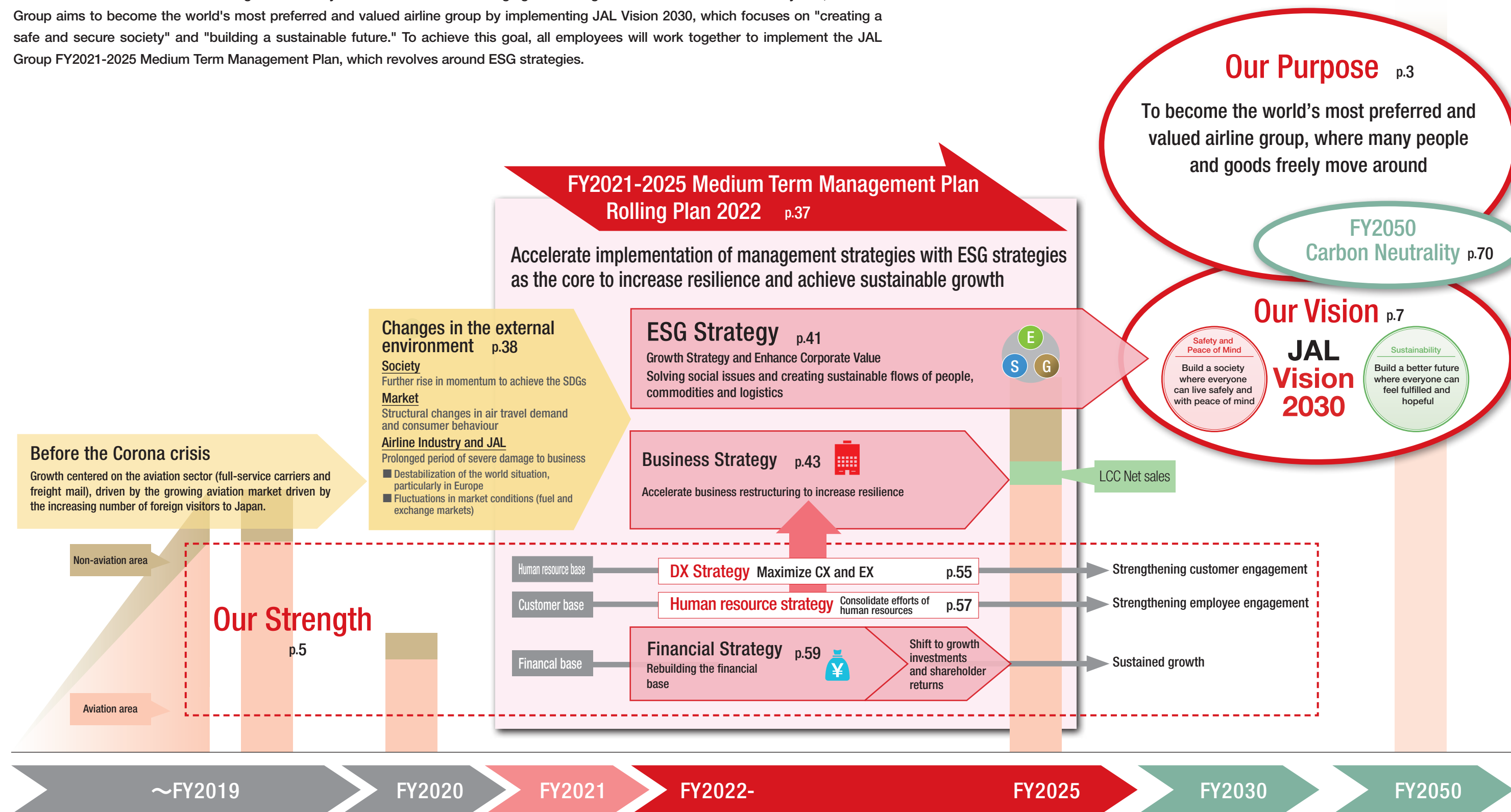


1. JAL Group's Value Creation Story

JAL Vision 2030: Achieving Carbon Neutrality

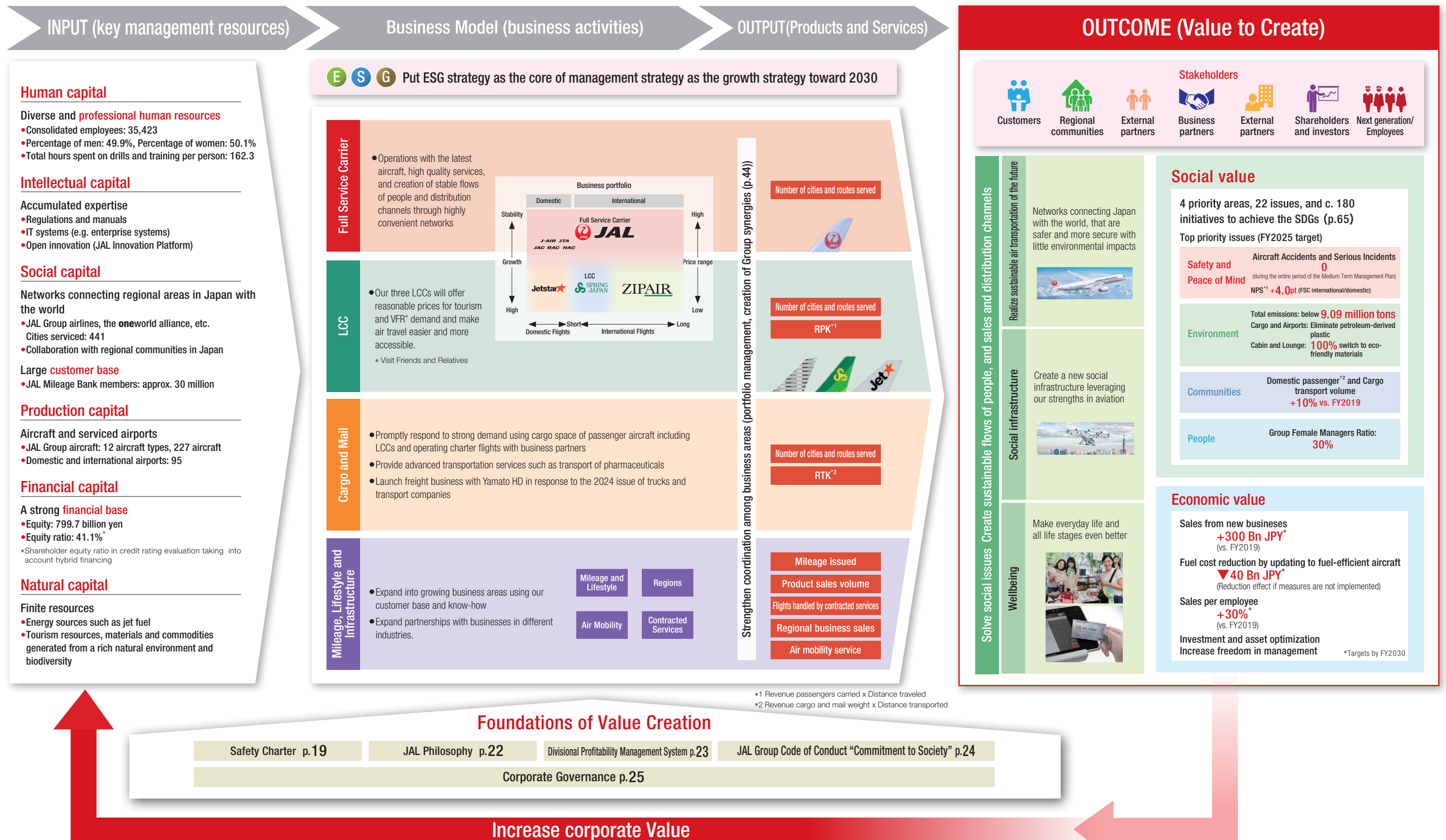
The business environment has changed drastically due to COVID-19. Leveraging the strengths it has cultivated over the years, the JAL Group aims to become the world's most preferred and valued airline group by implementing JAL Vision 2030, which focuses on "creating a safe and secure society" and "building a sustainable future." To achieve this goal, all employees will work together to implement the JAL Group FY2021-2025 Medium Term Management Plan, which revolves around ESG strategies.



2. JAL Group's Value Creation Process

Solving Social Issues and Enhancing Sustainable Corporate Value

The JAL Group, as a social infrastructure and lifeline, operates in four areas typical of a Full Service Carrier, on the basis foundation of flight safety. Leveraging the foundation of value creation and diverse capital such as human resources and aircraft, we will solve social issues and create sustainable flows of people, commodities and logistics and achieve sustainable enhancement of corporate value.



3. Foundations of Value Creation

(1) Safety Charter

The JAL Safety Charter provides the JAL Group's determination, fundamental attitude, and actions on safety, which is indispensable to airlines. The JAL Group places particular importance on the safety management system, which is a collection of structured organizational processes for promoting safety, and a safety culture, which is a foundation of safety. Every employee, from top management to frontline staff, observes the Safety Charter on a daily basis.

