td>
<td>Improvement of BCM effectiveness</td>
<td>Number of exercises conducted per BCM: 2 times</td>
</tr>
</tbody>
</table>
### Environment

#### Basic Concept (JAL Group Code of Conduct)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Priority issues</th>
<th>Initiatives</th>
</tr>
</thead>
</table>

### Environmental Management

- In order to fulfill our responsibility to pass on the precious Earth to the next generation, the JAL Group has established the Environmental Policy and a promotion system and is working to protect the environment as a corporate citizen and prevent events that may hinder this.

- We have established, implement and maintain the Environmental Management System (EMS) to promote environmental preservation activities appropriately and efficiently while making continuous improvements.

### TOPIC 1  Plastic Waste

#### Effective Use of Limited Resources

The Cargo and Mail Division uses polythene sheets for protection from water damage when transporting pharmaceuticals, food and other daily essentials. Instead of disposing these plastic materials after transport, we have provided them, for 40 years, to Repro Co., Ltd., which manufactures and sells recycled products such as boundary pegs. Repro Co., Ltd. recycles plastic materials to turn them into plastic products such as pegs with built-in IC tags, which are installed in forests for landslide detection and disaster prevention. The Cargo and Mail Division is working to create a recycling-based society, where recyclable resources are reused, by continuously providing materials to Repro Co., Ltd. We are also working to reduce CO₂ emissions during air transport including material procurement by using recycled materials in polyethylene sheets for cargo transport, which emit less CO₂ in the manufacturing process.

### VOICE

From the frontline at Narita Airport

The global spread of COVID-19 has halted the movement of people, but the movement of goods that support daily life has increased. As we can transport the customers’ “sentiments” behind their consignments, we have worked over the past 40 years to provide environmentally sustainable air cargo transport services, and through trial and error, use environmentally friendly alternatives for plastic on the airport frontline in order to make effective use of limited resources. As we work on airport frontlines that have direct interaction with customers, we will look for ways of contributing to society and our customers and cooperate with our partners to reduce the environmental impact of our business.

#### Biodiversity Conservation

### TOPIC 2  Promoting registration as a World Natural Heritage Site

In July 2021, four Japanese islands, “Amami-Oshima Island, Tokunoshima Island, the northern part of Okinawa Island and Iriomote Island”, were registered as a UNESCO World Natural Heritage. These regions, isolated from the mainland several million years ago, have a diverse ecosystem providing habitats for unique species such as the Amami rabbit, Okinawa rail, a species of bird and Inomote wildcat only found here and nowhere else.

The JAL Group has been taking steps to support registration of the islands since 2016. Japan Transocean Air (JTA) formed the World Natural Heritage Promotion Joint Association in 2019 to support this movement through a public-private partnership including local companies and organizations. JTA coordinated with the local government of the northern part of Okinawa Island and Taketomi Town on Iriomote Island to preserve the natural environment, promote regional development, and prevent overtourism after registration.

### VOICE

Protect the rich natural environment and promote the regional economy

In 2019, I was transferred to Taketomi Town on Iriomote Island on a double assignment at JTA Yaeyama Sales Office to mainly support the listing of the islands as a World Natural Heritage Site. I have dealt with urgent issues of the local community such as drifting garbage and killing of the Inomote wildcat and planned beach clean-up and weeding activities to protect the environment. I was deeply moved when the decision was made to register the islands as a World Heritage Site. It was the result of steady and united efforts of the local communities.

I will continue to use the perspectives and knowledge of both the public and private sectors to meet the challenge to protect the rich natural environment and promote regional economies.
In February 2021, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB), and in August 2021, made climate-related disclosures in line with TCFD recommendations. The JAL Group will continue to provide periodic disclosures.

In order to steadily promote climate change initiatives, we announced our target to achieve net zero CO2 emissions (hereinafter “net zero emissions”) by 2050 at the General Meeting of Shareholders held in June 2020.

This is an expression of “below 4°C” and “below 2°C”, and looked at society in 2030. It includes deepening of the Green Recovery Program in Europe, has begun to move toward a world with the 1.5°C scenario. This target was set after intensive discussion and deliberation.

The JAL Group will strive to make continuous improvements by periodically evaluating the impact of our business to the environment and results of disclosed initiatives towards climate change and by implementing the PDCA cycle to reflect to the initiatives.

In order to treat climate change-related “risks” and “opportunities” as important management issues, JAL has established the Sustainability Promotion Council headed by the president as the Chair, and Sustainability Promotion Committee under the council for deliberation and decision. The contents are reported to the Board of Directors for discussion and evaluation. In accordance with evaluation of the effectiveness by the Board of Directors (the Board for deliberation and decision. The contents are reported to the Chair, and Sustainability Promotion Committee under the council for deliberation and decision. In addition, for deliberation and decision. The contents are reported to the Chair, and Sustainability Promotion Committee under the council for deliberation and decision. In addition, as important management issues, JAL has established the Sustainability Promotion Council headed by the president as the Chair, and Sustainability Promotion Committee under the council for deliberation and decision. In addition, as important management issues, JAL has established the Sustainability Promotion Council headed by the president as the Chair, and Sustainability Promotion Committee under the council for deliberation and decision. In addition, as important management issues, JAL has established the Sustainability Promotion Council headed by the president as theChair, and Sustainability Promotion Committee under the council for deliberation and decision. In addition, as important management issues, JAL has established the Sustainability Promotion Council headed by the president as the

Effectiveness Assessment), it has been resolved that the Board of Directors will deepen discussions on sustainability, including climate change.

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In the medium to long-term, the diversification of fuel supply sources by SAF dissemination may lead to improved reliability of aircraft fuel supply chains.

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## Governance structure

We are aware that taking urgent action to address climate change is essential for the creation of a sustainable society.

In order to deepen discussion and action towards achieving net zero CO2 emissions by 2050, we will establish a net zero CO2 emissions target by 2050 at the General Meeting of Shareholders held in June 2020.

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### Addressing Climate Change

#### Metrics and Targets

- **Reflection in the Medium Term Management Plan**
  - Acceleration of addressing climate change was included in the JAL Group Medium Term Management Plan for FY2021 - FY2025.
  - Due to the nature of the air transportation business, direct emissions from aircraft account for approximately 99% of the JAL Group’s total CO2 emissions. Therefore, the Group will first focus on reducing CO2 emissions from aircraft, it will also set aggressive targets in reducing CO2 emissions from ground facilities and take sincere measures.

- **Scenarios towards net zero CO2 emissions by 2050**
  - Regarding the reduction of CO2 emissions from aircraft, its scenarios by 2050 are considered, referring to the latest study materials by ICAO and IATA, and proceeding to a discussion of future issues and measures to be taken.

#### JAL Group’s Road Map towards Net Zero CO2 Emissions*

**Emissions (10k tons)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Emissions</th>
<th>Scope 1</th>
<th>Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2019</td>
<td>8.18 million</td>
<td>FY2025</td>
<td></td>
</tr>
<tr>
<td>FY2025</td>
<td>8.18 million</td>
<td>FY2030</td>
<td></td>
</tr>
<tr>
<td>FY2030</td>
<td>8.18 million</td>
<td>FY2035</td>
<td></td>
</tr>
</tbody>
</table>

*Net Zero Emission: No carbon emissions actually generated by business activities and the amount of reduction achieved through measures

#### Targets and Initiatives towards CO2 emission reduction by 2030

- **The JAL Group’s target for 2030 to keep total emissions below 90% level of that of fiscal 2019 is one of the most ambitious targets for airlines around the world.**
  - We will strive to achieve our goals by steadily upgrading to the latest aircraft on stable financial base, reducing CO2 emissions in daily operations through the promotion of JAL Green Operations, and expanding sustainable aviation fuel (SAF) load.
  - As for SAF, manufacturing and distribution overseas is accelerating, and in Japan, the government’s Green Growth Strategy laid out a concrete path to SAF manufacturing and distribution by 2030. The JAL Group has set an ambitious goal of replacing 10% of fuel loads by SAF in 2030 and will work on SAF commercialization in cooperation with stakeholders in Japan and overseas through public-private partnerships.

#### Environmental data disclosures

- In order to pass on the precious Earth to the next generation, the JAL Group has set targets for CO2 emissions, waste and water consumption, and other environmental data, and discloses the results.

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*Source: JAL REPORT 2021*
Addressing Climate Change

Specific Initiatives

Upgrading to fuel-efficient aircraft

In September 2019, the Airbus A330 entered service on domestic routes, and in October 2019, the Boeing 787, which had been in service on international routes since 2012, entered service on domestic routes. These aircraft are fuel-efficient and produce less noise and can reduce the amount of CO2 emissions by 15% to 25% compared with conventional aircraft.

Utilising funds raised in public equity offering in 2020, the JAL Group will steadily continue to upgrade to fuel-efficient aircraft in fiscal 2021 and beyond.

Percentage of fuel-efficient aircraft

Share of fuel-efficient aircraft in JAL Group’s fleet

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non fuel-efficient aircraft (%)</td>
<td>15%</td>
<td>16%</td>
<td>17%</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>Fuel-efficient aircraft: A350, 787, 777, 767, 737-800, E170/190, ATR</td>
<td>85%</td>
<td>84%</td>
<td>83%</td>
<td>82%</td>
<td>81%</td>
</tr>
</tbody>
</table>

With the acceleration of next-generation aircraft development such as the announcement of plans by Airbus to introduce hydrogen-powered aircraft to the market from 2035, the JAL Group will cooperate with aircraft manufacturers to promote technological innovation toward for the development of electric and hydrogen-powered aircraft.

We will decide the specific schedule of upgrading our fleet while monitoring aircraft development and will steadily upgrade to state-of-the-art aircraft that emit less CO2. As infrastructure including airports need to be developed as well, we will work with various stakeholders to realize new measures.

Reducing CO2 emissions in daily operations

Based on the fundamental premise of aviation safety’s adherence to the principles, a variety of measures to reduce CO2 emissions are devised, including eco-flight initiatives by devising the timing and choice of handling during flight operations, reducing weight of aircraft, and improving fuel efficiency through regular engine internal cleaning.

Furthermore, by promoting JAL Green Operations, a cross-organizational activity, which connects the status of each initiative and share the progress within the company, thereby promoting the FODA cycle to reduce CO2 emissions.

Supporting the development and use of SAF

Aiming to be a leading airline in the use of SAF, JAL Group is working on a variety of projects, including investment in Fulcrum, a US-based SAF manufacturer, use of SAF produced in Japan for the first time in scheduled flights, and collaboration with partner companies to build supply chains for Japan domestic SAF.

Project to turn used clothing into SAF

Fulcrum, a US-based SAF manufacturer, use of SAF produced in Japan for the first time in scheduled flights, and collaboration with partner companies to build supply chains for Japan domestic SAF.

[Overseas SAF Procurement]

In the U.S., we invested in Fulcrum in 2018, and the first plant was completed and started operation in July 2021. JAL Group plans to begin utilizing the SAF procured from Fulcrum in scheduled flights, departing from the West Coast of the United States, around 2024. In addition to procurement from Fulcrum, we also plan to contribute to reducing the volume of carbon emissions by starting to utilize SAF in flights from Europe and the United States, where mass production is progressing.

[Successful domestic SAF project]

As the first step to commercialize domestic SAF, the SAF, that was manufactured in the project involving many years of work by public organizations, SAF manufacturers and airlines, passed quality inspections and was approved for use in actual flight operations. The JAL Group loaded two types of SAF, produced from different raw materials in a demonstration plant, for the first time on a scheduled flight.

Engaging in emissions trading

In addition to responding to Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the JAL Group also offers JAL Carbon Offset, in cooperation with Blue Dot Green Co., Ltd., as a unique initiative that allows passengers to offset their own CO2 emissions on their flights.

[JAL Carbon Offsetting]

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.

Measures to reduce CO2 emissions from ground facilities

In the area of ground facilities, initiatives with the goal of reducing unit energy consumption by 1% or more on average have been promoted. Under the “operator classification evaluation system” of Act on the Rational Use of Energy Conservation Act implemented by Ministry of Economy, Trade and Industry, the Group has been certified as “S Class,” an excellent business operator, for 6 consecutive years since 2015.

CONTRAIL Project

The JAL Group has been working on in-flight atmospheric observation since 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.

~ 4 Initiatives ~

- Forest management project in Oguni, Kumamoto prefecture
- Deforestation prevention project in Timna Raya Biodiversity Reserve, Indonesia
- Forest management project of 4 towns in Hokkaido
- Investment in water infrastructure project in Africa aimed at improving sanitation.

-Voice-

Frontline’s ingenuity in reducing CO2 emissions

We, as pilots, are working to reduce the volume of emissions in cooperation with airports and air traffic control. While the Japanese government is committed to achieving net zero carbon emissions, the Study Group on CO2 Reduction in Aircraft Operations was established to further accelerate and promote initiatives to reduce carbon emissions in all aspects of aircraft operations. We will also participate in the study group and work together with stakeholders to realize new measures.

-JAL REPORT 2021-

As the first step to commercialize domestic SAF, we produced Japan’s first domestic SAF made from cotton clothing supplied by customers using only domestic technology with the cooperation of many Japanese companies, and after passing compliance testing for international fuel standard ASTM D7566 and quality inspections, the SAF was loaded on a scheduled domestic flight for the first time.

-JAL REPORT 2021-
Environment

Effective Use of Limited Resources

Basic Concept
- In accordance with the JAL Group Environmental Policy, the JAL Group promotes the 4Rs (Refuse/Reduce/Reuse/Recycle) in each business process in order to create a recycling-based society.
- As a key initiative, we are working to reduce the use of petroleum-derived single-use plastics and reduce food loss and waste.

Specific initiatives to reduce single-use plastics

The JAL Group is taking steps to deal with plastic problems that cause global warming and marine pollution. We have set single-use plastic reduction targets as management targets and aim to achieve them through the 3Rs (Reduce, Reuse, Recycle) + 1 (Redesign).

Discontinuation of use of single-use plastics in-cabin and in lounges
In order to address the plastics problem, we are discussing reduction methods and targets, driven by the company-wide Plastic Working Group. In September 2019, we removed plastic straws and plastic muddlers from our cabin service and lounge service. Further, in May 2021, we announced single-use plastic reduction targets in the Medium Term Management Plan. By promoting the 3Rs (Reduce, Reuse, Recycle) + 1 (Redesign), we will reduce the use of single-use plastics provided to customers by 2030 through the following process.

Specific initiatives to reduce single-use plastics

- **Reduce**
  - Thorough separation of waste and promotion of recycling
  - As a unique JAL initiative, to reduce incineration of plastic bottles, cabin attendants segregate waste from flights after arrival for recycling (converted to plastic bottles by beverage manufacturers)
  - Thorough recycling of cooking residual
  - JAL Royal Catering (JRC) aims to recycle all leftover cooking oil generated from in-flight meal production by fiscal 2025. Since the summer of 2021, the company has been providing in-flight meals, which use vegetables grown in vegetable waste compost and local products.
  - In-flight meal spinach grown on farms with sustainable environmental practices in place
  - Local products grown near Narita Airport

- **Reuse**
  - Thorough recycling of cooking residual
  - Adoption of recycling oriented crops
  - JAL’s FLW (Food Loss & Waste) Reduction Program

- **Recycle**
  - Aggressively purchase commercial products manufactured with the same priority

Greenhouse gas emissions from food including waste are estimated to be 21 – 37% of global emissions. The JAL Group is aware of the problem of food loss and waste and is implementing initiatives to prevent this. The JAL Group is reducing food waste through the 3Rs (Reduce, Reuse, Recycle) + 1 (Redesign).

JAL’s FLW (Food Loss & Waste) Reduction Program

- **Reduce**
  - As some customers do not need in-flight meals, we introduced the “JAL Ethical Choice – Meal Skip Option” cancellation service. It allows customers to demonstrate their willingness to refuse. This is the first time that an international airline is planning to expand this service on all international routes.
  - Surplus in-flight meals caused by discrepancies between the number of meal reservations and the actual number of passengers will thoroughly enjoy, thereby completely finishing their meal, with the aim of reducing food residues through creative cooking, reducing waste meal®, and reducing leftover food. Also, as a unique initiative of JAL, we are also asking our customers to cooperate in reducing leftover food.
  - JAL’s FLW (Food Loss & Waste) Reduction Program

- **Reuse**
  - Leftover food prevention promotion
  - Use of farm produce with unique characteristics
  - Menus can be water compatible through trend analysis

- **Recycle**
  - Review of bottled dipping sauce
  - Review of single-use plastics
  - Thorough recycling of cooking residual
  - Adoption of recycling oriented crops

- **Refuse**
  - Through creative cooking, reducing waste meal®
  - JAL’s FLW (Food Loss & Waste) Reduction Program

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- **Refuse**
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  - JAL’s FLW (Food Loss & Waste) Reduction Program
Environment

Prevention of Environmental Pollution

Basic Concept

- In accordance with PRTR (Pollutant release and transfer register) regulations, the JAL Group manages hazardous chemical substances and strives to reduce the amounts handled and released.

Specific Initiatives

- We aim to achieve a final disposal rate of 1% or less by promoting the segregation and collection of industrial waste at maintenance facilities and thorough waste management including the selection of disposal sites. Furthermore, we are working to reduce emissions of carbon dioxide (CO₂), nitrogen oxides (NOₓ), carbon monoxide (CO), hydrocarbons (HC), and other substances emitted by aircraft in order to prevent air pollution. All JAL Group aircraft engines conform to all regulatory values and the appropriate standards set by ICAO (International Civil Aviation Organization) (ICAO CAEP6/CAEP8 standards for NOₓ regulations; standards differ at the time of type certification).

Environment

Noise Reduction

Basic Concept

- In order to fulfill our responsibility as social infrastructure, the JAL Group is actively working to reduce noise in order to coexist with residents in communities near airports and sea routes.

Specific Initiatives

- Changes in the percentage of ICAO noise standard compliant aircraft
  - We are steadily upgrading our fleet to the latest aircraft models that emit less CO₂ and meet noise standards (ICAO Chapter 4, Chapter 14) and are taking measures to reduce noise around airports.

Environment

Biodiversity Conservation

Basic Concept

- The JAL Group is aware of the direct and indirect impacts of its air transportation business on biodiversity conservation. In accordance with the JAL Group Environmental Policy, the JAL Group will address biodiversity conservation in a proactive manner by “fulfilling our responsibilities for biodiversity conservation as an air transport operator” and “reducing the environmental impact of our business and minimizing impacts on the ecosystem.”

Specific Initiatives

- Challenge toward registration as a World Natural Heritage Site
  - In July 2021, the Japanese islands of Amami-Oshima Island, Tokunoshima Island, the northern part of Okinawa Island, and Iriomote Island, which were separated from the mainland several million years ago and are home to rare species such as the Amami rabbit and Amami wildcats, were registered as a World Natural Heritage Site in recognition of their biodiversity and rich natural environment. The JAL Group is also closely involved in these activities.

- World Natural Heritage Promotion Joint Association (Okinawa)
  - Launched in 2019 by JAL, IAC, ITA, NTT DOCOMO, and other parties, this joint community promotes the registration of World Heritage Sites by connecting local companies and organizations. We are utilizing the strengths of participating companies and organizations to protect the natural environment and promote regional development through nature.

Examples of initiatives

- Participation in the Liaison Conference on Measures against Poaching and Smuggling
- Installation of road signs to prevent road kill of rare species
- Supporting tours to raise awareness of the natural environment
- Community activities to clean up the islands

World Natural Heritage Promotion Joint Association (Okinawa)

World Natural Heritage Promotion Community (Kagoshima)

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Examples of initiatives

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- Installation of road signs to prevent road kill of rare species
- Supporting tours to raise awareness of the natural environment
- Community activities to clean up the islands

Environment

Fighting Illegal Wildlife Trafficking

Basic Concept

- The JAL Group is working to raise internal and external awareness of the importance of the prevention of the spread of plant pests. As an official supporter of International Year of Plant Health 2020 of approved by the Ministry of Agriculture, Forestry and Fisheries (MAFF), the JAL Group is working raise internal and external awareness of the importance of plant protection.

Specific Initiatives

- Official Supporter of International Year of Plant Health 2020
  - The United Nations declared 2020 as International Year of Plant Health to raise global awareness of the importance of preventing the spread of plant pests. As an official supporter of International Year of Plant Health 2020 approved by the Ministry of Agriculture, Forestry and Fisheries (MAFF), the JAL Group is working to raise internal and external awareness of the importance of plant protection.

- Not only do we need to be careful when taking plants overseas or bringing them into Japan, there are also external restrictions on the movement of plants in Japan. For example, taking out sweet potatoes from the Nansui Islands (the Amami Islands in Okinawa and Kagoshima prefectures) and the Ogasawara Islands is restricted.

- In order to fulfill our responsibility as social infrastructure, the JAL Group is actively working to reduce noise in order to coexist with residents in communities near airports and sea routes.

- Furthermore, we are increasing more opportunities to raise awareness internally by training instructor-staff, strengthening efforts to eradicate illegal wildlife trade in cooperation with external parties, and endorsing the joint statement by WWF Japan, “People, Animals, and Ecosystems: One Health”. The JAL Group is committed to the conservation and sustainable use of biodiversity.

- World Heritage programs to commemorate registration as World Natural Heritage
  - The JAL Group is planning and implementing a “unique to the JAL Group” World Heritage Guests Program to visit, see, and interact with areas that have become treasures of the world, as part of its efforts to commemorate World Heritage registration under the themes of “connecting the world with Japan’s World Heritage, which has become a treasure of the world from local treasures” and “connecting Japan’s World Heritage to future generations through coexistence and conservation with nature”.

Coral sexual reproduction and coral regeneration project

One of the charms of Okinawa is its blue waters and colorful and vibrant coral reefs. In addition to its scenic function as a tourism resource, the coral reefs are also habitats to many species, and play various roles such as national land conservation and disaster prevention through wave dissipation effects.

In recent years, the depletion of coral reefs along the coast of Okinawa Prefecture has become a problem, as seen by bleaching caused by high temperatures and the emergence of many starfish. The JAL Group is working to restore coral reefs.

Sexual Reproduction and Coral Regeneration Support Council

In April 2020, IJA, established a joint committee to examine mechanisms for coral reef restoration activities in Okinawa, based on a plan to support the Yaeyama Fishermen Cooperative in Ishigaki City, Okinawa Prefecture, together with local companies and the Fishery Civil Engineering Technology Center for six years. Although coral may look inorganic, they are creatures such as jellyfish and sea anemones, that lay eggs once a year. Sexual reproduction is a mechanism of breeding coral eggs. By 2018, the Fisheries Agency developed technology to efficiently hatch coral eggs in a form close to nature, enabling the production of large numbers of seeds and seedlings. The Yaeyama Fishermen Cooperative is engaged in coral reef breeding, which requires a high level of technical expertise, under the technical guidance of the Council.

Official Supporter of International Year of Plant Health 2020

The United Nations declared 2020 as International Year of Plant Health to raise global awareness of the importance of preventing the spread of plant pests. As an official supporter of International Year of Plant Health 2020 approved by the Ministry of Agriculture, Forestry and Fisheries (MAFF), the JAL Group is working to raise internal and external awareness of the importance of plant protection.

- Not only do we need to be careful when taking plants overseas or bringing them into Japan, there are also external restrictions on the movement of plants in Japan. For example, taking out sweet potatoes from the Nansui Islands (the Amami Islands in Okinawa and Kagoshima prefectures) and the Ogasawara Islands is restricted.

- In order to fulfill our responsibility as social infrastructure, the JAL Group is actively working to reduce noise in order to coexist with residents in communities near airports and sea routes.

- Furthermore, we are increasing more opportunities to raise awareness internally by training instructor-staff, strengthening efforts to eradicate illegal wildlife trade in cooperation with external parties, and endorsing the joint statement by WWF Japan, “People, Animals, and Ecosystems: One Health”. The JAL Group is committed to the conservation and sustainable use of biodiversity.

- World Heritage programs to commemorate registration as World Natural Heritage
  - The JAL Group is planning and implementing a “unique to the JAL Group” World Heritage Guests Program to visit, see, and interact with areas that have become treasures of the world, as part of its efforts to commemorate World Heritage registration under the themes of “connecting the world with Japan’s World Heritage, which has become a treasure of the world from local treasures” and “connecting Japan’s World Heritage to future generations through coexistence and conservation with nature”.

Preventing illegal wildlife trade

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

Wildlife trafficking is one of the world’s largest crimes, with a trade value of trillions of yen, yet, despite the illegal and human trafficking. In order to prevent crimes, Ishigaki Airport staff found coconut crabs, an endangered species, being taken out of the island in baggage labeled “pineapple” and Amami Airport staff found rare frogs and snakes being taken out.

In this way, the transportation stage plays a vital role in preventing illegal trade in wildlife. In 2020 and March 2021, we invited officials from the World Wide Fund Japan (WWF Japan) to hold a workshop on the current situation of illegal wildlife trade and how to respond in case live animals are found during transport.

Furthermore, we are increasing more opportunities to raise awareness internally by training instructor-staff, strengthening efforts to eradicate illegal wildlife trade in cooperation with external parties, and endorsing the joint statement by WWF Japan, “People, Animals, and Ecosystems: One Health”.

The JAL Group is committed to the conservation and sustainable use of biodiversity.

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Inflight video image

Workshop on prevention of illegal wildlife trade
The JAL Group provides information on products and services appropriately, takes comments from customers sincerely, and continuously strives to develop and provide better products and services in order to deliver unparalleled service to our customers. When doing so, we put ourselves in the customers’ position and develop innovative products and services to meet diverse customer needs.

Respect for human rights and job satisfaction (human rights and labor)

Respecting others means respecting different cultures and values. To achieve this, we actively interact with diverse cultures from around the world. To create productive workplaces where employees are motivated in their jobs, we take pride and joy in doing our best for our colleagues.

Pursuit of customer satisfaction

The JAL Group value creation story is the source of value creation.

Creativity and individuality are the sources of value creation

In April 2020, a former cabin attendant became President of JAL Sunlight Co., Ltd., a company which espouses the philosophy to “continuously create new value by leveraging diversity in an environment where disability is not a barrier.” Immediately after her appointment, she began embracing challenges as a new leader by drawing on her individuality and abilities. Her high sensitivity toward service cultivated from frontline experience and her experience as a cabin attendant which requires quick action, are reflected in her speedy actions, from the time of conceptualization of a business idea to implementation.

Infectious Diseases

In order to appropriately serve customers with disabilities in the pandemic, we establish Customer Service Guidelines dealing with COVID-19. For example, we changed ways of assisting wheelchair users and guiding customers with visual impairment in order to prevent infection to both customers and employees. Wooden wheelchairs for rental service are given antiviral and antibacterial coatings and other equipment are disinfected after each use to create an environment of ensuring safety and comfort for all customers.

Voice

Embracing challenges with respect for individuality

With a strong aspiration to “create a company where employees, with or without disabilities, can play an even more active role,” I thought of ideas for new challenges while communicating closely with staff. We found that some employees had a strong interest and talent in art and painting, and in March 2021, launched the nail room business run by employees with disabilities. This is not the only new business we have created. We will continue to embrace challenges that recognize and utilize the individuality of every employee.

Voice

Serving customers with disabilities in the COVID-19 pandemic

Furthermore, in cooperation with other airlines, airport building companies, and airport operating companies, we are exchanging views with people with disabilities on how to deliver safety and comfort in air travel services provided by the aviation industry including the JAL Group. Through demonstrations of appropriate service methods during the pandemic, the participating companies made new discoveries, deepened their understanding of people with disabilities, and are working to improve customer service and create a seamless mobility environment.

TOPIC 2
Respect for Human Rights

Dialogue with external experts

In 2019, we established the JAL Group Human Rights Policy to clearly define our approach to respecting human rights. Aligned with the UN Guiding Principles on Business and Human Rights, the policy states that we will incorporate human rights due diligence (Human Rights DD) in business processes in order to respect human rights throughout our operations. In December 2020, we conducted a company-wide risk survey on human rights risks of the JAL Group and compiled the results in a risk map to identify human rights issues of importance. To address these risks, we invited SHIMOTAYA Takeshi, Representative Director of the Global Alliance for Sustainable Supply Chain (ASSC), which promotes international human rights initiatives, to participate in dialogue with directors of key divisions, which have relationships with important stakeholders across the value chain, such as Human Resources, General Affairs, Procurement, and Products and Services.

Mr. Shimotaya provided valuable advice from various perspectives, including human rights risks related to COVID-19, based on which we summarized our efforts on important human rights issues and disclosed them on the JAL website. Going forward, the JAL Group will continue to engage in dialogue with society and fulfill its responsibility to respect the human rights of all people, in accordance with the Human Rights DD mechanism defined in internal regulations, as we believe that respecting human rights is a universal value.

TOPIC 3
Improving Accessibility

Support based on COVID-19 measures:

https://www.jal.co.jp/jalpri/flysafe/
Promoting of D&I

Basic Concept

Ever since top management announced its commitment to diversity in 2014, we have taken steps to become a company where all employees can work in a positive environment regardless of gender, age, nationality, race, disability, sexual orientation, gender identity, or other personal attributes. To achieve this, we respect individuality and ensure equal treatment in all important aspects of human resource development, such as recruitment, job assignment and advancement, and promote D&I and workstyle innovation in an integrated manner to facilitate the active participation of diverse human resources.

Specific Initiatives

Promoting women’s advancement
The JAL Group has focused on the development and advancement of women and global human resources to ensure fair and equitable treatment and allow everyone to play a leadership role. As of the end of March 2021, women held 19.5% of manager-level positions in the JAL Group, which shows steady progress of our efforts. The Medium Term Management Plan sets a target of raising the proportion of women in management roles in the JAL Group to 30%, and we are accelerating efforts to achieve this. Furthermore, to increase women at the board and executive levels, we are taking steps to increase women at the Vice President and senior manager levels. In the past two years, the number of female Vice Presidents has increased 1.5-fold (57 as of June 2021), and many women have been promoted to station managers at hub airports such as Haneda, Narita, Osaka, and Fukuoka. In the Cabin Attendants Division, leaders of frontline Osaka, and Fukuoka, to station managers at hub airports such as Haneda, Narita, (57 as of June 2021), and many women have been promoted the number of female Vice Presidents has increased 1.5-fold (57 as of June 2021), and many women have been promoted to station managers at hub airports such as Haneda, Narita, Osaka, and Fukuoka. (57 as of June 2021), and many women have been promoted to station managers at hub airports such as Haneda, Narita, Osaka, and Fukuoka. To ensure fair and equitable treatment and allow everyone to

Voice

Women’s Leadership Workshop
As the further growth of women in top management is essential to women’s participation and advancement in the workplace, we have held the Women’s Leadership Workshop, “Akasaka-Juku (school),” regularly since fiscal 2021 under the direct guidance of President Akasaka. Many of the participants are Vice Presidents and senior managers in frontline divisions such as at Airports and Cabin Attendants. As Secretariat, I have pursued a career as a cabin attendant and I am currently in charge of employee training in the Work Philosophy Development Department. The objectives of the Female Leader’s Workshop “Akasaka-Juku (school)” are: To acquire the ability to think, discuss and act by looking ahead, grasp the overall situation and implement strategy; and To create new value through cross-functional coordination and mutual learning. Participants are making efforts to improve their abilities from what they learned from the workshops and are contributing to developing the next generation of women leaders.

Number and ratio of female managers in the JAL Group

<table>
<thead>
<tr>
<th>Number of female managers</th>
<th>Ratio of female managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1100</td>
<td>15.1%</td>
</tr>
<tr>
<td>800</td>
<td>15.0%</td>
</tr>
<tr>
<td>600</td>
<td>15.2%</td>
</tr>
<tr>
<td>400</td>
<td>15.5%</td>
</tr>
<tr>
<td>200</td>
<td>18.4%</td>
</tr>
<tr>
<td>100</td>
<td>16.8%</td>
</tr>
<tr>
<td>50</td>
<td>16.7%</td>
</tr>
<tr>
<td>10</td>
<td>16.8%</td>
</tr>
<tr>
<td>5</td>
<td>17.2%</td>
</tr>
<tr>
<td>1</td>
<td>17.4%</td>
</tr>
<tr>
<td>0</td>
<td>17.5%</td>
</tr>
</tbody>
</table>

Awards sponsored by the Japan Women’s Innovation Network (J-Win), a non-profit organization, to recognize companies and individuals who promote D&I.

Diversity at management level (Executive Officer)

- Female
- Hired outside Japan
- Experienced employee

Promoting the participation and advancement of human resources hired outside Japan
In a global environment, we respect diverse cultures and are working to develop human resources who can create new value. Despite travel restrictions during the pandemic, we are continuing to work on this through online training and remote support. We are also promoting career advancement of employees outside Japan, who currently account for about 30% of important posts in overseas offices (airport offices, district sales offices, etc.). We will continue to develop human resources under a well thought out plan and increase the ratio of managers both inside and outside Japan.

Recruitment and advancement of experienced employees from outside the company
We have been actively hiring experienced employees to link diverse knowledge acquired outside the company to value creation. These experienced professionals work in fields that require advanced knowledge such as business creation, digital innovation and ESG, and are creating new value. Many of them have been promoted to managers, with an increasing number of employees participating in important decision-making each year and even advancing to management positions. As many of these experienced employees, who joined the company during a certain period, will be reaching retirement age soon, we expect a temporary decline in the total number of managers among them. We will therefore resume recruitment of employees possessing diverse knowledge and experience and strive to achieve the same ratio of managers and the ratio of new graduate recruits.

Promoting of challenges by employees with disabilities
In order to promote the active participation of employees with disabilities, we are embracing the challenge of developing new fields where they can utilize their talents and abilities. In addition to cafes and massage rooms, we opened a nail room in Haneda in fiscal 2020, where employees with disabilities play an active role and employees can deepen their understanding of D&I.

Diversity promotion project by employees
As a bottom-up approach to promoting D&I, we are carrying out a project called “JAL D&I Lab.” In fiscal 2021, the members divided into teams under the themes: Globalization, The Active Participation of People with Disabilities, The Active Participation of Women, and Life and Career Development, and have been creating ideas based on free-thinking and are shaping them into measures for implementation this fiscal year. Together with the top-down approach of top management, we will foster a corporate culture that respects diversity conducive to value creation.
People

Chapter 2 Medium Term Management Plan

Business Strategy | Finance Strategy | ESG Strategy

Progress Report | S People | S Creation | G Governance


Workstyle Innovation

Basic Concept

We will promote “workstation” and “bleisure” to encourage employees to take long vacations.

Specific Initiatives

Optimizing working hours

The JAL Group is working continuously to foster a climate where employees with time constraints, such as childcare and nursing care, receive fair and impartial treatment and where diverse human resources can embrace challenges, and thus create a society where everyone can play an active role. Although the percentage of employees taking annual paid leave has slightly declined during the pandemic, we are striving to optimize working hours as well as promoting the planned acquisition of paid leave. In fiscal 2020, the percentage of annual paid leave applicants was 71.5%, and the average monthly overtime and holiday (days off) working hours per person was 8.0 hours (excluding general staff with shift work). In fiscal 2020, we achieved 1,878 hours, or 98.5% of the target of 1,850 actual working hours.

Pursuing a workstyle not bound by location

Remote work

In order to promote flexible workstyles, in 2017 we introduced workcation, which means working while on vacation (work=vacation=work). We would like to nurture employee’s sensitivity through experiences only possible in a local area and promote personal growth.

Promoting workcation and bleisure

In order to promote flexible workstyles, in 2017 we introduced workcation, which means working while on vacation (work=vacation=work), and bleisure, which means traveling combining both business and leisure (business+leisure=bleisure). We would like to nurture employee’s sensitivity through experiences only possible in a local area and promote personal growth.

Verifying new workstyles in the New Normal

By taking a workcation, employees can participate in social contribution activities during their free time, discover needs of the local community, and think of ideas to create jobs and participate to revitalize the regional economy. Through these experiences, we aim to nurture employees’ awareness leading to personal growth and discover new workstyles and new ways of taking holidays through co-creation with local communities.

At the same time, we would like to assist in solving region-specific problems and contribute to regional revitalization. We will then review new workstyles in the New Normal from a long-term perspective, considering conditions during and after the pandemic, and introduce workstyles that are appropriate for our objectives.

Outline of social contribution activities program through workcation

<table>
<thead>
<tr>
<th>Prefecture</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ehime</td>
<td>Farm maintenance such as mowing and watering orchards. Create new regional recipes. Support hands-on nature activities for parents and children. Plan events held at important cultural assets in cities.</td>
</tr>
<tr>
<td>Iwate</td>
<td>Manage sheep grazing. Support hands-on nature activities for parents and children.</td>
</tr>
<tr>
<td>Hyogo</td>
<td>Held events to keep culture alive in old local shrine theaters that were reopened by the local residents.</td>
</tr>
<tr>
<td>Hyogo Prefecture</td>
<td>Outside the local area</td>
</tr>
</tbody>
</table>


Health and Productivity Management

Basic Concept

The JAL Group health promotion project “JAL Wellness” was launched with the recognition that the physical and mental well-being of our employees and their families is essential to “pursuing the material and intellectual growth of all our employees and delivering unparalleled service to our customers” as articulated in the JAL Group Corporate Policy. We are currently working on “JAL Wellness 2025” based on five major indicators; lifestyle-related diseases, cancer, mental health, smoking and women’s health.

Promotion system

Under the strong leadership of the CWO (Chief Wellness Officer, Representative Director, Executive Vice President), we are vigorously promoting health and productivity management through management-level initiatives led by the JAL Wellness Promotion Committee comprising directors, and workplace-level initiatives led by Wellness Leaders in each workplace.

Specific Initiatives

Health promotion initiatives

Female employees play a central role in various JAL Group workplaces, and their health is an important issue. As a result of efforts to fully subsidize the cost of gynecological examinations, expand opportunities for health checks for women and improve health literacy through seminars and e-learning including male participants, we achieved the target check-up rate for employees and are making steady progress on the target check-up rate for their families. Even in the unlikely event of illness, we have a comprehensive support system to enable employees to continue work and achieve work-life balance. By promoting wellness and encouraging employees to maintain awareness of their wellbeing, we would like all our employees to work cheerfully and energetically and improve productivity and increase corporate value.

JAL Wellness 2025 KPI targets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifestyle-related diseases</td>
<td>%</td>
</tr>
<tr>
<td>Cancer screening (male)</td>
<td>50% or above</td>
</tr>
<tr>
<td>Cancer screening (female)</td>
<td>70% or above</td>
</tr>
<tr>
<td>Colorectal cancer screening rate (employees aged 35 and above)</td>
<td>90% or above</td>
</tr>
<tr>
<td>Colorectal cancer screening rate (spouses aged 35 and above)</td>
<td>70% or above</td>
</tr>
<tr>
<td>Uterine cancer screening rate (employees aged 35 and above)</td>
<td>40% or above</td>
</tr>
<tr>
<td>Uterine cancer screening rate (spouses aged 18 and above)</td>
<td>40% or above</td>
</tr>
<tr>
<td>Re-examination rate</td>
<td>%</td>
</tr>
<tr>
<td>Specific health checkup rate (employees)</td>
<td>90% or above</td>
</tr>
<tr>
<td>Specific health checkup rate (spouses aged 18 and above)</td>
<td>90% or above</td>
</tr>
<tr>
<td>Specific health checkup rate (special retired insured persons)</td>
<td>90% or above</td>
</tr>
<tr>
<td>Health and productivity management system</td>
<td>%</td>
</tr>
<tr>
<td>Life-stage risk management system</td>
<td>60% or above</td>
</tr>
<tr>
<td>Health promotion project</td>
<td>70% or above</td>
</tr>
<tr>
<td>Wellness activities</td>
<td>%</td>
</tr>
<tr>
<td>Women’s health</td>
<td></td>
</tr>
<tr>
<td>Women’s health promotion</td>
<td>70% or above</td>
</tr>
<tr>
<td>Mental health</td>
<td></td>
</tr>
<tr>
<td>Smoking cessation</td>
<td>40% or above</td>
</tr>
<tr>
<td>Life-stage health check-up</td>
<td>40% or above</td>
</tr>
<tr>
<td>Health literacy</td>
<td>%</td>
</tr>
<tr>
<td>Energy saving</td>
<td>40% or above</td>
</tr>
<tr>
<td>Health and productivity management system</td>
<td>60% or above</td>
</tr>
<tr>
<td>Wellness leaders</td>
<td>80% or above</td>
</tr>
<tr>
<td>Women’s health promotion</td>
<td>60% or above</td>
</tr>
</tbody>
</table>

Certified as Outstanding Health and Productivity Management Company

As part of efforts to promote health management, the JAL Group has actively participated in the Certified Health and Productivity Management Outstanding Organizations Recognition Program designed by the Ministry of Economy, Trade and Industry of Japan. In fiscal 2015, the first year of the program, JAL was awarded with health and productivity certification. In fiscal 2020, eight companies including JAL were certified as White 500 for Outstanding Health and Productivity Management, and four companies were certified in the Large enterprise category. By considering employee health management from a management perspective and implementing strategic health management, we aim to revitalize our organization by improving employee vitality and productivity, and thereby improve our business performance and stock price. We will continue to work to communicate and contribute to society through promotion of health and productivity management.
Respect for Human Rights

Basic Concept

The JAL Group will fulfill its responsibility to respect human rights for all people based on the belief that respect for human rights is a universal value and is consistent with the realization of the Corporate Policy.