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.

Safety Management System

A safety management system is a generic term for a collection of structured organizational processes that include safety policies, organizational structures, responsibility sharing, and methods of safety risk management. In accordance with the JAL Group Safety Charter, our fundamental safety policy, management, the Corporate Safety and Security Division and other divisions implement the PDCA cycle for safety, and organically link it across organizations to ensure the safety management system functions properly and continuous improvements are made.

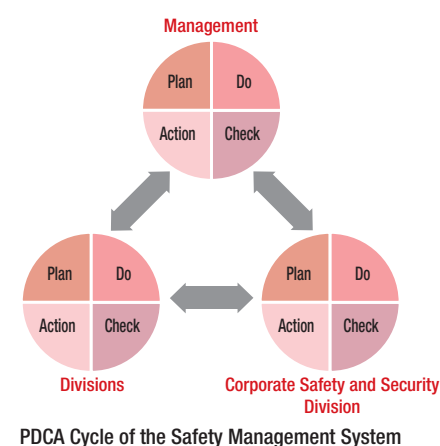
■ Safety management structure

As there are eight airlines in the JAL Group including Japan Airlines, safety is managed under a common policy which was confirmed by the Group Safety Enhancement Council in order to maintain uniform and high safety levels throughout the JAL Group. In addition, the Group Operational Safety Promotion Committee has been established as a subcommittee of the Group Safety Enhancement Council to maintain and strengthen safety cooperation between JAL divisions and Group airlines.

- The President assumes final responsibility for safety.
- The Chief Safety Officer, appointed by the President, has overall responsibility and authority for the safety management system, and makes important management decisions including safety measures and safety investments.

For details the safety management system, please visit the JAL website.

WEB https://www.jal.com/en/flight/sf_organization.html



■ Implementation of the safety management system (PDCA cycle)

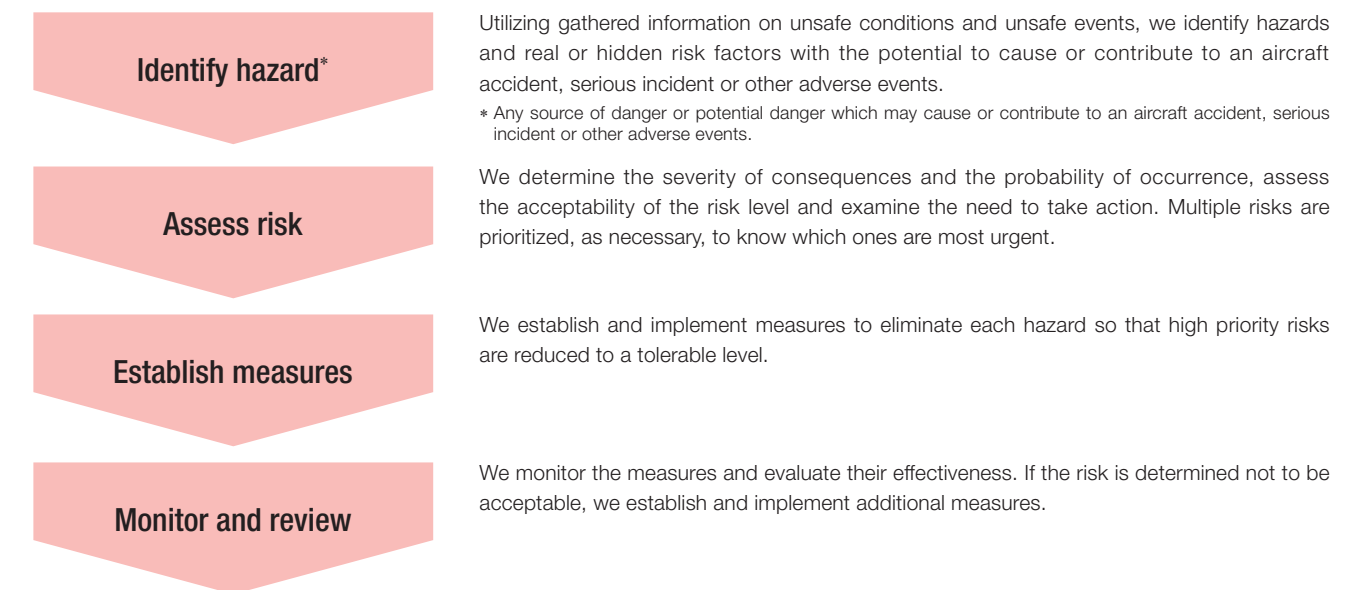
► Safety risk management

① Gathering and dissemination of information

We gather a wide range of information from reports on unsafe behavior and acts, the flight data analysis program, crew fatigue risk management program and alcohol risk management program, and use it to prevent safety events.

② Managing risks

In formulating safety measures for air transport and promoting responses to accidents and troubles, we manage risk through the following steps.



► Education, training and safety awareness

① Initiatives based on the three actuals principle

JAL Group employees are educated on the importance of safety from the depths of their minds by going to the accident site (the actual place), looking at aircraft debris and personal belongings of victims (the actual objects), and listening to stories of those who experienced the accident (the actual people).

② Safety education

We conduct Group-wide safety seminars for new employees and managers.

Furthermore, we conduct safety education every year for all employees aimed at raising awareness to think and act on the basis of safety.

③ Training and assessment

To assure stable safety and quality standards, training and assessment are conducted for pilots, maintenance engineers, cabin attendants and dispatchers.

► Internal audits

We conduct internal audits regularly in accordance with the requirements established by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and the International Air Transport Association (IATA) in order to identify areas for improvement in the safety management system and improve safety standards.

► Management review

The Group Safety Enhancement Council reviews policies and plans every year and evaluates and improves the safety management system to ensure that it is functioning effectively.

► Management of Change

We have established and implement a Management of Change process to manage risks arising from upsizing and downsizing of organizations, and changes to facilities, systems, processes, and procedures with the probability of affecting safety.

►Third-party assessment

①External audit

JAL regularly undergoes safety audits by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and IOSA (IATA Operational Safety Audit), an international safety audit program to enhance safety management.

②Advice and recommendations from the Safety Advisory Group

In August 2005, the Safety Advisory Group was established comprising five external experts 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.



Safety Advisory Group: (left rear) Prof. Haga, Prof. Komatsubara, (left front) Prof. Hatamura, Mr. Yanagida (Chair), Prof. Kamata

A Safety Culture

A safety culture is an organizational culture and an organization's shared awareness about safety. The JAL Group is working to foster a safety culture based on lessons learned from the past.

A reporting culture

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.

A communication culture

The JAL Group is promoting communication and creating opportunities for employees to verbally share information face-to-face. An activity 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 refining manuals

JAL Group employees strive to understand the true meaning of their work manuals by always asking themselves, "What is this procedure for?" Also, manuals are there to follow but also to change. Therefore, we search for improvements necessary when using the manual and revise manuals together with manufacturers. We have established a framework for periodic inventory both in quality and in quantity.

A culture of thinking from the "second to third person perspective"

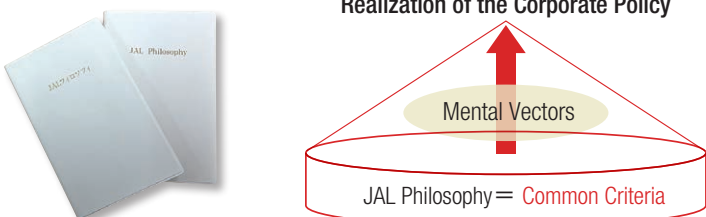
In order to encourage JAL Group employees to think from the customer's perspective, we place importance on the "second to third person perspective," which combines the third person perspective of thinking from a specialized airline professional and the first and second person perspective of treating customers as if we or our family were the customer.