Specific Initiatives

Framework for respecting human rights
In order to promote respect for human rights, the JAL Group has established internal regulations outlining a framework for human rights due diligence (Human Rights DD) and a grievance handling mechanism. Based on these regulations, we conduct an annual human rights risk survey of all JAL Group companies, and then assess risks, extract issues, and identify those that are of particular importance through dialogue with external experts, and take concrete action to eliminate negative impacts on human rights.

For example, one of the issues affecting human rights during the pandemic was preventing infection among employees. In addition to encouraging remote work mainly in support departments and reducing the number of employees commuting to the office, we have established rules on coming to and leaving work and a policy on social distancing based on guidelines of the Ministry of Health, Labour and Welfare and public organizations, and are continuously taking action to protect our employees. In June 2021, we began a workplace vaccination program to prevent the spread of COVID-19.

Promoting understanding of gender equality and LGBTQ
The JAL Group continues to promote understanding of LGBTQ. We were awarded the highest “Gold” award for five consecutive years in the PRIDE index, which evaluates initiatives for LGBTQ and other sexual minorities of companies and organizations, established by the voluntary organization “work with Pride”. Since October 2020, we have introduced announcements at airports and in the cabin from “ladies and gentlemen” to gender neutral terms, “everyone” and “all passengers” depending on the context.

We will continue to provide services that respect diversity.

Initiatives to prevent human trafficking
A particularly important human rights issue for the JAL Group is unintended involvement in human trafficking through air transportation. To prevent human trafficking, in fiscal 2021 we showed videos to raise awareness of human trafficking prevention and started providing support for vaccination programs to prevent the spread of COVID-19.

Human resource development programs to support activities of diverse human resources
We have established a guideline on the skills and characteristics expected of JAL Group employees based on the JAL Philosophy, and exchange human resources across companies and job types in the JAL Group. By providing specialized training for each job type and education and training unique to each company, we are developing leaders and safety and service professionals.

Expanding online education and training courses
Seeing the opportunity brought about by the current harsh business environment to develop human resources, we are increasing the number of training courses and creating an environment where employees around the world and employees with disabilities can participate online. As a result, the number of education and training hours per person in fiscal 2020 reached 276.5 hours, about four times as much as the previous year.

Developing autonomous employees (in-house recruitment, etc.)
The JAL Group aims to become an autonomous team through the “JAL OODA” (Observe, Orient, Decide, Act) and has conducted implemented awareness reform of managers and various activities to practice JAL OODA. One such example is the W-PIT activity launched by young employees, in which they challenge themselves to co-create new businesses with other industries and conduct in-house ventures leading to “exciting” businesses. Furthermore, since 2017, we have been holding an intra-entrepreneur new business contest called “Sozo no Tsubasa” (Wings of Creation). Winners have been transferred to the business creation department and are working to realize their ideas.

Autonomous Career Design (New CAREER Page)
In order to encourage employees to develop their own careers, we have established a site on the Group intranet called CAREER Page, which provides information on designing your career (duties, vision and mission of each department, career path of employees). We also hold online JAL Career Talk Live programs, where JAL Group employees discuss their careers, to give employees the opportunity to think about their own career. The Cabin Attendants Division has begun training a system for providing consultation on career design by professional career consultants. We will continue these efforts to create an environment, where employees can design their own careers.
Improving Accessibility

Basic Concept
- The JAL Group has established the JAL Group Accessibility Service Policy to "create a society where everyone can enjoy life through travel."
- Based on this service policy, we are promoting initiatives to improve accessibility focused on four areas: development of an environment for users, promotion of accessible tourism, provision of information, and education for employees.

JAL Group Accessibility Service Policy
Based on the JAL Philosophy, which defines the basic attitude of employees, we will:
1. provide stress-free travel for all customers,
2. offer a variety of travel options to all our customers, and
3. co-create enjoyment and delight through travel with customers and society.

Specific Initiatives

Development of an environment for users
In order to ensure the comfort of all passengers, we have introduced a "Welcome Information" card and provide subtitles and audio service for video programs. In addition to support tools at airports such as wooden wheelchairs and MIRAI SPEAKER, designed for people with and without hearing impairment for delivering crisp, clear sound, in 2020 we renewed domestic flight counters at Haneda for customers requesting special assistance through the development of smart airports (JAL SMART AIRPORT) that deliver convenience and comfort in air travel. In fiscal 2021, JAL SMART AIRPORT services were expanded to Sapporo (New Chitose) Airport, Osaka (Itami) Airport, Fukuoka Airport and Okinawa (Naha) Airport.

Promotion of accessible tourism
We offer special tours for people with disabilities (accessible tours) so that they can enjoy a variety of travel options. Last year, we held a Hawaiian surfing tour for wheelchair users. JAL Dynamic Package offers a special plan* for guests to use the hotel’s Universal Design (barrier free) room whenever they like to make their trip more enjoyable.  

Provision of information
We are working to improve provision of information to erase any worries before a trip. The JAL website provides boarding details and enjoyable travel articles* for customers who request special assistance.
We also offer an Airport Experience Program that navigates the flow from reservations to boarding in order to relieve concerns. This program includes individual consultation time to eliminate individual concerns through direct communication. It was held online during the pandemic.

Education for employees
We continuously educate our employees to deepen their understanding of the needs of people with disabilities and foster a barrier-free mindset. During the pandemic, we educated them on appropriate ways of serving customers to prevent the spread of COVID-19 and ensuring a safe and comfortable journey for all passengers. We also hold sign language classes conducted by JAL Group employees with hearing impairment to improve sign language skills among employees.

Preventing the Spread of Infectious Diseases

Basic Concept
The JAL Group is implementing JAL FlySafe hygiene measures based on the following three points with top priority on ensuring the customers’ safety and comfort.
- Enhanced hygiene and cleanliness precautionary measures
- Touchless and self-services using the latest technologies
- Support to ensure a safe and comfortable journey for all passengers

Specific Initiatives

Enhanced hygiene and cleanliness precautionary measures at touchpoints
JAL was the first airline in Japan to apply antiviral and antibacterial coating at all customer touchpoints including JAL PLAZA (city ticket counter), airports, lounges, and aircraft cabins. Going forward, we will establish new cleanliness standards based on specialized knowledge, inspect manual cleaning procedures, and welcome customers in a clean and hygienic environment.

Support to ensure a safe and comfortable journey for all passengers
We not only take precautionary measures to prevent the spread of infectious diseases at airports and in aircraft cabins but also provide pre-travel and post-travel support to ensure the customers’ peace of mind. For domestic flights, we offer JAL PCR Test Service*, which is inexpensive, easy and convenient to use. For international flights, we offer JAL Covid-19 Cover**, which covers medical, treatment and accommodation expenses in case customers test positive or have close contacts.
* https://www.jal.co.jp/jp/en/domoption/pcr-service/  
** https://www.jal.co.jp/jp/en/inter/jalcoronacover/  
* Available airports: Five hubs in Japan; Haneda Airport, New Chitose Airport, Itami Airport, Fukuoka Airport, Naha Airport  

First in Japan to receive highest certifications for infectious disease precautionary measures from two external organizations
JAL became the first airline in Asia to receive the world’s highest awards1 from two external organizations for providing the highest levels of hygiene and safety measures. Each audit covered a wide range of assessment items including staff service with consideration for infectious diseases and provision of way-to-understand information. JAL’s hygiene and cleanliness standards and touchless, self-services and travel assistance were highly recognized.
** JAL received the highest COVID-19 Safety Rating from SKYTRAX and the highest certification in the Health Safety powered by SimpliFlying Audit conducted by the Airline Passenger Experience Association (APEA). The audits cover not only hygiene and cleanliness but also infectious disease measures in general, such as touchless and automation technology, and travel assistance. As of June 30, only two airlines including JAL have received both of these awards.

Touchless and self-services using the latest technologies
< Expansion of JAL SMART AIRPORT >
We have been expanding JAL SMART AIRPORT™ services to hub airports in Japan since 2020. By installing self-service check-in kiosks and Self Baggage Drop (SBD) with a touchless sensor on the screen, customers can check-in touch-free at the airport. At Haneda Airport, we are trialing a remote-controlled robot to assist customers remotely via the robot. For international flights departing from Narita and Haneda airports, we have introduced JAL FaceExpress for smooth and contactless boarding using facial recognition technology.

< Introduction of services available on mobile devices >
With the aim of ensuring safe, secure and smooth international travel, we trialed mobile apps displaying digital COVID-19 test certificates. In international lounges at Haneda and Narita airports, we are also conducting trials of a self-ordering system via smartphone, and in JAL-operated lounges in Japan, we have introduced an e-library for guests to read their favorite e-books on their mobile devices.
Chapter 9

JAL REPORT 2021

Mission and responsibility as a member of society
We are grateful to play a role in delivering social infrastructure and repay our gratitude by fulfilling our mission as a public transport operator.

1) Contributing to regional revitalization through our business

The JAL Group contributes to the sustainable development of regions across Japan that support our air transportation business. To achieve this, we make efforts to enhance the appeal and value of regions using our know-how accumulated in the aviation business and networks, and contribute to revitalizing regional economies by expanding the distribution and flow of people and goods.

2) Responsibility as a company that plays a role in social infrastructure

The JAL Group conducts organizational risk management to be prepared against terrorism, cyber-attacks, natural disasters and other events that threaten civil life and corporate activities. In the event of a natural disaster, we make efforts to resume air transport services as quickly as possible, cooperate in disaster recovery efforts through air transport, etc. and fulfill our social mission and responsibility as a public transport operator that plays a role in social infrastructure.

3) Responsibility as a corporate citizen

The JAL Group contributes to solving social issues and promoting social development as a corporate citizen by nurturing the next generation, supporting culture and sports, cooperating with disaster recovery operations, and through regional exchanges, international cooperation and other activities.

The JAL Group contributions also extend to regional revitalization projects

The JAPAN PROJECT, the JAL FURUSATO PROJECT and the NEW JAPAN PROJECT are part of the JAL Group’s efforts to fulfill its social mission and responsibility as a company that plays a role in social infrastructure.

1) JAPAN PROJECT

The JAPAN PROJECT was launched in May 2011 with the aim of revitalizing regional areas throughout Japan. As an airline, we recognize the importance of supporting local communities and contribute by promoting tourism and improving the appeal and value of our regional areas. The measures taken under the JAPAN PROJECT include:

- Improving Convenience in Travel
- Regional Revitalization
- Community Relations
- Disaster Assistance Restoration

2) JAL FURUSATO PROJECT

The JAL FURUSATO PROJECT was launched in September 2015 with the aim of revitalizing regional areas throughout Japan. We make efforts to enhance the appeal and value of regions using our know-how accumulated in the aviation business and networks, and contribute to revitalizing regional economies by expanding the distribution and flow of people and goods. The measures taken under the JAL FURUSATO PROJECT include:

- Joint efforts, originality and hometown

3) NEW JAPAN PROJECT

The NEW JAPAN PROJECT was launched in September 2015 with the aim of revitalizing regional areas throughout Japan. The measures taken under the NEW JAPAN PROJECT include:

- Full renovation of JAL SKY MUSEUM

The Sky Museum located in the Haneda Airport Maintenance Center Building is open to the public as a hands-on activity facility of JAL SKY MUSEUM, which is part of our activities as a corporate citizen. Visitors can get to know JAL Group’s history and see real airplanes up close. We have had more than 120,000 visitors ranging from elementary school children to senior citizens. Recently the exhibition area underwent a complete renovation based on the concept of “have more fun.” In addition to renewing the exhibition method and introducing large multi-displays, current employees displayed on a life-size monitor explain their jobs and a new digital chronology using historical materials explains the history and future of aviation in Japan.
Communities

Route Network Expansion

Basic Concept

- We would like to create new value by strengthening bonds with FURUSATO (hometown), where we were born and raised, and FURUSATO in our hearts, and carry out activities to create sustainable communities.

Specific Initiatives

- **Regional Promotions (monthly activities)**
  The JAL Group has conducted a total of 125 regional promotions up till September 2021 since the launch in May 2011. Through collaborative initiatives with local restaurants and Japanese-style restaurants, in-flight meals for domestic First Class use an array of local ingredients, while our in-flight magazine “SKYWARD” features articles on the various regional charms of Japan, such as recommended sightseeing spots, local products and traditional crafts, and recommended JALPAK tours. Since April 2021, we have been publishing articles on our web magazine “OnTrip JAL” of the charms of Japan’s regions by our reporters, JAL FURUSATO Ambassadors and JAL FURUSATO Cheering Teams, and have been showing in-flight videos of JAL FURUSATO Cheering Teams introducing local sightseeing spots and delicious cuisine on “JAL on YouTube.”

Increasing Inbound Tourism

Basic Concept

- Ideas for new travel
In order to adjust to changes in behavior during and post COVID-19, the JAL Group is offering new ideas for travel in cooperation with local companies by mutually combining our assets, knowledge and know-how on tourism. In Hokkaido, JAL FURUSATO Ambassadors utilized the charms of their hometowns and their knowledge of travel acquired through flight duty to plan “travel products focused on regional charms” and “new travel products that ensure safety and comfort during the pandemic.” They will continue to plan inspiring tours and safe and comfortable tour packages for inbound visitors, in anticipation of the recovery of inbound demand.

Specific Initiatives

- **Passing on traditional culture and protecting the natural environment**
The JAL Group has supported efforts to protect the natural environment and pass on traditional Japanese culture, such as support for Upopoi, a space symbolizing ethnic coexistence for the purpose of cultural restoration and development of the indigenous Ainu people of Hokkaido, and beach clean-up activities in Amami and Okinawa. To commemorate the registration of “Hokkaido and Northern Tohoku Irons Period archaeological sites” to the World Cultural Heritage list and “Amami-Oshima Island, Iriomote Island” to the World Natural Heritage list in July 2021, we opened a special World Heritage site on the JAL website, featured World Heritage Sites and specially painted aircraft under the theme of “connecting” on our web magazine “OnTrip: JAL,” and introduced all World Heritage Sites in Japan including the recent two listings and special tours on our domestic tour site.

- **Product development using local specialties**
Japan that stretches from north to south has a rich history of regional dishes, nurtured by the rich natural environment of the different seasons. The JAL Group is working to develop, introduce and commercialize products using attractive local specialties throughout Japan. For example, in Aomori Prefecture, one of Japan’s leading agricultural prefectures blessed with abundant water resources and a cool climate, we drew our attention to Japan’s largest production of garlic and blackcurrants in addition to apples, which are known for. We developed three products, Unfiltered Apple Juice, Garlic and Japanese Basil Oil Sauce, and Aomori Blackcurrant Frozen Yogurt, in cooperation with manufacturers, and conducted sales promotions at retail stores across Japan and over our social media and in-flight magazine. Going forward, we will continue to introduce attractive products through collaboration with various regions.

Improving Convenience in Travel

Basic Concept

- Ideas for new travel
In order to adjust to changes in behavior during and post COVID-19, the JAL Group is offering new ideas for travel in cooperation with local companies by mutually combining our assets, knowledge and know-how on tourism. In Hokkaido, JAL FURUSATO Ambassadors utilized the charms of their hometowns and their knowledge of travel acquired through flight duty to plan “travel products focused on regional charms” and “new travel products that ensure safety and comfort during the pandemic.” They will continue to plan inspiring tours and safe and comfortable tour packages for inbound visitors, in anticipation of the recovery of inbound demand.

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Regional Revitalization

Basic Concept

- We would like to create new value by strengthening bonds with FURUSATO (hometown), where we were born and raised, and FURUSATO in our hearts, and carry out activities to create sustainable communities.

Specific Initiatives

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The JAL Group has conducted a total of 125 regional promotions up till September 2021 since the launch in May 2011. Through collaborative initiatives with local restaurants and Japanese-style restaurants, in-flight meals for domestic First Class use an array of local ingredients, while our in-flight magazine “SKYWARD” features articles on the various regional charms of Japan, such as recommended sightseeing spots, local products and traditional crafts, and recommended JALPAK tours. Since April 2021, we have been publishing articles on our web magazine “OnTrip JAL” of the charms of Japan’s regions by our reporters, JAL FURUSATO Ambassadors and JAL FURUSATO Cheering Teams, and have been showing in-flight videos of JAL FURUSATO Cheering Teams introducing local sightseeing spots and delicious cuisine on “JAL on YouTube.”

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The JAL Group has supported efforts to protect the natural environment and pass on traditional Japanese culture, such as support for Upopoi, a space symbolizing ethnic coexistence for the purpose of cultural restoration and development of the indigenous Ainu people of Hokkaido, and beach clean-up activities in Amami and Okinawa. To commemorate the registration of “Hokkaido and Northern Tohoku Irons Period archaeological sites” to the World Cultural Heritage list and “Amami-Oshima Island, Iriomote Island” to the World Natural Heritage list in July 2021, we opened a special World Heritage site on the JAL website, featured World Heritage Sites and specially painted aircraft under the theme of “connecting” on our web magazine “OnTrip: JAL,” and introduced all World Heritage Sites in Japan including the recent two listings and special tours on our domestic tour site.

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Community Relations

Specific Initiatives

**JAL SORAIKU® Start of online classes**

JAL SORAIKU® aims to provide opportunities for children to think about their own future and the future of the global environment by experiencing the wonders of the sky and the fun of flying. The program offers origami plane classes, classes on jobs in an airline, and Sky Eco classes. In fiscal 2020, as classes could not be held face-to-face due to COVID-19, we launched online classes to allow children to participate easily from anywhere. Through quizzes, we introduce behind-the-scenes stories of jobs performed by airline staff and scenes from training that are not usually shown.

**JAL SORAIKU® participants (past 3 years)**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of people</td>
<td>197,469</td>
<td>191,840</td>
<td>20,435</td>
</tr>
</tbody>
</table>

**Virtual JAL Factory Tour**

We also started virtual JAL Factory Tours online to allow participants to experience JAL Group’s history and jobs of airline staff and see real airplanes up close. We offer new experiential value through factory tours and online classes from home.

**Developed educational content for the Ministry of Economy, Trade and Industry’s STEAM Library**

To develop educational content based on insights into the airline business utilizing know-how accumulated through our educational program for the younger generation, JAL SORAIKU®, JAL submitted an application to become a content creator for the 2020 Ministry of Economy, Trade and Industry’s “Future Class - STEAM Library” Business and was the only airline to be selected. Under the theme, “Thinking of the Oceania region to Japan to interact with Japanese students and conduct research on a Foundation to conduct activities and cultural exchanges to foster the sensitivity of children and raise awareness of the importance of early detection and screening test for breast cancer.