(2) JAL Philosophy

The JAL Philosophy is a mindset, a set of values, and an attitude expected of everyone working on JAL services and products. By distributing the JAL Philosophy Pocketbook to all employees, deepening their understanding, and practicing the JAL Philosophy, we believe that every employee will be able to work with confidence and pride, and that we can build team trust and boost collaboration to create value.

Align Mental Vectors —Toward the realization of the corporate policy—

JAL Group employees autonomously practice the JAL Philosophy, which contains shared criteria for decision-making, and align mental vectors and organizational capabilities to realize the Corporate Policy, "provide unparalleled service to our customers, increase corporate value and contribute to the betterment of society."



JAL Philosophy

Part 1 In Order to Lead a Wonderful Life
Chapter 1 The Formula for Success
(The Formula for Life and Work)
The Result of Life and Work= Attitude × Effort × Ability

Fire Yourself Up
Strive for Perfection
Chapter 4 Ability Will Improve
Ability Will Improve

Chapter 3 Unite Our Hearts
Make the Best Baton Pass
Align Mental Vectors
"Workfloor" Management
Follow the Merit System

Chapter 2 Have the Right Attitude
Base Criteria for Decision-Making on
"Doing What Is Right as a Human Being"
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
Wrestle in the Center of the Ring
Grasp Matters Simply
Possess Opposing Extremes

Part 2 To Become a Wonderful JAL
Chapter 1 Each of Us Makes JAL What It Is
Each of Us Makes JAL What It Is
Discuss Frankly
Lead by Example
Be the Center of the Vortex
Valuable Lives Are Entrusted to Us in Our Work
Be Thankful
Put Yourself in the Customer's Position

Chapter 4 Possess a Fighting Spirit
Maintain an Ardent Desire
Never Give Up Until We Succeed
Boast and Make It Come True
Possess True Courage

Chapter 3 Accumulate Tedious Efforts with Passion
Work Earnestly
Accumulate Tedious Efforts
Work with Voluntary Attention

Chapter 2 Have a Keen Sense of Profitability
Maximize Revenues and Minimize Expenses
Elevate Our Cost-Consciousness
Pursue Profit Fairly
Manage the Company Based on Accurate Figures

Chapter 5 Be Creative in Our Work
Today Should Be Better Than Yesterday, Tomorrow
Better Than Today
Conceive Optimistically, Plan Pessimistically, and
Execute Optimistically
Think Through to Visualize the Results
Decide and Act with Speed
Face Challenges with Courage
Aim High

■Initiatives to practice the JAL Philosophy

►JAL Philosophy Workshop

JAL Philosophy Workshops are held to repeatedly study the JAL Philosophy. Approximately 36,000 employees, from Executive Officers to new employees of all Group companies, participate in study sessions three times a year. To create opportunities for cross-functional communication and foster a sense of unity, workshops are held online, connecting employees from around the world.



An online workshop

►Leaders Workshop

To align the mental vectors of leaders, leaders workshops are held six times a year for Executive Officers and Vice Presidents, and twice a year for managers.



Leaders Workshop held in June 2022

By repeatedly studying the awareness, values, and attitudes expected of leaders, we aim to create an organization where all employees can find fulfillment at work.

Voice



ONODERA Mitsuki
Work Philosophy Department

JAL Philosophy and I

At Haneda Airport, where I was assigned immediately after joining the company, it was difficult to conduct normal business due to significant flight reductions. To express our gratitude to JAL passengers even under these circumstances, we started to send off international flights on "Nikko Day," which was previously performed only for domestic flights. Although there were many challenges, I feel that we were able to do this because the JAL Philosophy, "never give up until we succeed," was instilled in every employee. We will continue to grow as human beings and practice the JAL Philosophy in order to contribute to the development of our company and society.

(3) Divisional Profitability Management System

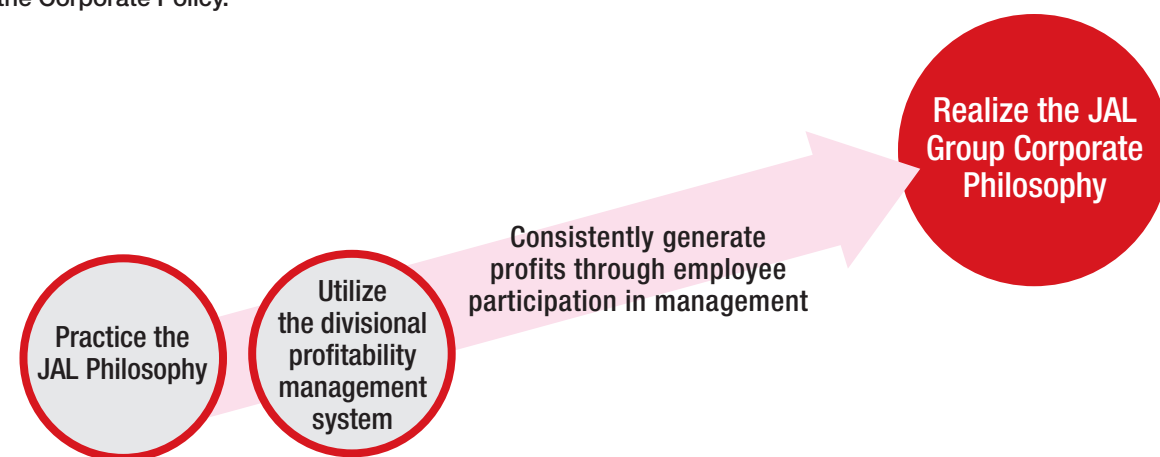
The divisional profitability system is based on amoeba management and has the strengths of "proactive management" and "employee participation."