From fiscal 2004, we began breast cancer awareness campaign activities every October to transporting foreign currency coins since 1991 using the characteristics of an airline.

**In support of the Japan Committee for UNICEF’s “Protection of Children’s Lives, Health and Rights,” we have been cooperating in collecting donations on board flights and activities has since been widely used by people with visual impairment in local communities.

**Support for culture and sports**

**Challenge for Tomorrow School**

Launched in April 2017, the Challenge for Tomorrow School, which JAL co-sponsors to let everyone shine through sports, held its 1,000th event on October 20, 2020. In fiscal 2020, events were suspended for a certain period of time, but in order to “provide children with opportunities to experience para-sports and live with dreams and hopes,” we established safety guidelines in addition to national and local government laws to provide safe and secure learning opportunities.

**Para-sports hands-on activities for elementary, junior and senior high schools sponsored by the Japan Foundation Paralympic Support Center**

**Support for art exhibitions**

We cooperate in the transportation of paintings, sculptures and other artworks displayed in art exhibitions using our air freight networks and technologies. In addition to creating opportunities for the Japanese people to see artworks and art, it also plays a role of disseminating Japanese culture overseas.

**Reading by cabin attendants**

Cabin attendants based in Bangkok support studies at local schools for visually impaired students by reading aloud to children. The mobile app used in these activities has since been widely used by people with visual impairment in local communities.

**Disaster Assistance Restoration**

**Basic Concept**

In order to fulfill our social mission and responsibility as transportation infrastructure, we cooperate in the early resumption of air transport services and air transport for disaster relief operations. We are also providing continuous support to those affected in disasters.

**Specific Initiatives**

In the recovery phase immediately after a disaster, we strive to resume air transport early in order to fulfill our social mission and responsibility as transportation infrastructure. We also cooperate with the national and local government, and the network of NGOs and NPOs to transport emergency supplies and volunteers to disaster stricken areas. JAL also organizes a charitable mileage program for JAL Mileage members to donate their miles and fund-raising activities by employees.

**FY2020 Support Results**

<table>
<thead>
<tr>
<th>Heavy rains in July 2020</th>
<th>Charity miles</th>
<th>Employee fund-raising</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,328,500 miles</td>
<td>1,431,415 yen</td>
<td></td>
</tr>
</tbody>
</table>

**In heavy rain-affected areas where town water supply has been cut, we sent air-specialized snow removal trucks that can carry hot water to allow people to bathe. (2019)**

**In front of Atsugi Backyard, an antenna shop of Asahi Shimbun in Tokyo (2020)**
## Governance

### Basic Concept (JAL Group Code of Conduct) | Priority Issues | Initiatives
---
Trust with stakeholders | Fair Business Practices | P.105
The JAL Group ensures fair disclosure of information while maintaining constructive dialogue with a board range of stakeholders in order to achieve sustainable growth and increase corporate value.
1. Information disclosure and dialogue
2. Preventing insider trading
Fair business practices | Disclosure | P.106
The JAL Group complies with laws and rules and conducts ourselves with honesty and integrity as a member of a company that is genuinely trusted by society.
1. Reinforcing compliance
2. Preventing corruption
3. Fair business relations with business partners
4. Free and fair competition
5. Management of personal information and intellectual property
6. Eliminating relations anticompetitive
Robust Risk Management (Promotion of BCM) | Responsible Procurement | P.107-108
The JAL Group must have the ability to respond to unexpected serious events, such as natural disasters or terrorism, and achieve sustainability.
1. Business Continuity Management
2. Business Continuity Management (BCM)
3. Business Continuity Guidelines

### Topic 1: Fair Business Practices

**Information security to protect the personal information of our customers**

The JAL Group handles a large amount of customer information every day in various situations, such as reservations and airports, when flying. Going forward, we will continue to position information security as one of the most important issues, and will promote various measures from both a tangible aspect, including systems for detecting and auditing external threats, such as increasing employees' awareness of this issue.

**VOICE**

As many customers use JAL Group services each day, it is extremely important that every employee who handles information maintains a high awareness of information security and protection of personal information. For this reason, all employees are periodically educated on information security and undergo targeted email attack drills.

Furthermore, in cooperation with IT Planning, our department visits domestic and overseas offices and airports to check whether information security is handled according to information security standards and rules, identify risks early, take necessary measures, and thereby strengthen information security throughout the JAL Group.

We particularly keep in mind to communicate with frontline staff, together think of measures from the frontline perspective, and build a trusting relationship.

We often receive ideas and suggestions from workplaces on new services using personal information, it is difficult to determine the extent permissible and strike a balance between convenience and personal information protection. We will maintain awareness that we are entrusted with important information of customers and strive to ensure information security and keep our customer data secure to ensure customers can use our services with peace of mind.

### Topic 2: Responsible Procurement

**Providing cabin service goods using FSC® certified paper**

We are working together with our suppliers to use FSC® certified cabin service goods from the perspective of building a sustainable supply chain, including regulatory compliance, global environmental protection, respect for human rights, fair labor practices, and fair business practices. We will continue to work to increase the use of products that have acquired international certification.

**VOICE**

I am currently working as a ground crew using my experience as a cabin attendant to purchase cups and dishes that passengers use on board. From the end of last year to spring of this year, I was responsible for introducing paper cups made of FSC® (Forest Stewardship Council) certified paper for serving hot drinks in First Class on short-haul domestic flights. As the raw material for making the paper cups was special and different from ordinary paper products, a higher price was inevitable if we were to use FSC® certified paper. However, by changing the specifications while maintaining quality and the delivery method in collaboration with the supplier while coordinating with internal departments, we were able to purchase paper cups made of FSC® certified paper at an appropriate price. I will continue to offer quality assurance to customers and introduce certified commodities that give due consideration to the environment and human rights while keeping in mind profitability.

### Topic 3: Robust Risk Management (Promotion of BCM)

**To maintain business continuity of important businesses in case of a large-scale disaster**

Since 2005, when the Cabinet Office of the Government of Japan published Business Continuity Guidelines, Business Continuity Management (BCM) and a Business Continuity Plan (BCP) have become increasingly widespread in Japan. In particular, the experience of the Great East Japan Earthquake in 2011 and publication of international standard ISO 22301 have led to rapid proliferation of BCP formulation by companies and renewed recognition of its importance. The JAL Group has also established a BCM system, formulated a BCP, and established and documented strategies to ensure that air transportation, which is a vital business, can be restored within a targeted time frame even if business is disrupted by a serious event. We will review the content according to environmental changes, disseminate our business continuity policy and strategies to internal organizations, and conduct education and training regularly to strengthen disaster response capabilities to ensure optimal decision-making and actions in the event of an unpredictable serious disaster.

**VOICE**

A report has predicted that there is a 70% chance of a major earthquake striking the capital region in the next 30 years. To be prepared, we conduct drills each quarter for all employees including executives to ensure business continuity and fulfill our social responsibility as a public transport operator even if JAL’s central organizations, namely, JAL Head Office and Haneda Airport, were to be hit by a magnitude six earthquake and suffer major damage. We also conduct company-wide drills across divisions and instruct each division to conduct drills in teams in order to instill knowledge and actions to be taken in the event of a disaster. Although it is extremely difficult to find the best way to achieve business continuity (restoration), we will strive to enhance effectiveness and effectiveness of our BCP through close communication and coordination among divisions that are intricately interrelated.
The JAL Group Value Creation Story

Chapter 2  Business Strategy  ESG Strategy  Finance Strategy

Foreword

Data Book

The JAL Group conducts business activities in compliance with applicable laws and regulations.

In order to strengthen compliance, JAL Group employees act in accordance with the JAL Group Code of Conduct “Commitment to Society” and practice the JAL Philosophy.

The Risk Management Department of Japan Airlines is positioned as the department in charge of overseeing compliance throughout the JAL Group and works to raise staff awareness through various measures.

We will maintain awareness of issues and proactively implement timely measures, while paying attention to social trends.

Fair Business Practices (Compliance)

Basic Concept

- Developing an environment for promoting compliance
  ① Related regulations and handbook
  Regulations are posted on the intranet so that every JAL Group employee can check them at any time.
  For the main regulations and handbook please see below.


  Furthermore, a director of each JAL Group company is appointed as Chief Compliance Officer and by establishing the JAL Group Compliance Network, we achieve clarification of roles and responsibilities, timely exchange of information, and development of compliance measures.

- Enhancing employee education
  In order to realize the JAL Group Code of Conduct “Commitment to Society,” we are enhancing education through face-to-face courses and e-Learning, such as compliance education for all employees (twice a year) and seminars for officers and by job grade.

- Consultation desk
  The JAL Group has established internal and external Group Hotlines (open 365 days/24 hours, in Japanese and English) as a whistleblower hotline available to all JAL Group employees.
  Also, each Group company has its own hotline to quickly spot and handle misconduct in the JAL Group.

Promotion of various initiatives

We are continuously promoting various activities to raise compliance awareness, strengthen information security, and reduce legal risks. Please visit the following site for main initiatives.


Anti-corruption measures

In order to seek fair and just profit, the JAL Group Code of Conduct “Commitment to Society” declares our commitment to “prevent corruption” in order to intensify crackdown on corrupt practices and prevent money laundering.

With the expansion of global business activities, we also comply with applicable laws and regulations of countries and regions where we conduct business (domestic laws such as the Unfair Competition Prevention Law (Japan), Foreign Corrupt Practices Act (U.S.), Bribery Prevention Law (U.K.), Commercial Bribery Regulations (China) and international conventions, and promote efforts to prevent corruption as a corporate citizen.

Number of breaches to Code of Conduct in FY2020

The number of fines and sanctions imposed on our company* for violations of laws and regulations is as follows.

* Japan Airlines Co., Ltd. and its subsidiaries

<table>
<thead>
<tr>
<th>Item (Relevant Code of contact items in parentheses)</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bribery (Preventing corruption)</td>
<td>0</td>
</tr>
<tr>
<td>Antitrust violations (Free and fair competition)</td>
<td>0</td>
</tr>
<tr>
<td>Information leakage (Management of personal information and intellectual property)</td>
<td>0</td>
</tr>
<tr>
<td>Human rights abuse (Respecting human rights and diversity)</td>
<td>0</td>
</tr>
<tr>
<td>Insider Trading (Prohibition of Insider Trading)</td>
<td>0</td>
</tr>
</tbody>
</table>

Providing information

To provide our stakeholders with a deeper understanding of the latest situation, we are working to improve the quality of disclosures and build relationships of trust through two-way communication. In recognition of our proactive approach to information disclosure, the Securities Analysts Association of Japan (SAAJ) has awarded the JAL Group first place in the transportation category for the third time in the past four years as a company with excellent disclosure.

Further, when COVID-19 infections began to run rampant around the globe in spring of 2019, many people were worried about using public transportation and many investors were concerned about the risk of infection inside the cabin. We prepared financial results briefing materials that were easier to understand and had a stronger message, and using the hand-drawn illustration below to promote cabin safety, we were awarded the IR Good Visual Award sponsored by the Japan Investor Relations Association in recognition of the drawing’s high quality, creative and unique presentation.

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.

Characteristics and correlation of our media

<table>
<thead>
<tr>
<th>Frequency of communication</th>
<th>As necessary</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAL website</td>
<td></td>
</tr>
<tr>
<td>Summary of financial results/ Financial results briefing materials</td>
<td></td>
</tr>
</tbody>
</table>
Responsible Procurement

Basic Concept

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.

When selecting suppliers, we comprehensively assess not only the quality, price and delivery date of their services and products, but also their reliability, ESG and sustainability initiatives.

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.

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.

Use of Certified Products

In these times when there is growing demand for responsible procurement with environmental consideration for supply chains and worker’s rights, there are various types of certifications that objectively demonstrate that certain requirements are met. The JAL Group compares and examines the standards of each type of certification and uses international third-party certifications with high requirement standards regarding the environment, society and governance, and for food, the previous three standards plus safety.

Use of Certified Products


Certifications for cabin service goods

FSC® certification (paper products)

Since September 2018, we have introduced in-flight service goods certified by FSC® (Forest Stewardship Council®). We also ask our suppliers to acquire FSC CoC (Chain of Custody) (distribution and management certification). As a result, more than half of our paper products such as paper cups, menu cards, in-flight magazines, confectionery boxes and wooden toys are FSC® certified products.

GOTS certification (organic cotton)

Lounge wear for First Class are made of 100% organic cotton certified by Global Organic textile Standard (GOTS), an international standard for organic fibers.

ST Standard (toys)

We are introducing toys that have undergone and passed ST (Safety Test) Standard compliance inspections by a third-party inspection agency.

Food certification

Rainforest Alliance certification (coffee)

In 2011, we began serving sustainable coffee, using Rainforest Alliance certified coffee beans, in the cabin and in the lounge, ahead of other airlines.

ASIAGAP certification (vegetables)

Since December 2018, we have been serving food certified by ASIAGAP (good agricultural practices) for Business Class and Economy Class in-flight meals. JAL Agriport, a JAL Group company, acquired ASIAGAP in November 2019 at its farm and their vegetables have been used in in-flight meals and lounges.

MSC/ASC certification (seafood)

Since June 2019, we have been purchasing seafood certified by MSC (Marine Stewardship Council) and ASC (Aquaculture Stewardship Council) through Aeon Co., Ltd., and used them in Business Class in-flight meals. In February 2020, we became the first airline in the world to receive MSC/ASC CoC (Chain of Custody) certifications. We established traceability management procedures for our in-flight meal catering facilities to ensure that we obtain fish and aquaculture products from responsible farms and established an operating system to ensure that in-flight catering companies strictly observe these procedures.

In-flight SDGs menu using ASC certified ingredients – A future dish from a list of 50 foods –

Key Performance Indicators (KPI)

<table>
<thead>
<tr>
<th>Period</th>
<th>Target</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19 to FY23</td>
<td>100%</td>
<td>97%</td>
</tr>
<tr>
<td>FY24</td>
<td>100%</td>
<td>92%</td>
</tr>
<tr>
<td>FY25</td>
<td>100%</td>
<td>90%</td>
</tr>
<tr>
<td>FY26</td>
<td>100%</td>
<td>85%</td>
</tr>
<tr>
<td>FY27</td>
<td>100%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Note: ASIAGAP provides a platform for managing and ensuring that supply chain data with the aim of achieving responsible business practices in the supply chain, established in the U.S. in 2008.

Monitoring and cooperation with business partners

We ask our suppliers to cooperate in confirming to the JAL Group Supplier Code of Conduct, which defines sustainability initiatives that give consideration to the environment, human rights, labor and other issues. Since fiscal 2019, we have been asking primary suppliers to respond to Sedex’s Self-Assessment Questionnaire (SAQ) or a JAL questionnaire to verify the status of compliance.

Although self-assessment questionnaires are assessed, and if they do not meet our criteria, we request suppliers to make improvements. Fulfilment of criteria by a specified deadline or submission of a corrective action plan are requirements for continuing business.

In 2019, we established an operating system to ensure that in-flight catering companies strictly observe these procedures.


An NPO that provides a platform for managing and sharing ethical supply chain practices, and fair business practices.

Identifying primary suppliers and risk products

Among primary suppliers, we have been asking primary suppliers to respond to Sedex’s Self-Assessment Questionnaire (SAQ) or a JAL questionnaire to identify their services and products, but also their responsibilities, ESG and sustainability initiatives.

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Since December 2018, we have been serving food certified by ASIAGAP (good agricultural practices) for Business Class and Economy Class in-flight meals. JAL Agriport, a JAL Group company, acquired ASIAGAP in November 2019 at its farm and their vegetables have been used in in-flight meals and lounges.

MSC/ASC certification (seafood)

Since June 2019, we have been purchasing seafood certified by MSC (Marine Stewardship Council) and ASC (Aquaculture Stewardship Council) through Aeon Co., Ltd., and used them in Business Class in-flight meals. In February 2020, we became the first airline in the world to receive MSC/ASC CoC (Chain of Custody) certifications. We established traceability management procedures for our in-flight meal catering facilities to ensure that we obtain fish and aquaculture products from responsible farms and established an operating system to ensure that in-flight catering companies strictly observe these procedures.

In-flight SDGs menu using ASC certified ingredients – A future dish from a list of 50 foods –
Robust Risk Management (Promotion of BCM)  

**Basic Concept**

- In order to protect and enhance public trust as air transport infrastructure with safety as the basic foundation of business, the JAL Group strives to achieve stable Group management through comprehensive risk management and promotes corporate social responsibility (CSR) activities.
- Even JAL Group companies that are not directly engaged in air transport promote activities to deepen understanding and implementation of risk management, in coordination with other Group companies.

To achieve JAL Group’s management targets, we have clarified that organizational leaders are held accountable for risk management and have defined “risk” as “any event or act that threatens the achievement of the mission, purpose or goals of any individual or organization.” Risks are classified into two groups: “operational risk” relating to air transportation and “business risk” that is not related to air transportation, and priority risks are identified through a biannual risk survey and treated intensively.

**Risk Management System**

- **Group Risk Management Council**
  The Group Risk Management Council is chaired by the President and comprises Senior Vice Presidents and Audit and Supervisory Board Members. The council comprehensively oversees risk management, crisis management, and the business continuity system, assesses current risks, and discusses and decides necessary risk treatment.
- **Risk Management and Information Security Committee**
  As the subcommittee of the Group Risk Management Council, the committee plays two roles. To deal with risks in general, the committee chaired by the Senior Vice President of General Affairs and comprising Senior Vice Presidents of relevant departments, plays an administrative role to support the Group Risk Management Council.
- **Group Operational Safety Promotion Committee**
  The committee is also responsible for personal data management and information security. Chaired by the Senior Vice President of General Affairs and Senior Vice President of IT Planning, the committee continuously strengthens information management.
- **Financial Risk Committee**
  Chaired by the Senior Vice President of Finance and Accounting and comprising the President, Executive Vice President and Senior Vice Presidents of relevant divisions, the Financial Risk Committee identifies financial risks to support corporate management, performs financial simulations regularly, and in case of a crisis or large-scale disaster is deemed to have a significant and quantitative impact on business performance, estimates the impact, and treats the risk together with the Group Risk Management Council, as necessary.

**Promotion system**

- **Group Risk Management Council**
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**Specific Initiatives**

- **Risk Management Cycle**
  We execute regular risk management cycles so that each organization can achieve their goals.

  - **Risk Survey**
    For details of each risk and countermeasures, see pages 136 to 138.

  - **Risk Management and Information Security Committee**
    Chaired by the President and comprising the General Safety Manager and directors and presidents of Group airlines appointed by the Chair, the Group Safety Enhancement Council establishes important safety management policies, grasps the actual state of business activities, and reviews organizations, systems and measures, as necessary, to achieve Group safety and promote safety management.

- **Group Operational Safety Promotion Committee**
  As the subcommittee of the Group Safety Enhancement Council, the Group Operational Safety Promotion Committee works to improve air transport safety by maintaining and strengthening cooperation on safety between divisions and Group airlines.

- **Business Strategy**
  Under the Group Risk Management Council, consulting services are provided to vulnerable organizations by risk managers. If additional measures are deemed necessary, the risks are treated immediately.

  - **Control Self-Assessment**
    For company-wide priority risks, a workshop is held with relevant risk managers to evaluate the vulnerability of each organization, including reports from other committees. As a result of assessment, the committee gives instructions for additional investigations and risk treatment, as necessary.

  - **Risk Consulting**
    Under the Group Risk Management Council, consulting services are provided to vulnerable organizations by risk management teams, in cooperation with Audit and Supervisory Board Members and the Auditing Department.

  - **Management Review**
    The Risk Management Committee assesses the process and risk treatment of primarily priority risks of the JAL Group, including reports from other committees. As a result of assessment, the committee gives instructions for additional investigations and risk treatment, as necessary.

**Risk Management System**

- **Group Safety Promotion System**
  - **Group Safety Promotion System**
    Under the Group Risk Management Council, the Group Safety Promotion System comprises the Group Operational Safety Promotion Committee and the Group Operational Safety Promotion Committee.