The JAL Philosophy, which contains shared values, is essential to the operation of this system. It helps us to not only maximize divisional profits but also pursue profits for the "best of all."

A Driver of Employee Engagement In Management

By creating a Target and Result Table that lists monthly financial results and earnings forecasts in a shared format for all organizations, all employees can understand management information from the same perspective, which in turn encourages autonomous employee participation in management.

In addition, leaders of each organization are responsible for the profitability of their own organization, pursue profits and gain management experience, which contributes to the development of the next generation of management personnel. Through the divisional profitability management system, we promote employee participation and develop management personnel, to realize the Corporate Policy.



■ Efforts that proved effective during the pandemic

Continued implementation of the divisional profitability management system proved to be effective during the pandemic. Utilizing the strengths of "proactive management," we achieved flexible cost management. By analyzing earnings forecasts months ahead, we adjusted capacity in response to sudden fluctuating demand, thereby controlling variable costs such as operating expenses. Based on the forecast, all employees thought of what they could do to improve profitability and put their ideas into practice. We were able to demonstrate the strength of "employee participation" and improve the profitability of the JAL Group.



■ Role in realizing the medium term management plan

We will make maximum use of these two strengths, "proactive management" and "employee participation," to restructure our business. Utilizing "proactive management," we create a monthly earnings forecast in each business area to grow the business, while responding immediately to new market conditions. At the Group Business Performance Reporting Meeting attended by all Executive Officers, for example, the executives of the FSC business provide recommendations on issues and necessary actions in the Mileage and Lifestyle business. In this way, proposals and suggestions are exchanged to generate synergies across the JAL Group based on "employee participation." We seek to achieve growth in each business area from all perspectives of the JAL Group.



(4) JAL Group Code of Conduct "Commitment to Society"

"Commitment to Society" is a behavioral guideline to be followed by all employees to increase corporate value and realize a sustainable society. Under the commitment of top management, all employees conduct themselves with a deep understanding of the purpose and objective of the Code of Conduct, thereby building trust from our stakeholders and society and actively contributing to the realization of a sustainable society.

Driving the Practice and Application of the JAL Philosophy

By thinking and acting in accordance with "Commitment to Society," we will further ensure the application of the JAL Philosophy, which will contribute to solving social issues such as the SDGs and realizing the Corporate Policy.



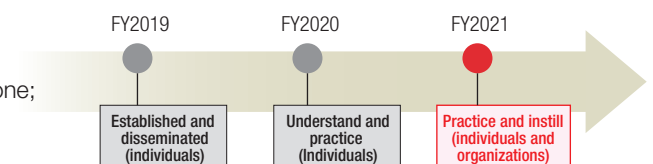
For the full text of the JAL Group Code of Conduct, please visit the JAL website.

WEB <https://www.jal.com/en/sustainability/codeofconduct/>

Initiatives to Instill and Practice the JAL Philosophy

Since the JAL Philosophy was established in 2019, we have focused on disseminating and instilling the JAL Philosophy in employees and organizations. Practicing the Code of Conduct cannot be achieved alone; coordination in the workplace is essential. Therefore, in FY2021 we focused on workplace communication, which has led to further instilling the JAL Philosophy and promoting daily practice.

For social issues to be addressed by the JAL Group (4 areas and 22 issues), see Chapter 4, Sustainability on page 63.



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② Management Structure

Board of Directors (as of August 1, 2022)



Candidates for Director are nominated from among persons who have substantial experience, deep insight and expertise in various fields, with a view to making board composition diverse in terms of gender, nationality, career, and age. The Company aims to have several female directors on the Board. Legal considerations are explained to Directors to ensure that they are aware of their responsibilities including the “fiduciary duty of loyalty” and the “duty of care of a prudent manager” and opportunities are provided to Inside Directors for continuous participation in external training, affiliated organizations and such. The term of office is one year in order to confirm their accountability for each fiscal year. Outside Directors are selected from an appropriate number of at least three independent candidates and comprise at least 1/3 of the Board of Directors. Candidates for Outside Director who do not qualify as highly independent within the meaning of “Standards for Independence of Outside Directors” established by the Company are not elected. In addition, persons who hold concurrent positions in more than four listed companies excluding the Company are not elected as a candidate for Outside Director. Furthermore, one Outside Director from among Outside Directors is elected as the Lead Independent Outside Director to improve coordination with Corporate Auditors and internal divisions.

UEKI Yoshiharu (September 16, 1952/ 69 years old)
Director, Chairperson

Since joining the Company, he has acquired an extremely high level of insight on flight safety and frontline experience as a pilot. As Representative Director and President from 2012, he demonstrated strong leadership and determination to direct, formulate and execute the Medium Term Management Plan. Since 2018, he has contributed to strengthening the monitoring and advisory function of the Board of Directors as Board Chair and a member of Corporate Governance Committee.