- **Risk Management and Information Security Committee**
  - **Risk Management and Information Security Committee**
    Chaired by the President and comprising the General Safety Manager and directors and presidents of Group airlines appointed by the Chair, the Group Safety Enhancement Council establishes important safety management policies, grasps the actual state of business activities, and reviews organizations, systems and measures, as necessary, to achieve Group safety and promote safety management.

- **Group Operational Safety Promotion Committee**
  - **Group Operational Safety Promotion Committee**
    As the subcommittee of the Group Safety Enhancement Council, the Group Operational Safety Promotion Committee works to improve air transport safety by maintaining and strengthening cooperation on safety between divisions and Group airlines.
**BCP (Business Continuity Plan)**

In addition to risk management of aviation safety such as aircraft accidents and incidents, we have established Disaster Handling Regulations, which outline the system and procedures for putting top priority on protecting the lives of customers, employees and all affected persons, and a risk prevention and mitigation system. We have also established a Business Continuity Plan (BCP) in the event our regular operations are disrupted regardless of the cause, and a BCP covering specific risks that disrupt central functions and processes in all areas, such as a pandemic or an earthquake striking the Tokyo metropolitan area. To put the BCP to practice, we conduct drills regularly, and review and revise the plan whenever the need arises.

A BCP for COVID-19 was initiated on January 21, 2020 and remains in effect. In the BCP in case an earthquake occurs beneath Tokyo, we partially transferred Integrated Operations Control (IOC) functions to Osaka to establish an alternative system. Japan Airlines Co., Ltd. received the Business Continuity and Social Contribution Resilience Certification from the Resilience Japan Promotion Council on November 30, 2019, and a high A rating (special interest rate) for business continuity management from the Development Bank of Japan on March 30, 2020.

**Risk response**

When a risk has arisen, or is likely to arise, that will affect aviation security, and the performance of air transportation business (operational risk), this risk is promptly notified to aviation security, and the performance of air transportation.

Integrated Operations Control (IOC) within 15 minutes of the occurrence.

We have established a Business Continuity Plan (BCP) to ensure data breach prevention measures and virus prevention measures in accordance with guidelines implemented. Vice President of General Affairs advises the person in charge of handling the risk. The person in charge (leader of organization where the risk has occurred) responds by assembling people deemed necessary.

The person responsible for determining risk level is responsible for bouncing decisions for crisis management depending on the situation. The person in charge of making Level I to II decisions for crisis management depending on the situation decides the applicable level and responds to the risk according to that level. Drills, reviews, education and training are conducted regularly for each type of disaster with the objective to raise awareness of crisis management of every employee.

**Information Security Measures**

**Basic Policy**

In light of the importance of information security and personal information protection in an advanced information communications society, the JAL Group has established the JAL Group Basic Policy on Information Security and Personal Information Protection. Information security measures are disclosed on the JAL website, such as compliance with laws, regulations and internal rules, establishment of a management system, implementation of safety measures, education and awareness-raising activities, collaboration with contractors, responses to accidents, to make staff aware of consultation services available around the information security issue. By implementing these policies, we are striving to properly manage and protect the information held by the company.

**Management System**

Given past incidents of personal data breaches caused by unauthorized access to the JAL Mileage Bank and customer data management system, we have positioned enhancement of information security as a high priority issue. We establish and update measures for regulatory compliance and classify and manage customer data and other data appropriately. We also educate all employees regularly through e-Learning.

In addition, the Risk Management and Information Security Committee, which is responsible for personal data management and information security, takes steps to enhance information security and reduce business risk.

To respond to increasing threats of cyber-attacks, which are becoming more sophisticated and complex, we have established measures to detect, quickly respond, and quickly recover from them. Going forward, we will continue to evolve prevention measures and take all possible steps to protect our business from cyber threats.

**Promotion of Security**

Under the leadership of the Chief Information Security Officer (CISO) appointed from among Executive Officers, the information security organization promotes information security throughout the JAL Group. As a major public transport operator, we implement data breach prevention measures and virus prevention measures in accordance with guidelines established by the Ministry of Land, Infrastructure, Transport and Tourism.

To be prepared for an incident, we monitor unauthorized access, virus infections and other threats 24 hours a day, 365 days a year, in cooperation with external specialized agencies. In case an incident occurs, a Computer Security Incident Response Team (CSIRT) is set up, with the information security organization as Secretariat, and quick action and recurrence prevention measures are implemented.

As prior information gathering is essential to strengthening cyber security, we participate in Transport ISAC (Transport ISAC), the Information Sharing And Analysis Center for transport operators, and use the information obtained to continuously enhance information security measures. Furthermore, we continuously implement the PDCA cycle, including an annual audit by an external specialized agency, and make necessary improvements.

To counter changing risks in recent years due to the proliferation of remote work, we have enhanced information security in the New Normal, including the use of company provided computers installed with data breach prevention measures that can be used safely even outside the company.

**Flow for Determining Risk Level**

The flow for determining risk level involves several steps:

1. **Operational risk**
2. **Operational risk**
3. **Crisis management**
4. **Response by crisis management level**
5. **Response by crisis management level**
6. **Response by crisis management level**
7. **Response by crisis management level**
8. **Response by crisis management level**

**Flow of BCP Activation**

The flow of BCP activation involves several steps:

1. **Detect incident through monitoring system**
2. **Incident response system**
3. **Set up CSIRT**
4. **Respond to the incident**
5. **Actions according to the Risk Management Manual**
6. **Solve the incident Prevent recurrence**
We have set a medium target for each of the “4 areas/22 issues” that the JAL Group is working on. The JAL Group will aim to realize a sustainable society through daily business activities and promote ESG management to achieve the SDGs.

<table>
<thead>
<tr>
<th>22 issues</th>
<th>Main initiatives</th>
<th>Performance indicators</th>
<th>Results of FY19</th>
<th>Results of FY20</th>
<th>Target for FY25</th>
<th>Contribution to SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address to Climate Change</strong></td>
<td>Reduction of CO₂ emissions</td>
<td>CO₂ emission Scope 1 (aviation)</td>
<td>9.09 million tons</td>
<td>4.39 million tons</td>
<td>Below 9.09 million tons</td>
<td>Management Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CO₂ emission Scope 2 (ground facilities)</td>
<td>57,000 tons</td>
<td>51,000 tons</td>
<td>54,000 tons</td>
<td>Management Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ratio of fuel-efficient aircrafts</td>
<td>82%</td>
<td>84%</td>
<td>86%</td>
<td>Management Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ratio of SAF loaded in total fuel amount</td>
<td>Loaded to all 5 delivered A350 aircrafts</td>
<td>0%</td>
<td>Replace 1% of total fuels to SAF</td>
<td>Management Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amount of reduction by JAL Green Operations (Reducing CO₂ emissions in daily operations)</td>
<td>157,000 tons (1.7% of total emission)</td>
<td>82,000 tons (1.8% of total emission)</td>
<td>Reduce 2.5% amount of CO₂ emitted from aircrafts</td>
<td>Management Target</td>
</tr>
<tr>
<td><strong>Effective Use of Limited Resources</strong></td>
<td>Plastic use reduction</td>
<td>Reduction ratio of new petroleum derived single plastic use items in in-house standard products used in-flight and in lounges</td>
<td>2.5%</td>
<td>To be disclosed within FY21</td>
<td>100%</td>
<td>Management Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ratio of eco-friendly material in plastic bags used for checked baggage at airports</td>
<td>*started from FY20</td>
<td>36.3%</td>
<td>100%</td>
<td>Management Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ratio of eco-friendly material in plastic used in cargo transportation</td>
<td>91%</td>
<td>90%</td>
<td>100%</td>
<td>Management Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of routes with meal reservation service introduced</td>
<td>*started from FY20</td>
<td>2 routes</td>
<td>All routes</td>
<td>Management Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recycling ratio of cooking residue in preparing in-flight meals</td>
<td>7.7%</td>
<td>28.0%</td>
<td>100%</td>
<td>Management Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Paper reduction</td>
<td>Paperless in cargo sheds</td>
<td>*started from FY20</td>
<td>Complete paperless in JAL flights</td>
<td>Management Target</td>
</tr>
<tr>
<td><strong>Prevention of Environmental Pollution</strong></td>
<td>Industrial waste reduction</td>
<td>Final disposal rate</td>
<td>0.3%</td>
<td>0.6%</td>
<td>Keep below 1%</td>
<td>Management Target</td>
</tr>
<tr>
<td><strong>Noise Reduction</strong></td>
<td>Operation with low-noise aircrafts</td>
<td>Ratio of ICAO Chapter 4 standard compliant aircraft</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>Management Target</td>
</tr>
<tr>
<td><strong>Biodiversity Conservation</strong></td>
<td>Prevention of illegal wildlife trade</td>
<td>Number of illegal wildlife transported</td>
<td>0 times</td>
<td>0 times</td>
<td>0 times</td>
<td>Management Target</td>
</tr>
<tr>
<td></td>
<td>Use of certified products</td>
<td>Ratio of paper items with FSC® certified paper used in-flight</td>
<td>24.2%</td>
<td>66.5%</td>
<td>100%</td>
<td>Management Target</td>
</tr>
</tbody>
</table>
## Chapter 2 
Business Strategy ESG Strategy Finance Strategy

### People

<table>
<thead>
<tr>
<th>22 Issues</th>
<th>Main Initiatives</th>
<th>Performance indicators</th>
<th>Results of FY19</th>
<th>Results of FY20</th>
<th>Target for FY25</th>
<th>Contribution to SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of D&amp;I</td>
<td>Promotion of diverse talent participating actively in work</td>
<td>Ratio of disabled staff hiring</td>
<td>2.62%</td>
<td>2.67%</td>
<td>To be established in accordance with the statutory employment rate</td>
<td>⬤</td>
</tr>
<tr>
<td>Workstyle Innovation</td>
<td>Improvement of working productivity</td>
<td>Total work hours</td>
<td>1,863 hours</td>
<td>1,878 hours</td>
<td>1,850 hours</td>
<td>⬤</td>
</tr>
<tr>
<td></td>
<td>Promotion of diverse workstyles</td>
<td>Number of work hours</td>
<td>55 people</td>
<td>53 people</td>
<td>53 people</td>
<td>Track record</td>
</tr>
<tr>
<td>Health and Productivity Management</td>
<td>Improvement of health check-up ratio</td>
<td>Ratio of check-ups taken by employee</td>
<td>100%</td>
<td>100%</td>
<td>Keep 100%</td>
<td>⬤</td>
</tr>
<tr>
<td></td>
<td>Ratio of improvement of gynecological check-ups</td>
<td>Ratio of breast cancer check-up taken</td>
<td>36.7%</td>
<td>—</td>
<td>To be disclosed within FY21</td>
<td>⬤</td>
</tr>
<tr>
<td>Human Resources Development</td>
<td>Conducting of Human Rights Due Diligence</td>
<td>Ratio of compliance to the Corporate Governance Code</td>
<td>100%</td>
<td>100%</td>
<td>Keep 100%</td>
<td>⬤</td>
</tr>
<tr>
<td>Improving Accessibility</td>
<td>Promotion of boarding passengers who feel barriers to travelling</td>
<td>Ratio of such passengers onboard</td>
<td>0.36%</td>
<td>0.29%</td>
<td>2.5 times v.s. FY19 result</td>
<td>⬤</td>
</tr>
<tr>
<td></td>
<td>Actuation of medical items transportation</td>
<td>Weight of transported medical items</td>
<td>610 tons</td>
<td>723 tons (118% v.s. FY19 result)</td>
<td>+50% v.s. FY19 result</td>
<td>⬤</td>
</tr>
<tr>
<td>Route Network Expansion</td>
<td>Preserving and development of regional routes including island routes</td>
<td>Total number of Domestic sites (including code share)</td>
<td>62 sites</td>
<td>61 sites</td>
<td>More than 62 sites</td>
<td>⬤</td>
</tr>
<tr>
<td>Increase Inbound Tourism</td>
<td>Promotion of passengers from outside of Japan boarding on domestic flights</td>
<td>Number of people boarded</td>
<td>701,240 people</td>
<td>To be disclosed within FY21</td>
<td>1,505,000 people</td>
<td>⬤</td>
</tr>
<tr>
<td>Improving Convenience in Travel</td>
<td>Commercialization of drone logistics/air taxi</td>
<td>Realization of commercialization</td>
<td>—</td>
<td>—</td>
<td>FY23: commercialization of drone logistics FY25: commercialization of flying cars</td>
<td>⬤</td>
</tr>
<tr>
<td>Regional Revitalization</td>
<td>Increase of tourists to regional areas</td>
<td>Ratio of increase</td>
<td>25.6% v.s. FY19 result</td>
<td>+10% v.s. FY19 result</td>
<td>⬤</td>
<td></td>
</tr>
<tr>
<td>Community Relations</td>
<td>Promotion of volunteerism</td>
<td>Number of people joined</td>
<td>7,745 people</td>
<td>9,772 people</td>
<td>Track record</td>
<td>⬤</td>
</tr>
<tr>
<td></td>
<td>Nurturing the next generation</td>
<td>Number of people who joined the SORAKU</td>
<td>191,840 people</td>
<td>20,435 people</td>
<td>Track record</td>
<td>⬤</td>
</tr>
</tbody>
</table>

### Communities

| Route Network Expansion | Preserving and development of regional routes including island routes | Total number of Domestic sites (including code share) | 62 sites | 61 sites | More than 62 sites | ⬤ |
| Increase Inbound Tourism | Promotion of passengers from outside of Japan boarding on domestic flights | Number of people boarded | 701,240 people | To be disclosed within FY21 | 1,505,000 people | ⬤ |
| Improving Convenience in Travel | Commercialization of drone logistics/air taxi | Realization of commercialization | — | — | FY23: commercialization of drone logistics FY25: commercialization of flying cars | ⬤ |
| Regional Revitalization | Increase of tourists to regional areas | Ratio of increase | 25.6% v.s. FY19 result | +10% v.s. FY19 result | ⬤ |
| Community Relations | Promotion of volunteerism | Number of people joined | 7,745 people | 9,772 people | Track record | ⬤ |
| | Nurturing the next generation | Number of people who joined the SORAKU | 191,840 people | 20,435 people | Track record | ⬤ |

### Governance

| Compliance to the Corporate Governance Code | Compliance rate | 100% | 100% | Keep 100% | ⬤ |
| Function improvement of Board of Directors | Ratio of external directors | 30% | 30% | Over one third | ⬤ |
| Prevention of information leakage | Attendance ratio of external directors and auditors to board of directors | 100% | 100% | Keep over 80% | ⬤ |
| Prevention of corruption and bribery | Number of cases | 0 cases | 0 cases | 0 cases | ⬤ |
| Disclosure | Reimbursement for information disclosure in Sustainability reports | Number of cases | 765,912 | 786,239 | Over 1,000,000 | ⬤ |
| Responsible Procurement | Supply chain management | Soundness confirmation ratio of primary suppliers | 18% | 37% | 100% | ⬤ |
| | Number of companies selling parts to factories and in-flight supply storerooms per year | 2 times | 2 times | 2 times | ⬤ |
| Promotion of BCM | Improvement of BCP effectiveness | Number of exercises conducted per BCP | 1 time | 1 time | 2 times | ⬤ |
As an Official Airline Partner

As the official airline partner of the Olympic and Paralympic Games Tokyo 2020 (Tokyo 2020), JAL contributed to the realization of the Games Vision, “Sport has the power to change the world and the future,” and supported the historic event by communicating emotions and courage to the world. As a supporting partner of the Tokyo 2020 Olympic Torch Relay, in March 2020 we transported the Tokyo 2020 Olympic Torch from Greece in cooperation with ANA. We also provided safe and secure air transport during the pandemic so that athletes and tournament officials from around the world could gather in Tokyo with peace of mind.

JAL’s Policy of Approaches to Tokyo 2020

- Contribute to the success of the Games as proof of revival and reconstruction
- Contribute to creating a society that recognizes diversity
- Make efforts to recover demand and contribute to regional revitalization
- Enhance safety and security and deliver smooth and comfortable travel

Major Initiatives and Employee Activities

- JAL’s third aircraft with special livery “Everyone’s JAL 2020 Jet” goes into service on domestic flights

In 2019, we launched the first and second special aircraft for Tokyo 2020 to build momentum, and in 2021, the third special jet (A350) with gold livery on domestic routes to coincide with the opening of Tokyo 2020. Under the slogan “Gambaro Nippon! (Go, Japan!)” the aircraft is designed with pictures of Japanese athletes supported by JAL on the fuselage and a gold Tsurumaru (Japanese crane) logo on the tail so that everyone in Japan as well as the athletes can feel hope for a brighter future. We also conducted related measures in the cabin, at airports and on the JAL website.

- JAL athlete-employees participate in Tokyo 2020

JAL athlete-employees, Koki Kano (fencing epee), Naoto Tobe (high jump) and Haruka Kitaguchi (javelin), were selected to represent Japan for the first time. JAL will continue to support athletes who strive to reach world’s top level.

KANO Koki: Finished 15th in the men’s fencing epee individual competition and won the gold medal in the team competition, a first for Japan.

TOBE Naoto: (High Jump Japanese record holder) Japan’s team advances to finals for the first time in 49 years (13th place)

KITAGUCHI Haruka: (Javelin Throw Japanese record holder) Japan’s team advances to the finals for the first time in 57 years (12th place)
Data Highlights

**Business**

- **Aircraft accident**
  - Domestic (cases)
  - International (cases)

- **Serious incident**
  - Domestic (cases)
  - International (cases)

- **Number of aircraft**
  - Domestic
  - International
  - Total (%)

- **On-time arrival rate**
  - Domestic (%)
  - International (%)
  - Total (%)

- **NPS (Net Promoter Score)**
  - Domestic (points)
  - International (points)

- **Percentage of fuel-efficient aircraft**
  - Domestic (%)
  - International (%)

- **Dividend payout ratio**
  - Domestic (%)
  - International (%)

- **Total return ratio**
  - Domestic (%)
  - International (%)

- **CO2 emission reduction**
  - Domestic (%)
  - International (%)

**Finance**

- **EBIT**
  - Current year (billion yen)
  - Previous year (billion yen)
  - Domestic (points)
  - International (points)

- **EBIT margin**
  - Current year (%)
  - Previous year (%)

- **Equity ratio**
  - Current year (%)
  - Previous year (%)

- **Ratio of non-Japanese managers**
  - Domestic (%)
  - International (%)

- **Employment rate of persons with disabilities**
  - Domestic (%)
  - International (%)

- **Overtime work and annual paid leave applicants**
  - Domestic (%)
  - International (%)

---

1. International Financial Reporting Standards (IFRS) have been applied since fiscal 2020. As a result, fiscal 2019 figures show IFRS based figures and figures based on Japanese standards.
2. [Japanese standards] EBIT = Operating profit + Depreciation
3. [IFRS] EBIT = EBITDA + Depreciation
4. Shareholders’ equity (billion yen)
5. Equity ratio (%)
6. Ratio of non-Japanese managers (%)
7. Total return ratio = Total dividends + Repurchase of treasury stock/Profit after tax
8. EBIT and EBIT margin for FY2020 are not shown due to negative figures.
9. Non-Japanese managers hired in Japan in business planning and maintenance engineering jobs/Total managers
10. Net profit attributable to owners of parent from FY2015 through FY2018 excludes corporate tax adjustments
11. Dividend payout ratio = Total dividends/Net profit/loss

---

IFRS International (%)
84.73 84.12

Total dividends (billion yen)

EBIT (billion yen)
20.0

6.4% 11.8%

164.1

86.85 87.10

87.46
## Traffic Data

### Domestic flights

<table>
<thead>
<tr>
<th>Unit</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total passengers</td>
<td>32,570,397</td>
<td>34,033,475</td>
<td>34,859,576</td>
<td>33,783,710</td>
<td>12,212,131</td>
</tr>
</tbody>
</table>