AKASAKA Yuji (January 3, 1962/ 60 years old)
Representative Director, President

Since joining the Company, he has been mainly engaged in maintenance and engineering and acquired frontline experience and deep insights into flight safety, as well as in-depth knowledge and a broad network in the engineering and maintenance industry. From 2014, he brought his strong leadership and decision-making skills to JAL Engineering Co., Ltd. as President and solidified the foundation of flight safety. As Representative Director and President of the Company since 2018, he has been working intensively to maintain flight safety, the basic foundation of the JAL Group, and has been leading our employees toward realizing the Corporate Policy through a proactive display of his initiative to practice the JAL Philosophy.

SHIMIZU Shinichiro (December 13, 1962/ 59 years old)
Representative Director, Executive Vice President

Since joining the Company, he has held various positions in personnel and industrial affairs related to pilots and cabin attendants, and has exercised strong leadership and planning and coordination skills to achieve positive results. As Senior Vice President of Human Resource Management from 2013 and head of the Executive Secretariat Office from 2016, he made considerable contributions to improving and stabilizing JAL's presence by taking a bird's-eye view of the Company. Since April 2020, he has assisted the President as Representative Director, Executive Vice President and has contributed to strengthening and improving management.

KIKUYAMA Hideki (March 19, 1960/ 62 years old)
Representative Director, Senior Managing Executive Officer

Since joining the Company, he has held successive positions in IT systems, passenger reservations, human resources, industrial affairs, corporate planning and other divisions at JAL Head Office and the Americas Regional Office, and has demonstrated exceptional leadership and strong planning and coordination skills. As Senior Vice President of Managing Division Route Marketing from 2013, he contributed greatly to maximizing route profitability. Since 2016, as Senior Vice President of Financing and Accounting, he has demonstrated precise management decision-making skills that contribute to comprehensible and highly transparent disclosures to our shareholders and investors, and for the interests of our shareholders.

KOBAYASHI Eizo (January 7, 1949/ 73 years old)
Independent Outside Director
(Lead Independent Outside Director)

He has extensive experience and vast insight on global business management and leadership at diverse group companies as top management of a general trading company. He brings practical and diverse perspectives to management and appropriately monitors business execution from a practical and multilateral perspective.

TOYOSHIMA Ryuzo (August 17, 1959/ 62 years old)
Director, Senior Managing Executive Office

Since joining the Company, he has held successive positions in industrial affairs including Vice President and has achieved positive results with his exceptional leadership and strong planning and coordination skills. As Senior Vice President of Corporate Control from 2015, he contributed significantly to the expansion of the divisional profitability management system across the JAL Group. Since 2019, he has greatly contributed to maximizing route profitability as Senior Vice President of Managing Division Route Marketing.

HATCHOJI Sonoko (January 15, 1950/ 72 years old)
Independent Outside Director

She has extensive experience in financial product development, financing and risk management at banks, and in-depth knowledge and experience in customer-centric marketing in hotel management. She also possesses comprehensive knowledge and experience in management strategy and diverse perspectives on educational reform at universities. She draws on her experience to provide advice on management and appropriate monitoring of business execution.

TSUTSUMI Tadayuki* (December 19, 1960/ 61 years old)
Director, Managing Executive Officer

Since joining the Company, he has acquired an extremely high level of insight on flight safety and frontline experience as a pilot. Serving as Executive Officer of Flight Operations from 2019 and Senior Vice President of Corporate Safety and Security since 2020 to present, he has greatly contributed to maintaining flight safety with his strong sense of responsibility and ethics.

YANAGI Hiroyuki* (November 20, 1954/ 67 years old)
Independent Outside Director

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 executives and monitors business execution from a practical and multilateral perspective.

List of Directors

List of Directors					Attendance (FY2021)		Appointment of Committee Members					Skills Matrix						
Position at the Company	Name	Important positions concurrently held (* is a public company)	Tenure (year)	Number of Company shares held (100 shares)	Attendance rate of Board meetings	Attendance of Board meetings	Corporate Governance Committee	Nominating Committee	Compensation Committee	Personnel Committee	Officers Disciplinary Committee	Management Experience	Finance & Accounting	Legal/Risk Management	Safety Management	Global Experience	Sales/Marketing	IT/Technology
Director, Chairperson	UEKI Yoshiharu	Outside Director, Japan Airport Terminal Co., Ltd.*	10	365	100%	(19/19)	○					○			○			
Representative Director, President	AKASAKA Yuji		4	104	100%	(19/19)		○	○	Chairperson	○	○			○			○
Representative Director, Executive Vice President	SHIMIZU Shinichiro		4	37	100%	(19/19)		○	○	○	○			○		○	○	
Representative Director, Senior Managing Executive Officer	KIKUYAMA Hideki		6	16	100%	(19/19)							○	○		○		○
Director and Senior Managing Executive Officer	TOYOSHIMA Ryuzo		3	36	100%	(19/19)						○		○		○	○	
Director and Managing Executive Officer	TSUTSUMI Tadayuki		1	7	100%	(15/15)									○			
Independent Outside Director (Lead Independent Outside Director)	KOBAYASHI Eizo	Outside Director, Japan Exchange Group, Inc.	7	77	100%	(19/19)	Chairperson	○	Chairperson	○	○	○*				○	○	
Independent Outside Director	HATCHOJI Sonoko	Outside Director, Daicel Corporation Outside Director, Maruha Nichiro Corporation	4	51	100%	(19/19)	○	○	○	○	Chairperson		○			○		○
Independent Outside Director	YANAGI Hiroyuki	Outside Director, AGC Inc. Independent Non-executive Director, Kirin Holdings Company, Limited Mitsubishi Electric * Outside Director	1	40	100%	(15/15)	○	Chairperson	○	○	○	○*				○	○	○

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

Audit and Supervisory Board Members (as of August 1, 2022)



Audit and Supervisory Board Members monitor important matters concerning corporate management, business operations and the execution of duties by reviewing important Kessai (written approval) documents, as well as participating in Board meetings and other important meetings. Furthermore, Audit and Supervisory Board Members, together with staff members of the Audit and Supervisory Board, conduct an annual audit of each business location, subsidiary and affiliated company and report the results to the Representative Directors.

Audit and Supervisory Board Members also share information with internal audit departments and accounting auditors and hold regular meetings with Audit and Supervisory Board Members of subsidiaries to improve and strengthen the auditing of JAL Group.

We provide Audit and Supervisory Board Members with corporate information, and opportunities for continuous participation in external training, affiliated organizations and such. Candidates for Outside Audit and Supervisory Member are elected from among persons with vast knowledge and experience in various fields, and persons who do not qualify as highly independent within the meaning of “Standards for Independence of Outside Directors” established by the Company are not elected. In addition, persons who hold concurrent positions in more than four listed companies excluding the Company are not elected as candidate for Outside Audit and Supervisory Board Member. Outside Audit and Supervisory Board Members ensure sound management by conducting audits from a neutral and objective standpoint, with the cooperation of internal audit departments and accounting auditors.

SAITO Norikazu (November 23, 1956/ 65 years old)

Audit and Supervisory Board Member

Since joining the Company, he has worked mainly in finance and accounting for many years and possesses extensive knowledge of finance, accounting, and investor relations. From 2014, serving as Director, Senior Managing Executive Officer and Senior Vice President of Finance and Accounting, worked intensively on providing comprehensible and highly transparent disclosures to our shareholders and investors, and contributed significantly to making accurate management decisions on shareholder returns.

KITADA Yuichi* (June 22, 1960/ 62 years old)

Audit and Supervisory Board Member

Since joining the Company, he has worked mainly in maintenance including maintenance technology and quality assurance. Serving as Executive Officer of Engineering and Maintenance from 2018, he supervised the maintenance division 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 precise comments at Board meetings and other meetings from the perspective of maintaining flight safety based on his extensive frontline experience in engineering and quality assurance.

KAMO Osamu (March 25, 1947/ 75 years old)

Outside Audit and Supervisory Board Member/
Independent Director

Since 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 and working in an investigative committee on fraud. Since June 2016, he has provided legal and auditing advice to the Company as an Audit and Supervisory Board Member.

KUBO Shinsuke (March 4, 1956/ 66 years old)

Outside Audit and Supervisory Board Member/
Independent Director

Since joining Sanwa & Co. Tokyo Marunouchi Office (currently Deloitte Touche Tohmatsu LLC), he has gained a wealth of experience, achievements and deep insight on accounting through experience in corporate audits, share listings, corporate revitalization, M&A and other cases.

OKADA Joji (October 10, 1951/ 70 years old)

Outside Audit and Supervisory Board Member/
Independent Director

He possesses extensive experience and expertise as a senior management executive and director of finance and accounting 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.

List of Audit and Supervisory Board Members

					Attendance (FY2021)				Appointment of Committee Members	Skills Matrix						
Position at the Company	Name	Important positions concurrently held (* is a public company)	Tenure (year)	Number of Company shares held (100 shares)	Attendance rate of Board meetings	Attendance of Board meetings	Attendance rate of Audit and Supervisory Board meetings	Attendance of Audit and Supervisory Board meetings	Corporate Governance Committee	Management Experience	Finance & Accounting	Legal/Risk Management	Safety Management	Global Experience	Sales/Marketing	IT/Technology
Audit and Supervisory Board Member	SAITO Norikazu		3	63	100%	(19/19)	100%	(15/15)			○					
Audit and Supervisory Board Member	KITADA Yuichi		1	10	100%	(15/15)	100%	(11/11)		○			○	○		○
Outside Audit and Supervisory Board Member/ Independent Director	KAMO Osamu	Attorney at Law, Managing Partner of Ginza Sogo Law Office, Outside Audit and Supervisory Board Member of Azearth Corporation	6	81	100%	(19/19)	100%	(15/15)				○	○			
Outside Audit and Supervisory Board Member/ Independent Director	KUBO Shinsuke	Representative Partner, Kyoel Accounting Office Certified Public Accountant Outside Audit and Supervisory Board Member, Kawasaki Kisen Co., Ltd.	4	49	100%	(19/19)	100%	(15/15)			○	○		○		
Outside Audit and Supervisory Board Member/ Independent Director	OKADA Joji	Member of the Business Accounting Council of Financial Services Agency Outside Director, Nippon Exchange Self-Regulation Organization	2	25	100%	(19/19)	100%	(15/15)	observer		○	○		○		

Standards for Independence of Outside Directors

In principle, a person who does not fall under any of the following categories is considered to be an independent person.

- A person who is currently or has been in the past 10 years an executive* of consolidated subsidiaries in our company and our company.
- A person who has fallen under any of the following (a) to (f) in the past three years.
 - A business partner or an executive thereof whose transaction amount with our company for one business year exceeds 1% of our company or any of the said business partner's consolidated subsidiaries in sales.
 - A major shareholder or an executive thereof whose ratio of funding to our company is 5% or more.

- Major lenders to our company or an executive thereof.
- A person who receives or belongs to an organization that receives donations exceeding 10 million yen per year from our company.
- A person who has received more than 10 million yen per year other than remuneration as an officer, or a person who belongs to an organization that has received remuneration in excess of 1% of its remuneration consolidated sales.
- An executive who is assigned as an external executive of another company and also the Director of the company.
- A spouse or a relative within the second degree of kinship to the persons listed in 1 and 2 above.