### Domestic Revenue Passenger Kilometers

<table>
<thead>
<tr>
<th></th>
<th>1,000 people-kilometers</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>35,423,513</td>
</tr>
<tr>
<td>FY2017</td>
<td>35,714,021</td>
</tr>
<tr>
<td>FY2018</td>
<td>36,116,930</td>
</tr>
<tr>
<td>FY2019</td>
<td>36,199,539</td>
</tr>
<tr>
<td>FY2020</td>
<td>19,452,985</td>
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</tbody>
</table>

### Domestic Available Seat Kilometers

<table>
<thead>
<tr>
<th></th>
<th>1,000 seats-kilometers</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>24,550,154</td>
</tr>
<tr>
<td>FY2017</td>
<td>25,643,092</td>
</tr>
<tr>
<td>FY2018</td>
<td>26,195,658</td>
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<td>FY2019</td>
<td>25,443,520</td>
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<td>FY2020</td>
<td>9,282,122</td>
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### Domestic Passenger Load Factor

<table>
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<tr>
<th>%</th>
<th>FY2016</th>
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<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
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</thead>
<tbody>
<tr>
<td>69.3</td>
<td>71.8</td>
<td>72.5</td>
<td>70.3</td>
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### International flights (Full Service Carrier (FSC))

<table>
<thead>
<tr>
<th>Unit</th>
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<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
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</thead>
<tbody>
<tr>
<td>Total passengers</td>
<td>8,394,777</td>
<td>8,585,399</td>
<td>9,128,236</td>
<td>8,277,987</td>
<td>357,519</td>
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### International Revenue Passenger Kilometers

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<tr>
<td>FY2016</td>
<td>50,621,656</td>
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<tr>
<td>FY2017</td>
<td>51,836,491</td>
</tr>
<tr>
<td>FY2018</td>
<td>54,925,904</td>
</tr>
<tr>
<td>FY2019</td>
<td>54,324,546</td>
</tr>
<tr>
<td>FY2020</td>
<td>11,918,047</td>
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</tbody>
</table>

### International Available Seat Kilometers

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<tr>
<td>FY2016</td>
<td>40,633,050</td>
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<tr>
<td>FY2017</td>
<td>42,013,111</td>
</tr>
<tr>
<td>FY2018</td>
<td>44,659,463</td>
</tr>
<tr>
<td>FY2019</td>
<td>41,905,628</td>
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<td>FY2020</td>
<td>2,196,423</td>
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### International Passenger Load Factor

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<th>FY2020</th>
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<tr>
<td>80.3</td>
<td>81.0</td>
<td>81.3</td>
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## Customers

### NPS (Net Promoter Score)

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<tr>
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<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
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<tbody>
<tr>
<td>Domestic flights</td>
<td>—</td>
<td>+1.4</td>
<td>+1.3</td>
<td>+7.6</td>
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<tr>
<td>International flights</td>
<td>—</td>
<td>+2.1</td>
<td>+2.2</td>
<td>+8.2</td>
<td>+30.0</td>
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### Cargo and Mail

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<thead>
<tr>
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<tr>
<td>Domestic revenue cargo</td>
<td>357,803</td>
</tr>
<tr>
<td>International revenue cargo</td>
<td>1,887,856</td>
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## Safety

### Aircraft accident

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
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</thead>
<tbody>
<tr>
<td>Domestic flights</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>International flights</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
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### Accident cases

<table>
<thead>
<tr>
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<th>FY2020</th>
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<tbody>
<tr>
<td>Airbus A350-900</td>
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<tr>
<td>Boeing 777-300ER</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Boeing 777-300</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Boeing 777-200ER</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Boeing 777-200</td>
<td>12</td>
<td>12</td>
<td>11</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Boeing 787-9</td>
<td>8</td>
<td>11</td>
<td>17</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Boeing 787-8</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>29</td>
</tr>
<tr>
<td>Boeing 767-300ER</td>
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<td>29</td>
<td>29</td>
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<tr>
<td>Boeing 767-300</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>5</td>
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<tr>
<td>Boeing 737-800</td>
<td>53</td>
<td>57</td>
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<td>62</td>
<td>61</td>
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<tr>
<td>Boeing 737-400</td>
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<tr>
<td>Embraer 170/175</td>
<td>22</td>
<td>29</td>
<td>32</td>
<td>32</td>
<td>32</td>
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<tr>
<td>Bombardier DHC-8-400/400C</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>SAA340/345</td>
<td>12</td>
<td>10</td>
<td>8</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Bombardier DHC-8-400</td>
<td>9</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bombardier DHC-8-300</td>
<td>1</td>
<td>1</td>
<td>0</td>
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</tr>
<tr>
<td>Bombardier DHC-8-100</td>
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<td>0</td>
<td>0</td>
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<tr>
<td>ATR42-600/ATR72-600</td>
<td>1</td>
<td>4</td>
<td>7</td>
<td>10</td>
<td>11</td>
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## Flight Data

### Number of cities served

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic flights</td>
<td>59</td>
<td>59</td>
<td>60</td>
<td>62</td>
<td>61</td>
</tr>
<tr>
<td>International flights</td>
<td>251</td>
<td>284</td>
<td>348</td>
<td>378</td>
<td>368</td>
</tr>
<tr>
<td>Total</td>
<td>310</td>
<td>343</td>
<td>408</td>
<td>440</td>
<td>429</td>
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</tbody>
</table>

### Number of flights

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic flights</td>
<td>225,265</td>
<td>235,246</td>
<td>244,467</td>
<td>242,603</td>
<td>134,325</td>
</tr>
<tr>
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<td>52,054</td>
<td>53,295</td>
<td>54,747</td>
<td>51,129</td>
<td>8,138</td>
</tr>
<tr>
<td>Total</td>
<td>277,319</td>
<td>288,541</td>
<td>299,214</td>
<td>293,732</td>
<td>142,463</td>
</tr>
</tbody>
</table>

### On-time departure rate

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic flights</td>
<td>90.86</td>
<td>84.72</td>
<td>88.33</td>
<td>86.71</td>
<td>96.74</td>
</tr>
<tr>
<td>International flights</td>
<td>89.28</td>
<td>87.80</td>
<td>87.47</td>
<td>86.35</td>
<td>93.17</td>
</tr>
<tr>
<td>Total</td>
<td>90.46</td>
<td>88.71</td>
<td>88.80</td>
<td>86.62</td>
<td>96.02</td>
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</table>

### On-time arrival rate

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic flights</td>
<td>86.85</td>
<td>84.73</td>
<td>84.12</td>
<td>83.29</td>
<td>96.27</td>
</tr>
<tr>
<td>International flights</td>
<td>87.10</td>
<td>85.79</td>
<td>87.46</td>
<td>86.83</td>
<td>95.33</td>
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<tr>
<td>Total</td>
<td>86.91</td>
<td>85.00</td>
<td>84.99</td>
<td>84.18</td>
<td>96.38</td>
</tr>
</tbody>
</table>
The above route map includes codeshare flights.

The above map is not geographically correct. This is for the purpose of placing JAL’s online cities in the center.

Dashed lines (---) indicate a one-way route.
### Domestic Route Map (as of August 23, 2021)

- **Nagoya (Komaki)**-**Fukuoka**, **Nagoya (Komaki)**-**Kumamoto** sectors are codeshare flights with Fuji Dream Airlines.
- **Sapporo (New Chitose)**-**Yamagata**, **Sapporo (New Chitose)**-**Matsumoto**, **Sapporo (Okadama)**-**Matsumoto**, **Fukuoka-Amakusa**, **Kumamoto-Amakusa** sectors are codeshare flights with Amakusa Airlines (AMX). Some flights between **Osaka (Kansai)** and **Kumamoto** are also codeshare flights with AMX.
- Services are not available on select routes during certain periods of the year.

### Consolidated Subsidiaries (as of March 31, 2021)

#### Corporate Name

<table>
<thead>
<tr>
<th>Corporate Name</th>
<th>Paid-in Capital (Billions of yen)</th>
<th>Ratio of Voting Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Air Transport Business</strong></td>
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<td></td>
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<tr>
<td><strong>Air Transport Business</strong></td>
<td></td>
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<tr>
<td>JAPAN TRANSIT CO., LTD.</td>
<td>4,517</td>
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<tr>
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<td>J-IRI CO., LTD.</td>
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<td>ZIPAIR TOKYO CO., LTD.</td>
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<tr>
<td>HOKKAIDO AIR SYSTEM CO., LTD.</td>
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<tr>
<td>KAGUSAN AIR COMMUTER CO., LTD.</td>
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<td><strong>Airport Passenger Handling</strong></td>
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<tr>
<td>JAL SKY AIRPORT OKINAWA COMPANY, LTD.</td>
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<tr>
<td>JALSKY OSAKA CO., LTD.</td>
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<tr>
<td>JALSKY KYUSHU CO., LTD.</td>
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<tr>
<td>JALSKY SAPPORO CO., LTD.</td>
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<td>JALSKY KANAZAWA CO., LTD.</td>
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<td>JAL MAINTENANCE SERVICE CO., LTD.</td>
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</table>

#### Corporate Name

<table>
<thead>
<tr>
<th>Corporate Name</th>
<th>Paid-in Capital (Billions of yen)</th>
<th>Ratio of Voting Rights</th>
</tr>
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<tbody>
<tr>
<td><strong>Other Segments</strong></td>
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<tr>
<td>JAL BRAND COMMUNICATIONS CO., LTD.</td>
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<tr>
<td>JAL INFORMATION &amp; NETWORKS CO., LTD.</td>
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</tr>
<tr>
<td>JAL INFORMATION &amp; COMMUNICATIONS CO., LTD.</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>JAL SBI FINTECH CO., LTD.</td>
<td>45</td>
<td>51.0</td>
</tr>
<tr>
<td>JAL SUNLIGHT CO., LTD.</td>
<td>20</td>
<td>100.0</td>
</tr>
<tr>
<td>OFFICIAL FLUING CO., LTD.</td>
<td>10</td>
<td>50.0</td>
</tr>
<tr>
<td>JPRO CO., LTD.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JLP INSURANCE COMPANY LIMITED</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1. Flying between Osaka (Itami) and Kumamoto is also a codeshare flight with AMX.
2. Although JAL’s ownership is 50% or less, it is considered a subsidiary because JAL has substantial control.
### Financial Data

#### Per share data (yen, U.S. dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating expenses</th>
<th>Total expenses</th>
<th>Profit before income tax</th>
<th>Income tax</th>
<th>Net income</th>
<th>Profit attributable to owners of parent</th>
<th>ROE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,034.0</td>
<td>1,165.0</td>
<td>116.0</td>
<td>33.5</td>
<td>82.5</td>
<td>88.0</td>
<td>45.0</td>
</tr>
<tr>
<td>2018</td>
<td>1,105.0</td>
<td>1,216.0</td>
<td>228.0</td>
<td>66.3</td>
<td>162.0</td>
<td>167.0</td>
<td>57.2</td>
</tr>
<tr>
<td>2019</td>
<td>1,216.0</td>
<td>1,341.0</td>
<td>325.0</td>
<td>98.5</td>
<td>226.5</td>
<td>237.0</td>
<td>58.9</td>
</tr>
</tbody>
</table>

#### Key Performance Indices

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT margin (%)</th>
<th>ROE (%)</th>
<th>Average number of shares during the fiscal year (thousands of shares)</th>
<th>Shareholders' equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>6.4</td>
<td>4.7</td>
<td>343,167</td>
<td>3,009.71</td>
</tr>
<tr>
<td>2018</td>
<td>5.0</td>
<td>4.7</td>
<td>374,212</td>
<td>3,510.28</td>
</tr>
<tr>
<td>2019</td>
<td>5.0</td>
<td>4.7</td>
<td>412,278</td>
<td>4,653,111</td>
</tr>
</tbody>
</table>

#### Key Performance Indicators

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT margin (%)</th>
<th>ROE (%)</th>
<th>D/E ratio (Times)</th>
<th>Equity ratio (%)</th>
<th>Dividends</th>
<th>Average number of shares during the fiscal year (thousands of shares)</th>
<th>As of fiscal year-end</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>6.4</td>
<td>4.7</td>
<td>0.3x</td>
<td>51.2</td>
<td>11.9</td>
<td>343,167</td>
<td>3,009.71</td>
</tr>
<tr>
<td>2018</td>
<td>5.0</td>
<td>4.7</td>
<td>0.3x</td>
<td>51.2</td>
<td>11.9</td>
<td>374,212</td>
<td>3,510.28</td>
</tr>
<tr>
<td>2019</td>
<td>5.0</td>
<td>4.7</td>
<td>0.3x</td>
<td>51.2</td>
<td>11.9</td>
<td>412,278</td>
<td>4,653,111</td>
</tr>
</tbody>
</table>

#### Financial highlights

<table>
<thead>
<tr>
<th>Year</th>
<th>Business Data</th>
<th>Financial Data</th>
<th>ESG Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>127</td>
<td>128</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>130</td>
<td>132</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>134</td>
<td>136</td>
<td></td>
</tr>
</tbody>
</table>

#### Business Data

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Billions of yen)</th>
<th>EBITDA Margin (%)</th>
<th>D/E ratio (Times)</th>
<th>Equity ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,385.9</td>
<td>6.4</td>
<td>0.3x</td>
<td>51.2</td>
</tr>
<tr>
<td>2018</td>
<td>1,438.2</td>
<td>5.0</td>
<td>0.3x</td>
<td>51.2</td>
</tr>
<tr>
<td>2019</td>
<td>1,512.0</td>
<td>5.0</td>
<td>0.3x</td>
<td>51.2</td>
</tr>
</tbody>
</table>
### Evaluation and Analysis of Financial Conditions

#### Economic Conditions

This fiscal 2020 was an extremely tough year for an airline industry including the JAL Group due to the spread of COVID-19. As the COVID-19 spread continued, the JAL Group strived to maintain its domestic and international route network while implementing hygiene and contactless measures to ensure safety and security. Facing with a rapid and significant decrease of revenue, we implemented fundamental cost reduction measures and investment reduction to mitigate the negative impact of the decreased revenue. Also, we made all possible efforts in this unprecedented crisis including governmental supports to defer tax or fee payments as well as subsidies for employment adjustment.

We will work altogether to endure this hardship and will fulfill subsidies for employment adjustment. We will prepare for a coming demand recovery in a future through valued passengers to use our service with comfort. We will work altogether to endure this hardship and will fulfill subsidies for employment adjustment.

#### Analysis of Consolidated Operating Results

<table>
<thead>
<tr>
<th>1. Earnings Summary</th>
<th>Revenue ¥481.2 billion</th>
<th>EBIT ¥398.3 billion</th>
<th>Loss attributable to owners of parent ¥286.6 billion</th>
</tr>
</thead>
</table>

In fiscal year 2020, international passenger revenue decreased by 458.2 billion yen year over year due to the prolonged impact of COVID-19 and domestic passenger revenue decreased by 355.7 billion yen year over year due to the declaration of a state of emergency responding to the spread of COVID-19, resulting in a revenue decline of 481.2 billion yen (down 65.3% from the previous year).

As for expense, jet fuel costs decreased by 146.6 billion yen attributable to fuel load reductions due to flight reductions and a decline in jet fuel prices from the sharp drop in market jet fuel prices. Maintenance costs decreased 15.8 billion yen due to reduction in engine maintenance work stemming from jet fuel price decrease.

Personnel costs decreased by 36.5 billion yen due to executives’ salaries and employees’ bonus cut. To counter the sharp drop in revenue, we have been making continuous efforts to minimize our operating cost, together with fixed cost restructuring and investment restructuring. As a result, operating expense was 885 billion yen (down 32.4% from the previous year).

EBIT was loss of 398.3 billion yen (EBIT 88.8 billion yen in the previous year). Loss attributable to owners of parent was 286.6 billion yen (profit attributable to owners of parent 48 billion yen in the previous year) as a result of income tax expense decrease by recording deferred tax asset.

#### Fiscal year 2020 Changes in EBIT

- **Revenue**: ¥481.2 billion
- **EBIT**: ¥398.3 billion
- **Loss attributable to owners of parent**: ¥286.6 billion

- **Revenue**: ¥458.2 billion
- **EBIT**: ¥355.7 billion
- **Loss attributable to owners of parent**: ¥242.2 billion

- **Revenue**: ¥404.0 billion
- **EBIT**: ¥387.8 billion
- **Loss attributable to owners of parent**: ¥242.2 billion

#### JAL Group

In fiscal year 2020, the revenue for the consolidated fiscal year decreased 65.3% year over year to 481.2 billion yen, the operating expenses decreased 32.4% year over year to 885 billion yen, the loss/earning before financing and income tax (hereinafter referred as “EBIT”) was loss of 398.3 billion yen (EBIT 88.8 billion yen in the previous year). This loss attributable to owners of the parent was 286.6 billion yen (profit attributable to owners of the parent 48 billion yen in the previous year).
2. Segment Earnings

Revenue ¥431.8 billion

(1) Air Transportation Segment

The revenue in Air Transportation Segment decreased by 65.8% year on year to 431.8 billion yen and the loss before investing, financing and income tax (hereinafter referred as “Segment profit (or loss)”) was 403.3 billion yen (segment profit 47.4 billion yen in the same period in the previous year). (Revenue and Segment profit (or loss) are before elimination of transactions between segments.)

Details of revenue are shown in the table on the right. The international passenger revenue for JZPAK, engaging in LCC business, was 51 million yen.

1) International Passenger Operations (Full Service Carrier)∗

Revenues of international routes by geographic segment

<table>
<thead>
<tr>
<th>Country</th>
<th>FY2019</th>
<th>FY2020</th>
<th>Δy/y (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>America</td>
<td>1,511</td>
<td>107</td>
<td>-93.2</td>
</tr>
<tr>
<td>Europe</td>
<td>765</td>
<td>45</td>
<td>-94.0</td>
</tr>
<tr>
<td>Asia / Oceania</td>
<td>4,211</td>
<td>167</td>
<td>-96.0</td>
</tr>
<tr>
<td>China</td>
<td>1,345</td>
<td>36</td>
<td>-97.3</td>
</tr>
<tr>
<td>Hawai / Guam</td>
<td>1,124</td>
<td>5</td>
<td>-99.3</td>
</tr>
<tr>
<td>Total</td>
<td>8,958</td>
<td>357</td>
<td>-96.0</td>
</tr>
<tr>
<td>ASK (million km)</td>
<td>16,056</td>
<td>5,733</td>
<td>-64.4</td>
</tr>
<tr>
<td>Europe</td>
<td>7,976</td>
<td>2,627</td>
<td>-67.1</td>
</tr>
<tr>
<td>Asia / Oceania</td>
<td>19,601</td>
<td>3,290</td>
<td>-63.2</td>
</tr>
<tr>
<td>China</td>
<td>3,115</td>
<td>142</td>
<td>-91.0</td>
</tr>
<tr>
<td>Hawai / Guam</td>
<td>7,261</td>
<td>106</td>
<td>-98.5</td>
</tr>
<tr>
<td>Total</td>
<td>15,797</td>
<td>11,918</td>
<td>-27.8</td>
</tr>
<tr>
<td>RPK (million km)</td>
<td>257,336</td>
<td>57,333</td>
<td>-77.5</td>
</tr>
<tr>
<td>America</td>
<td>14,222</td>
<td>970</td>
<td>-95.2</td>
</tr>
<tr>
<td>Europe</td>
<td>6,726</td>
<td>409</td>
<td>-93.2</td>
</tr>
<tr>
<td>Asia / Oceania</td>
<td>15,641</td>
<td>710</td>
<td>-99.5</td>
</tr>
<tr>
<td>China</td>
<td>2,358</td>
<td>40</td>
<td>-99.3</td>
</tr>
<tr>
<td>Hawai / Guam</td>
<td>6,437</td>
<td>36</td>
<td>-99.4</td>
</tr>
<tr>
<td>Total</td>
<td>45,551</td>
<td>2,196</td>
<td>-97.2</td>
</tr>
</tbody>
</table>

2) Domestic Passenger Operations

Passenger Revenue (JPY Br)∗

<table>
<thead>
<tr>
<th>FY2019</th>
<th>FY2020</th>
<th>Δy/y (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>529,707</td>
<td>174,066</td>
<td>-67.2</td>
</tr>
</tbody>
</table>

3. Analysis of Factors Affecting Operating Expenses

Operating Expenses ¥885.0 billion

As for expense, jet fuel costs decreased 146.6 billion yen attributable to fuel load reductions due to flight reductions and a decline in jet fuel prices from the sharp drop in market jet fuel prices. Maintenance costs decreased 15.8 billion yen due to reduction in engine maintenance work stemming from significant flight reductions. Personnel costs decreased 35.6 billion yen due to direct remuneration and performance-linked remuneration reductions. To counter the sharp drop in revenue, we strived to reduce variable costs such as flight operation costs through agile capacity adjustment, huge cost reductions and curtailed investments. As a result, operating expense came to 885 billion yen (down 32.4% from the previous year).

4. Profit Attributable to Owners of Parent

Loss attributable to owners of parent ¥286.6 billion

The loss attributable to owners of the parent was 286.6 billion yen (the profit attributable to owners of the parent 48 billion yen in the previous year) as a result of income tax expense decrease by recording deferred tax asset.
5. Cash Flows

- Cash Flows from Operating Activities: ¥219.5 billion
- Cash Flows from Investing Activities: ¥91.0 billion
- Cash Flows from Financing Activities: ¥388.6 billion

The balance of Cash and Cash equivalents at the end of the current fiscal year increased by 79.1 billion yen from the end of the previous fiscal year to 408.3 billion yen.

Cash Flow from Operating Activities

As a result of adding back or subtracting non-cash items including depreciation, retirement benefit liabilities, operating receivables and operating payables to/from loss before income tax of 404 billion yen, cash (flow from operating activities was 219.5 billion yen (cash inflow of 80.8 billion yen for the previous year).

Cash Flow from Investing Activities

Cash flow from investing activities (outflow) was 91 billion yen mainly due to expenditures for acquiring Fixed assets (cash outflow of 233.7 billion yen for the previous year).

Cash Flow from Financing Activities

Cash flow from financing activities (inflow) was 388.6 billion yen due to Long term debts and issuance of new shares (cash outflow of 38.8 billion yen for the previous year).

6. Capital Investment and Aircraft Procurement

Capital investment in fiscal 2020 totaled 88.3 billion yen (including expenditure for intangible assets). In JAL Group, has made investments for the introduction of new aircraft to improve operational efficiency, for intangible assets including investments to increase competitiveness to meet diverse customer needs, and for system investments to improve convenience and efficiency.

The main capital expenditures in fiscal 2020 were investments to improve convenience and operational efficiency, for intangible assets including investments to increase competitiveness for the introduction of new aircraft to improve efficiency.

7. Financial Position

Despite the difficult situation, we have secured Equity of 947.4 billion yen and Debt-Equity Ratio of 45.0%.

- Assets
  - Assets at the fiscal year-end increased by 125 billion yen from the end of the previous fiscal year to 2,107.2 billion yen, mainly due to Cash and Cash equivalents increase.

- Liabilities
  - Liabilities increased by 193.1 billion yen from the end of the previous fiscal year to 1,257.7 billion yen due to increase in Interest-bearing debt and decrease in Contract liability.

- Equity
  - Equity decreased by 68 billion yen from the end of the previous fiscal year to 981.5 billion yen, as a result of increase in Net loss.

8. Credit Ratings

JAL’s current credit ratings are shown in the table on the right.

9. Fuel and Exchange Rate Hedging

(1) Hedging Policy

On international routes, fuel surcharges allow the Company to offset some of its fuel costs. As a result, the Company uses fuel hedging for fuel used on domestic routes. In addition, the Company’s foreign currency revenues are roughly the same as its foreign currency expenses, excluding fuel costs. Consequently, the Company uses fuel and exchange rate hedging only for fuel costs.

(2) Overcome Market Risks

The impact of volatility in fuel prices is mitigated by hedging and fuel surcharges, however there is some time lag of their effects each year. However, over a medium-term timeframe, the Company has been largely successful in mitigating the risk of fluctuations in fuel prices. Based on cumulative changes in prices over a certain period of time, the Company has offset the impact of those changes through hedging and fuel surcharges.

---

**Balance Sheet**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2020</th>
<th>FY2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>¥1,982.2 billion</td>
<td>¥2,107.2 billion</td>
<td>-¥255 billion</td>
</tr>
<tr>
<td>Cash and Deposits</td>
<td>¥329.1 billion</td>
<td>¥408.3 billion</td>
<td>-¥79.2 billion</td>
</tr>
<tr>
<td>Balance of Interest-bearing Debt</td>
<td>¥377.2 billion</td>
<td>¥515.7 billion</td>
<td>-¥138.5 billion</td>
</tr>
<tr>
<td>Debt-Equity Ratio</td>
<td>45.0%</td>
<td>54.3%</td>
<td>-9.3%</td>
</tr>
</tbody>
</table>

**Cash Flow from Operating Activities**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2020</th>
<th>FY2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operating Activities</td>
<td>¥190.2 billion</td>
<td>¥191.6 billion</td>
<td>-¥1.4 billion</td>
</tr>
<tr>
<td>Cash Flow from Operating Activities - Depreciation and Amortization</td>
<td>¥162.4 billion</td>
<td>¥182.4 billion</td>
<td>-¥20.0 billion</td>
</tr>
<tr>
<td>Cash Flow from Investing Activities</td>
<td>¥27.3 billion</td>
<td>¥30.2 billion</td>
<td>-¥2.9 billion</td>
</tr>
<tr>
<td>Cash Flow from Financing Activities</td>
<td>¥16.4 billion</td>
<td>¥24.7 billion</td>
<td>-¥8.3 billion</td>
</tr>
<tr>
<td>Total Cash Flow</td>
<td>¥233.9 billion</td>
<td>¥249.5 billion</td>
<td>-¥15.6 billion</td>
</tr>
<tr>
<td>EBITDA</td>
<td>¥215.8 billion</td>
<td>¥233.7 billion</td>
<td>-¥17.9 billion</td>
</tr>
</tbody>
</table>

**Credit Ratings**

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Rating</th>
<th>Long-term issuer rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Credit Rating Agency, Ltd. (JCR)</td>
<td>A</td>
<td>A (-)</td>
</tr>
</tbody>
</table>

**Fuel hedging**

- International routes
- Domestic routes

**Forex hedging**

- Foreign currency revenues
- Foreign currency expenses

**Non-fuel costs**

- Fuel costs

---

**Image of Cumulative Impact of Price Fluctuations**

<table>
<thead>
<tr>
<th>Fuel price / Forex impact</th>
<th>Hedged revenue received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel costs</td>
<td>Non-fuel costs</td>
</tr>
<tr>
<td>The Company is exposed to fuel cost risks on domestic routes which do not have the FSC</td>
<td>The Company is exposed to forex risks related to fuel costs, as foreign currency revenues excluding fuel costs are largely offset by foreign currency revenues.</td>
</tr>
</tbody>
</table>

*1 In normal times, the Company uses fuel hedging for fuel used on domestic routes, which is equivalent to approximately 40% of all fuel consumed by the Group’s air transport operations. *2 FSC is a Fuel Surcharge.
10. Retirement Benefit Obligations

The JAL Group has identified numerous risks that could have a material impact on investment decisions. The list is now exhaustive and the JAL Group may be affected by unforeseen risks not described below. This report also contains forward-looking statements based on information available to the Company as of March 31, 2021. The JAL Group is exposed to the following principal risks due to the nature of its business activities.

1) Pandemic Risk

Due to temporary restrictions on the movement of people caused by the spread of COVID-19, air travel demand may be affected. The JAL Group is exposed to the following principal risks due to the nature of its business activities.

2) Natural Disaster Risk and Climate Change Risk

The JAL Group faces severe competition in Japan and overseas in areas such as routes, services, and pricing. On domestic routes, we compete with other major Japanese airlines, new low cost airlines, and super express train services. On international routes, we compete with major domestic and international airlines, with competition intensifying on both domestic and international routes, alliances, codeshare agreements, and reciprocal air frequent flyer programs between overseas and Japanese airlines are contributing to the challenging environment.

Significant deterioration in this competitive climate and business environment could affect JAL Group’s operations. The JAL Group has partnerships with global partner airlines in various forms such as joint business, alliance, codeshare, frequent flyer programs, and so forth. In the non-aviation business such as the mileage business, we are working to strengthen our customer base by forging extensive partnerships.

JAL regards shareholder returns as one of its most important management matters. Our fundamental policy is to actively implement share repurchases through continuous and stable dividends and flexible share repurchases, while securing internal reserves for making investments for corporate growth in the future and changing business environments and to build a strong financial structure. JAL will decide the dividend per share level, considering its financial position and other factors. As a result, JAL seeks to achieve a total payout ratio, which combines the total dividends paid out and the total amounts of the share repurchases, of an approximately 35% to 50% range through appropriately sharing periodic profits and other financial situations of that time and going forward.

11. Shareholder Returns

The JAL Group’s air transportation business has a high proportion of operational capabilities, which would have a severe impact on the Group’s operations. To mitigate the risk of a shutdown of the Integrated Operations Control Center in Tokyo, some of its functions have been transferred to the Operations Control Center at Osaka International Airport which is in 24-7 operation, but it is not a substitution for all the functions of the IOC in Tokyo.

2) Risk related to medium- to long-term changes in the business environment

Due to temporary restrictions on the movement of people caused by the spread of COVID-19, air travel demand may be affected. The JAL Group is exposed to the following principal risks due to the nature of its business activities.

2) Natural Disaster Risk and Climate Change Risk

Natural Disaster Risk

Due to temporary restrictions on the movement of people caused by the spread of COVID-19, air travel demand may be affected. The JAL Group is exposed to the following principal risks due to the nature of its business activities.

Climate Change Risk

Climate change caused by global warming has become a major global issue, and if large-scale natural disasters caused by global warming were to occur in Japan more frequently, it may affect our business performance. The aviation industry consumes large amounts of fossil fuels, which cause climate change; therefore, CO2 emission reduction is a social need and an extremely important management issue for the JAL Group. In light of the situation, we have declared our commitment to achieve net zero CO2 emissions by 2055, requiring us to implement various measures such as upgrading to fuel-efficient aircraft, procuring alternative aviation fuel, and engaging in carbon pricing, all of which may affect our business operations. Failure to meet the above targets may undermine our reputation in society and affect our business operations.
relationships with other industries, The JAL Group’s alliance strategy may be affected by changes in operating conditions at other partner airlines including one world members or joint business partners, and by changes in the one world alliance membership or major developments in the Group’s alliance relationships.

(4) Aircraft Delivery Risk
In the air transportation business, the JAL Group places orders for aircraft with the Boeing Company, Airbus SAS, Embraer SA, ATR, and Mitsubishi Aircraft Corporation to increase efficiency by upgrading to fuel-efficient aircraft and reducing aircraft types in the fleet. However, the delivery of new aircraft may be delayed due to technical, financial, and other reasons at aircraft manufacturers, which could force adjustments to fleet plans that may affect JAL Group’s operations over the medium and long term.

(5) Market Fluctuation Risk
1) Fuel Price Fluctuation Risk
Fluctuations in fuel prices have a significant impact on JAL Group’s business performance. We charge a fuel surcharge to partly cover the impact of higher fuel prices, but fuel price fluctuations are not immediately reflected in the fuel surcharge and it is inappropriate to ask customers to cover the entire increase in fuel prices. We also use crude oil hedging transactions to mitigate the risk of fuel price volatility. However, a sudden and steep drop in oil prices may not contribute to an improvement in our operating performance, as the benefits of the decline would not be reflected in business results immediately due to hedge contract positions and other factors.

2) Exchange Rate Fluctuation Risk
The JAL Group operates in countries other than Japan, and some of the revenues and expenses are denominated in foreign currencies. In particular, aviation fuel prices, one of our main expenses, is largely linked to the US dollar. US dollar exchange rate fluctuations, therefore, have a greater impact on our expenses than on its revenues. To mitigate the impact of exchange rate volatility on profits, the JAL Group uses foreign currency revenues to offset foreign currency expenses and foreign currency hedging transactions. The price of new aircraft is also closely linked to the US dollar, which means we are also exposed to the risk of exchange rate fluctuations when recording the value of assets and depreciation costs related to aircraft. To mitigate this risk, we use hedging transactions to diversify opportunities for foreign currency exchange.

The JAL Group needs to make significant capital expenditures such as the procurement of new aircraft. To finance these investments, we may take out loans from financial institutions or capital markets, and our ability to raise money and pay costs for the loans are affected by capital and financial market trends and by changes in our credit rating, which may limit our access to loans and lead to higher financing costs. Furthermore, the JAL Group posts deferred tax assets, but if the expected amount of future taxable income should decline or if past deferred tax assets are reversed due to tax revisions or such, the Group’s financial position may be temporarily affected.

(6) Aviation Safety Risk
The JAL Group implements a wide range of measures on a daily basis to ensure the safe operation of its flights. However, a single fatal accident has the potential of undermining customer trust in flight safety of the JAL Group and lead to a loss of public support. We must also provide compensation for any passenger fatalities or injuries in the event of an accident, which could have a severe impact on our operating performance. In addition, safety issues related to the JAL Group, the same aircraft type operated by the Group or codeshare flights could undermine customer trust in JAL Group’s flight safety and lead to a loss of public support, which could affect our operating performance. To limit the impact of legal damages related to air accidents and to ensure those affected by any accident receive sufficient compensation, we have purchased liability insurance that provides an internationally recognized level of compensation and coverage.

(7) Regulatory Risk, Environmental Compliance Risk and Litigation Risk
JAL Group’s operations are subject to various international legal restrictions and national and local government laws and regulations. Revisions to these laws and regulations may result in even heightened restrictions on our operations, which could lead to a significant increase in costs.

1) Regulatory Risk
The JAL Group operates flights in accordance with various rules and regulations, such as Japan’s Civil Aeronautics Act and other regulations governing airline businesses, bilateral aviation agreements and other international arrangements, Japan’s Antimonopoly Act and other similar antitrust laws overseas, and rules on taxes and public dues such as landing fees. Revisions to these rules and regulations may limit or curtail consent industries could have an impact on our operating performance. Moreover, the allocation of flight slots at Haneda Airport and other airports that are central to the Group’s air transport business could also affect our business performance.

2) Environmental Compliance Risk
JAL Group businesses are dependent on human resources who possess national certificates or other legally required qualifications related to aircraft operation. However, due to the considerable amount of time required to acquire these qualifications and skills during the course of their duties, the JAL Group may not be able to hire sufficient human resources when required, which could affect our business performance. In addition, many of our employees belong to labor unions, and a collective strike or other labor disputes could affect flight operations.

(9) HR Risk and Industrial Relations Risk
JAL Group operations are dependent on many IT systems, and system failures caused by flaws in computer programs, computer viruses, and other cyber-attacks may lead to the loss of critical data, as well as flight operation issues, which could affect the Group’s operations. Large-scale failures in power systems, communication networks, other infrastructure that support IT systems, and Cloud services for email communications could also result in significant disruption to our business performance.

In addition, inadequate handling of personal data or data breaches caused by unauthorized access could undermine public trust in our business, systems and corporate brand and also customer and market trust, which could affect our business performance.
## Consolidated financial statements

(1) Consolidated statement of financial position

<table>
<thead>
<tr>
<th></th>
<th>As of April 1, 2019</th>
<th>As of March 31, 2020</th>
<th>As of March 31, 2021</th>
<th>As of March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Thousands of U.S. dollars</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>522,064</td>
<td>329,149</td>
<td>408,335</td>
<td>3,688,329</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>144,053</td>
<td>94,071</td>
<td>76,760</td>
<td>693,342</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>5,067</td>
<td>1,305</td>
<td>14,133</td>
<td>127,657</td>
</tr>
<tr>
<td>Inventories</td>
<td>23,682</td>
<td>28,409</td>
<td>23,680</td>
<td>213,892</td>
</tr>
<tr>
<td>Other current assets</td>
<td>46,442</td>
<td>55,500</td>
<td>44,906</td>
<td>405,618</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>741,309</td>
<td>508,435</td>
<td>567,816</td>
<td>5,128,859</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flight equipment</td>
<td>795,439</td>
<td>894,835</td>
<td>827,587</td>
<td>7,475,268</td>
</tr>
<tr>
<td>Advances on flight equipment</td>
<td>138,569</td>
<td>102,519</td>
<td>129,882</td>
<td>1,173,173</td>
</tr>
<tr>
<td>Other tangible fixed assets</td>
<td>77,495</td>
<td>86,462</td>
<td>87,942</td>
<td>794,345</td>
</tr>
<tr>
<td><strong>Total tangible fixed assets</strong></td>
<td>1,011,504</td>
<td>1,083,817</td>
<td>1,045,413</td>
<td>9,442,805</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>92,255</td>
<td>95,777</td>
<td>89,662</td>
<td>809,881</td>
</tr>
<tr>
<td>Investments accounted for using equity method</td>
<td>31,697</td>
<td>31,105</td>
<td>24,232</td>
<td>218,877</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>119,515</td>
<td>120,218</td>
<td>128,055</td>
<td>1,156,670</td>
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<td>Deferred tax assets</td>
<td>143,422</td>
<td>122,323</td>
<td>225,886</td>
<td>2,040,339</td>
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<td>Retirement benefit asset</td>
<td>1,178</td>
<td>938</td>
<td>3,176</td>
<td>28,687</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>12,765</td>
<td>19,638</td>
<td>23,036</td>
<td>208,075</td>
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<tr>
<td><strong>Total non-current assets</strong></td>
<td>1,412,338</td>
<td>1,473,819</td>
<td>1,539,462</td>
<td>13,905,356</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>2,153,648</td>
<td>1,982,254</td>
<td>2,107,279</td>
<td>19,038,224</td>
</tr>
<tr>
<td><strong>Liabilities and equity</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>137,684</td>
<td>125,208</td>
<td>97,185</td>
<td>877,833</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>38,408</td>
<td>38,618</td>
<td>69,621</td>
<td>628,859</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>39,108</td>
<td>51,065</td>
<td>42,490</td>
<td>383,795</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>19,192</td>
<td>2,824</td>
<td>3,890</td>
<td>35,136</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>294,663</td>
<td>251,809</td>
<td>215,239</td>
<td>1,944,169</td>
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<tr>
<td>Provisions</td>
<td>–</td>
<td>1,220</td>
<td>3,750</td>
<td>33,872</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>49,116</td>
<td>30,903</td>
<td>44,714</td>
<td>403,884</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>578,972</td>
<td>501,651</td>
<td>476,893</td>
<td>4,307,587</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>185,920</td>
<td>238,811</td>
<td>244,525</td>
<td>4,024,252</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>8,771</td>
<td>12,913</td>
<td>22,479</td>
<td>212,076</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>163</td>
<td>222</td>
<td>108</td>
<td>975</td>
</tr>
<tr>
<td>Provisions</td>
<td>14,594</td>
<td>14,645</td>
<td>15,667</td>
<td>141,513</td>
</tr>
<tr>
<td>Retirement benefit liability</td>
<td>256,305</td>
<td>151,330</td>
<td>153,169</td>
<td>1,383,515</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>13,243</td>
<td>12,062</td>
<td>10,899</td>
<td>98,446</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>478,999</td>
<td>430,985</td>
<td>648,850</td>
<td>5,860,807</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,057,972</td>
<td>932,637</td>
<td>1,125,744</td>
<td>10,168,403</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>181,352</td>
<td>181,352</td>
<td>273,200</td>
<td>2,467,708</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>182,437</td>
<td>182,437</td>
<td>273,557</td>
<td>2,470,933</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>666,030</td>
<td>645,408</td>
<td>352,965</td>
<td>3,188,194</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(408)</td>
<td>(408)</td>
<td>(408)</td>
<td>(3,685)</td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income</td>
<td>31,097</td>
<td>28,793</td>
<td>35,468</td>
<td>320,368</td>
</tr>
<tr>
<td>Effective portion of cash flow hedges</td>
<td>1,837</td>
<td>(23,146)</td>
<td>12,877</td>
<td>116,312</td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>–</td>
<td>(141)</td>
<td>(201)</td>
<td>(1,815)</td>
</tr>
<tr>
<td><strong>Total accumulated other comprehensive income</strong></td>
<td>32,934</td>
<td>5,556</td>
<td>48,144</td>
<td>434,865</td>
</tr>
<tr>
<td><strong>Total equity attributable to owners of parent</strong></td>
<td>1,062,345</td>
<td>1,014,295</td>
<td>947,459</td>
<td>8,558,025</td>
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<tr>
<td><strong>Total equity</strong></td>
<td>1,095,875</td>
<td>1,049,617</td>
<td>981,535</td>
<td>8,665,820</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>2,153,648</td>
<td>1,982,254</td>
<td>2,107,279</td>
<td>19,038,224</td>
</tr>
</tbody>
</table>
2. Consolidated statement of profit or loss and other comprehensive income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Thousands of U.S. dollars</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International passenger revenue</td>
<td>486,217</td>
<td>27,969</td>
<td>252,633</td>
</tr>
<tr>
<td>Domestic passenger revenue</td>
<td>529,707</td>
<td>174,006</td>
<td>1,571,727</td>
</tr>
<tr>
<td>Other revenue</td>
<td>369,989</td>
<td>279,249</td>
<td>2,522,346</td>
</tr>
<tr>
<td>Total revenue</td>
<td>1,386,914</td>
<td>487,245</td>
<td>4,540,716</td>
</tr>
<tr>
<td>Other income</td>
<td>9,069</td>
<td>13,197</td>
<td>121,009</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal expenses</td>
<td>291,317</td>
<td>258,809</td>
<td>2,011,589</td>
</tr>
<tr>
<td>Aircraft fuel</td>
<td>243,420</td>
<td>96,788</td>
<td>874,248</td>
</tr>
<tr>
<td>Depreciation, amortization and impairment losses</td>
<td>164,383</td>
<td>190,585</td>
<td>1,721,479</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>605,759</td>
<td>342,854</td>
<td>3,096,865</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>1,308,881</td>
<td>885,637</td>
<td>7,994,192</td>
</tr>
<tr>
<td>Operating profit (loss)</td>
<td>86,103</td>
<td>(390,414)</td>
<td>(5,526,458)</td>
</tr>
<tr>
<td>Share of profit (loss) of investments accounted for using equity method</td>
<td>1,396</td>
<td>(7,582)</td>
<td>(68,485)</td>
</tr>
<tr>
<td>Profit (loss) before investing, financing and income tax</td>
<td>87,500</td>
<td>(397,997)</td>
<td>(5,994,950)</td>
</tr>
<tr>
<td>Incomes/expenses from investments</td>
<td>2,399</td>
<td>2,694</td>
<td>24,333</td>
</tr>
<tr>
<td>Investing income</td>
<td>1,091</td>
<td>3,063</td>
<td>27,124</td>
</tr>
<tr>
<td>Profit (loss) before financing and income tax</td>
<td>88,607</td>
<td>(398,306)</td>
<td>(5,597,741)</td>
</tr>
<tr>
<td>Finance income/expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>1,102</td>
<td>1,799</td>
<td>16,249</td>
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<tr>
<td>Finance expenses</td>
<td>1,760</td>
<td>7,570</td>
<td>68,376</td>
</tr>
<tr>
<td>Profit (loss) before tax</td>
<td>88,149</td>
<td>(404,078)</td>
<td>(5,645,878)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>36,137</td>
<td>(116,202)</td>
<td>(1,049,607)</td>
</tr>
<tr>
<td>Profit (loss)</td>
<td>52,012</td>
<td>(287,875)</td>
<td>(2,600,261)</td>
</tr>
<tr>
<td>Profit (loss) attributable to Owners of parent</td>
<td>48,057</td>
<td>(286,693)</td>
<td>(2,589,585)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>3,955</td>
<td>(1,182)</td>
<td>(10,676)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to profit or loss</td>
<td>(2,702)</td>
<td>3,284</td>
<td>29,663</td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income</td>
<td>(2,702)</td>
<td>3,284</td>
<td>29,663</td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans</td>
<td>9,875</td>
<td>(2,394)</td>
<td>(21,624)</td>
</tr>
<tr>
<td>Share of other comprehensive income of investments accounted for using equity method</td>
<td>(171)</td>
<td>87</td>
<td>785</td>
</tr>
<tr>
<td>Total of items that will not be reclassified to profit or loss</td>
<td>7,001</td>
<td>977</td>
<td>8,824</td>
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<tr>
<td>Items that may be reclassified to profit or loss</td>
<td>(23,250)</td>
<td>34,411</td>
<td>310,821</td>
</tr>
<tr>
<td>Effective portion of cash flow hedges</td>
<td>(23,250)</td>
<td>34,411</td>
<td>310,821</td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>(162)</td>
<td>(138)</td>
<td>(1,246)</td>
</tr>
<tr>
<td>Share of other comprehensive income of investments accounted for using equity method</td>
<td>(1,302)</td>
<td>1,445</td>
<td>13,052</td>
</tr>
<tr>
<td>Total of items that may be reclassified to profit or loss</td>
<td>(24,712)</td>
<td>35,718</td>
<td>322,626</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td>(17,713)</td>
<td>36,695</td>
<td>331,451</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>34,411</td>
<td>(255,179)</td>
<td>(2,668,801)</td>
</tr>
<tr>
<td>Comprehensive income attributable to Owners of parent</td>
<td>30,430</td>
<td>(249,956)</td>
<td>(2,257,754)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>3,986</td>
<td>(1,223)</td>
<td>(11,046)</td>
</tr>
<tr>
<td>Earnings per share</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Basic earnings (loss) per share</td>
<td>140.04</td>
<td>(764.99)</td>
<td>(6.90)</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Consolidated statement of changes in equity

For the year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

<table>
<thead>
<tr>
<th>Equity attributable to owners of parent</th>
<th>Accumulated other comprehensive income</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>Capital surplus</td>
<td>Retained earnings</td>
</tr>
<tr>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
</tr>
<tr>
<td>Balance as of April 1, 2019</td>
<td>181,352</td>
<td>182,437</td>
</tr>
<tr>
<td>Profit (loss)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Dividends</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Transfer to hedged non-financial assets</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Retirement of treasury shares</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Acquisition of subsidiaries</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Change in ownership interest of investments accounted for using equity method</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Transfer to retained earnings</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total transactions with owners and so forth</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Balance as of March, 2020</td>
<td>181,352</td>
<td>182,437</td>
</tr>
</tbody>
</table>

Foreword
For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

<table>
<thead>
<tr>
<th>Equity attributable to owners of parent</th>
<th>Accumulated other comprehensive income</th>
<th>Total equity attributable to owners of parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>Capital surplus</td>
<td></td>
</tr>
<tr>
<td>Balance as of April 1, 2020</td>
<td>Balance as of March 31, 2021</td>
<td></td>
</tr>
<tr>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
</tr>
<tr>
<td>181,352</td>
<td>182,437</td>
<td>645,408</td>
</tr>
<tr>
<td>Profit (loss)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Issuance of new shares</td>
<td>91,848</td>
<td>91,120</td>
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<tr>
<td>Transfer to hedged non-financial assets</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>–</td>
<td>–</td>
</tr>
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<td>Changes in ownership interest due to purchase of shares of consolidated subsidiaries</td>
<td>–</td>
<td>(0)</td>
</tr>
<tr>
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<td>–</td>
<td>–</td>
</tr>
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<td>91,848</td>
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</tr>
<tr>
<td>Balance as of March 31, 2021</td>
<td>273,200</td>
<td>273,557</td>
</tr>
</tbody>
</table>

For the year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

<table>
<thead>
<tr>
<th>Equity attributable to owners of parent</th>
<th>Accumulated other comprehensive income</th>
<th>Total equity attributable to owners of parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>Capital surplus</td>
<td></td>
</tr>
<tr>
<td>Balance as of April 1, 2020</td>
<td>Balance as of March 31, 2021</td>
<td></td>
</tr>
<tr>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
</tr>
<tr>
<td>1,638,081</td>
<td>1,647,881</td>
<td>5,829,717</td>
</tr>
<tr>
<td>Profit (loss)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
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<td>829,626</td>
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<td>–</td>
<td>(0)</td>
</tr>
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<td>Transfer to retained earnings</td>
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<td>(51,928)</td>
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<tr>
<td>Balance as of March 31, 2021</td>
<td>2,467,708</td>
<td>2,470,933</td>
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<tr>
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<tr>
<td>Millions of yen</td>
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</tr>
<tr>
<td>181,352</td>
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<td>645,408</td>
</tr>
<tr>
<td>Profit (loss)</td>
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<td>–</td>
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</tr>
</tbody>
</table>
### (4) Consolidated statement of cash flows

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Thousands of U.S. dollars</td>
<td>Millions of yen</td>
</tr>
</tbody>
</table>

#### Cash flows from operating activities

- **Profit (loss) before tax**: 88,149 (404,078, 3,649,878) **3,649,878**
- **Depreciation, amortization and impairment losses**: 114,383 190,585 1,721,479 **1,721,479**
- **Loss (gain) on sale and retirement of non-current assets**: 2,691 2,150 19,420 **19,420**
- **Increase (decrease) in retirement benefit liability**: (91,001) (1,677) (15,147) **(15,147)**
- **Interest and dividend income**: (3,018) (2,213) (20,892) **(20,892)**
- **Interest expenses**: 1,332 2,927 26,438 **26,438**
- **Foreign exchange loss (gain)**: 785 (956) (6,835) **(6,835)**
- **Share of loss (profit) of investments accounted for using equity method**: (1,396) 7,582 68,485 **68,485**
- **Decrease (increase) in trade and other receivables**: 64,529 2,597 23,457 **23,457**
- **Decrease (increase) in inventories**: (4,695) 4,809 43,487 **43,487**
- **Increase (decrease) in trade and other payables**: (15,282) (27,036) (244,205) **(244,205)**
- **Decrease (increase) in contract liabilities**: (43,043) (36,705) (331,541) **(331,541)**
- **Other, net**: (44,294) 32,550 294,011 **294,011**

**Subtotal**: 119,039 (229,565) (2,073,570) **(2,073,570)**

#### Income taxes refunded (paid)

<table>
<thead>
<tr>
<th></th>
<th>Millions of yen</th>
<th>Thousands of U.S. dollars</th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td>(81,181)</td>
<td>10,045</td>
<td>90,732</td>
</tr>
</tbody>
</table>

**Net cash provided by (used in) operating activities**: 80,857 (219,519) (1,982,829) **(1,982,829)**

#### Cash flows from investing activities

- **Purchase of non-current assets**: (239,611) (89,686) (810,090) **(810,090)**
- **Proceeds from sales of non-current assets**: 4,251 1,442 13,025 **13,025**
- **Purchase of other financial assets**: (5,647) (8,118) (73,326) **(73,326)**
- **Proceeds from sales and redemptions of other financial assets**: 3,671 2,275 20,359 **20,359**
- **Payments for loans receivable**: (233) (2,026) (18,300) **(18,300)**
- **Collection of loans receivable**: 837 746 6,738 **6,738**
- **Interest received**: 1,033 378 3,414 **3,414**
- **Dividends received**: 2,446 1,528 17,414 **17,414**
- **Other, net**: 1,526 2,069 18,808 **18,808**

**Net cash provided by (used in) investing activities**: (233,725) (91,012) (822,075) **(822,075)**

#### Cash flows from financing activities

- **Net increase (decrease) in short-term borrowings**: 22 (54) (487) **(487)**
- **Proceeds from long-term borrowings**: 40,088 256,886 2,320,550 **2,320,550**
- **Repayments of long-term borrowings**: (13,367) (20,539) (185,520) **(185,520)**
- **Proceeds from issuance of bonds**: 39,750 – – **–**
- **Proceeds from issuance of shares**: 22 – 182,657 1,649,869 **1,649,869**
- **Interest paid**: (831) (1,412) (12,754) **(12,754)**
- **Dividends paid**: (38,146) (31) (280) **(280)**
- **Dividends paid to non-controlling interests**: (2,384) – – **–**
- **Other, net**: (39,316) (4,379) (39,553) **(39,553)**

**Net cash provided by (used in) financing activities**: (38,810) 388,624 3,510,288 **3,510,288**

**Effect of exchange rate changes on cash and cash equivalents**: (1,236) 1,094 9,881 **9,881**

**Net increase (decrease) in cash and cash equivalents**: (192,914) 19,186 715,256 **715,256**

**Cash and cash equivalents at beginning of period**: 822,648 329,149 2,973,073 **2,973,073**

**Cash and cash equivalents at end of period**: 329,149 408,335 3,688,320 **3,688,320**

---

For more details, please see “Consolidated Financial Statements for the Year ended March 31, 2021” on JAL website.
### Environment (E)

<table>
<thead>
<tr>
<th>Water consumption</th>
<th>Unit</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdrawal</td>
<td>m³</td>
<td>426</td>
<td>435</td>
<td>485</td>
<td>447</td>
<td>335</td>
</tr>
<tr>
<td>Tap water consumption</td>
<td>thousand m³</td>
<td>276(*)</td>
<td>220(*)</td>
<td>203(*)</td>
<td>203(*)</td>
<td>203(*)</td>
</tr>
<tr>
<td>Groundwater, Sea, River, Lake</td>
<td>thousand m³</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Industrial water consumption</td>
<td>thousand m³</td>
<td>426</td>
<td>435</td>
<td>485</td>
<td>447</td>
<td>335</td>
</tr>
</tbody>
</table>

### Industrial Waste

| Total waste generated (日本のみ) | ton | 3,436 | 3,266 | 3,012 | 3,330 | 2,834 |
| Total waste use(incineration) | ton | 3,398 | 3,233 | 3,737 | 3,320 | 2,817 |
| Total waste disposed | ton | 38    | 33    | 39    | 10    | 17    |
| PCB waste | ton | 3     | 3     | 0.07  | 0     | 0     |
| Final disposal rate % | 1.1  | 1.0  | 1.0  | 0.3  | 0.6  |

### Numbers of Fuel-efficient aircraft

- Airbus A350
- Boeing 787
- Boeing 777
- Boeing 737-800
- Embraer 190
- ATR72-600
- ATR42-600
- Number of fuel-efficient aircrafts: 149
- Ratio of fuel-efficient aircrafts: 6%

### Vehicles

- Motor Vehicles: 3,604
- Gasoline consumption: 4,959
- Diesel consumption: 5,125

### Environmental Investments

- Investments (航空機関連費用): 168.2 billion yen
- Number of violations: 175.4
- Number of cases: 181.3

### Social (S) Human resources data (Japan Airlines Co., Ltd. and 55 consolidated subsidiaries)

<table>
<thead>
<tr>
<th>Staff</th>
<th>Unit</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated staff headcount</td>
<td>persons</td>
<td>32,753</td>
<td>33,038</td>
<td>34,003</td>
<td>35,653</td>
<td>36,060</td>
</tr>
<tr>
<td>Number of ground staff</td>
<td>persons</td>
<td>24,055</td>
<td>23,828</td>
<td>24,295</td>
<td>25,278</td>
<td>25,244</td>
</tr>
<tr>
<td>Number of cockpit crews</td>
<td>persons</td>
<td>2,570</td>
<td>2,629</td>
<td>2,690</td>
<td>2,766</td>
<td>2,876</td>
</tr>
<tr>
<td>Number of cabin attendants</td>
<td>persons</td>
<td>6,128</td>
<td>6,581</td>
<td>7,018</td>
<td>7,609</td>
<td>7,940</td>
</tr>
<tr>
<td>Ratio of employees in management</td>
<td>%</td>
<td>15.9</td>
<td>15.8</td>
<td>15.5</td>
<td>14.8</td>
<td>15.0</td>
</tr>
<tr>
<td>Ratio of employees</td>
<td>%</td>
<td>84.1</td>
<td>84.2</td>
<td>84.5</td>
<td>85.1</td>
<td>85.0</td>
</tr>
<tr>
<td>Ratio of male employees</td>
<td>%</td>
<td>52.5</td>
<td>51.6</td>
<td>50.2</td>
<td>49.4</td>
<td>48.5</td>
</tr>
<tr>
<td>Ratio of female employees</td>
<td>%</td>
<td>47.5</td>
<td>48.4</td>
<td>49.8</td>
<td>50.6</td>
<td>51.7</td>
</tr>
<tr>
<td>Ratio of female managers</td>
<td>%</td>
<td>16.3</td>
<td>16.3</td>
<td>16.8</td>
<td>18.4</td>
<td>19.5</td>
</tr>
<tr>
<td>Ratio of being employees in management position</td>
<td>%</td>
<td>9.6</td>
<td>10.5</td>
<td>11.3</td>
<td>11.5</td>
<td>12.2</td>
</tr>
<tr>
<td>Number of managerial staff hired overseas</td>
<td>persons</td>
<td>195</td>
<td>200</td>
<td>218</td>
<td>216</td>
<td>218</td>
</tr>
<tr>
<td>Ratio of local hires at overseas offices</td>
<td>%</td>
<td>89.9</td>
<td>88.4</td>
<td>89.8</td>
<td>88.4</td>
<td>90.2</td>
</tr>
<tr>
<td>Ratio of locally hired managerial staff at overseas offices</td>
<td>%</td>
<td>61.9</td>
<td>58.4</td>
<td>64.0</td>
<td>56.3</td>
<td>57.5</td>
</tr>
<tr>
<td>Number of mid-career recruitment (Business planning staff hired in Japan)</td>
<td>persons</td>
<td>29</td>
<td>20</td>
<td>14</td>
<td>50</td>
<td>6</td>
</tr>
<tr>
<td>Ratio of disabled employees</td>
<td>%</td>
<td>2.56</td>
<td>2.69</td>
<td>2.69</td>
<td>2.62</td>
<td>2.67</td>
</tr>
</tbody>
</table>

### Employment, Turnover

- Number of new employees (new employee hire rates): (persons) - 2,340/1.71 = 2,342/1.71 = 3,711/(10.4%) = 2,312/6.5%
- Ratio of voluntary turnover | % | 2.0 | 1.9 | 1.1 |

### Age

- Average age: years old | 38.2 | 38.6 | 39.1 |
- Average age of ground staff | years old | 38.6 | 38.9 | 39.5 |
| Average age of cockpit crew | years old | 43.8 | 44.1 | 44.0 |
| Average age of cabin attendants | years old | 34.9 | 35.6 | 35.4 |

### Years worked

- Average years worked | years | 14.2 | 14.5 | 14.7 |

### Training

- Training period per person hours per person | 466.4 | 64.7 | 70.8 |
- Training cost per person (cost per person) | 403,519 | 422,187 | 470,698 |

### Social (S) Communities

- Increase of tourists to regional areas | % (vs. FY18 result) | — | — | — | — | 25.8 |
Governance (G)

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Governance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance rate to the Corporate Governance Code</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of directors on boarda</td>
<td>persons</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Ratio of independent directorsb</td>
<td>%</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Number of female directors on boardc</td>
<td>persons</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Number of female directors (director, Executive Officer)d</td>
<td>persons</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Ratio of female directors</td>
<td>%</td>
<td>8.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attendance ratio of External Directors and Auditors to Board of Directors</td>
<td>%</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>98.3</td>
</tr>
</tbody>
</table>

Risk Management

| Number of information leakage incidents | cases | 0 | 0 | 0 | 0 |
| Number of corruption and bribery | cases | 0 | 0 | 0 | 0 |
| Percentage of users whose customer privacy data is used for secondary purposes | % | 0.0 | 0.0 | 0.0 | 0.0 |
| Number of complaints received outside parties and subsidized by the organization regarding privacy protection | cases | 0 | 0 | 0 | 0 |
| Number of complaints received from regulatory bodies regarding privacy protection | cases | 0 | 0 | 0 | 0 |

Data Highlights

- Number of Shareholders 389,848
- Number of Shareholders (Request for listing or recording of Citizens of Foreign Countries and Other Persons) 2 persons
- Number of complaints received from regulatory bodies regarding privacy protection 2 persons
- Number of complaints received from regulatory bodies regarding privacy protection 2%