* An executive means an Executive Director or an Executive Officer

Progress in Strengthening Corporate Governance

Ahead of the establishment of the Corporate Governance Code, we established in FY2012 voluntary committees for nomination and remuneration, amongst others, as a company with an Audit and Supervisory Board, and have actively made efforts to improve board effectiveness to strengthen governance in accordance with the Corporate Governance Code.

	2012	2015	2018	2021
Trends in the Corporate Governance Code, etc.			★2018 Revised the Corporate Governance Code	★2021 Revised the Corporate Governance Code
Institutional design as a company with an Audit and Supervisory Board		■ FY2012 • Established committees relating to nomination, officer remuneration, etc. chaired by an Outside Director		■ FY2021 • Outside Audit and Supervisory Board Members joined the Corporate Governance Committee as observers
Strengthening supervisory functions			■ FY2017 • Introduced a new officer remuneration system to share interests with shareholders • Created a succession plan for the President, etc.	
Composition of Directors	■ FY2012 • Independent Outside Directors (2)			■ FY2021 • Outside Directors shall account for 1/3 of the directors. • Documented the establishment of a system with multiple female directors
Chair of the Board of Directors		■ FY2016 • Increased the number of Outside Directors from 2 to 3 ■ FY2014 • To be chaired by a non-executive director		
Compliance with the Corporate Governance Code			■ FY2017 • Compliance with all principles of the Corporate Governance Code ■ FY2018 • Compliance with all principles of the (revised) Corporate Governance Code	■ FY2021 • Compliance with all principles of the (revised) Corporate Governance Code
Improving board effectiveness		■ FY2015 • Started Board Effectiveness Assessment ■ FY2017 • Commenced Board Effectiveness Assessment using a third party ■ FY2019 • Strengthened the risk management meeting body		

* Contains trends since relisting on the First Section of the Tokyo Stock Exchange in September 2012

Officer Remuneration

Policy on decision of officer remuneration

《Basic Policy》

- ① To achieve sustainable and steady growth and increase corporate value over the medium- to long-term, we promote business execution in accordance with the Corporate Policy and management strategies, and strongly motivate Directors to achieve specific management targets.
- ② We will establish appropriate ratios for performance-linked bonus linked to business performance, and for the purpose of further promoting the alignment of interests of shareholders, establish appropriate ratios for performance-linked shared-based remuneration linked to corporate value in accordance with medium- to long-term performance, in order to contribute

to the demonstration of a sound entrepreneurial spirit.

- ③ We will provide remuneration that is appropriate to management in accordance with our business performance.

《Remuneration levels and remuneration composition ratios》

- ① We will set appropriate remuneration levels with reference to the business environment and objective remuneration data in the marketplace.
- ② Taking into account the business characteristics of the Company and the effectiveness of performance-linked remuneration, fixed remuneration and performance-linked remuneration shall be established as follows (Since FY2022):

Framework for performance-linked remuneration

1. Performance-linked bonus

The amount of performance-linked bonus to be paid will vary from approx. 0~150 depending on the degree of achievement, with 100 as the amount to be paid in the case of achievement in line with performance targets.

■ Performance indicators

- EBIT
 - Individual performance indicators for each officer*
- We will take into account achievement status of targets regarding flight safety.
- * 40% is a financial indicator and 60% is a non-financial indicator.

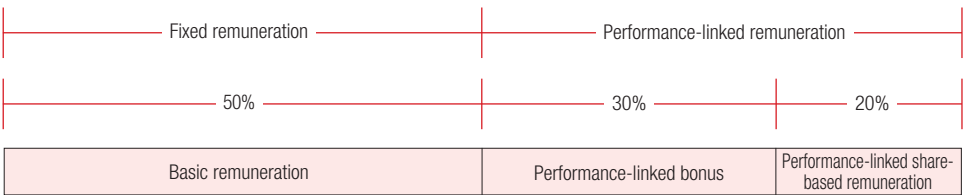
2. Performance-linked share-based remuneration

The number of shares to be granted as performance-linked share-based remuneration will vary from approx. 0~150 depending on the degree of achievement, with 100 as the number of shares to be granted in the case of achievement in line with performance targets. The performance evaluation period shall be three years, with performance for three consecutive fiscal years evaluated each year.

■ Performance indicators

- TSR (ratio to TOPIX Including Dividends)
- Consolidated ROIC
- Number of selected ESG stocks
- CO₂ emissions per revenue to-kilometer

Standard in case of achievement in line with performance targets is 100%



* The above is a rough estimate and will fluctuate depending on the price of our company shares.

Payment of remuneration to Directors and Audit and Supervisory Board Members (FY2021)

Position	Number of people	Total remuneration, etc. (1 million yen)	Total remuneration by category, etc. (1 million yen)		
			Basic remuneration	Performance-linked bonus	Performance-linked share-based remuneration
Director	12	244	244	—	—
(including Outside Director)	(4)	(36)	(36)	(—)	(—)
Audit and Supervisory Board Member	6	77	77	—	—
(including Outside Audit and Supervisory Board Member)	(3)	(28)	(28)	—	—
Total	18	322	322	—	—

*1 Remuneration, etc. for the fiscal year under review includes three (3) directors and one (1) Audit and Supervisory Board Member who retired at the conclusion of the 72nd Ordinary General Meeting of Shareholders held on June 17, 2021.

*2 The total amount of remuneration, etc. for directors does not include salaries for employees who concurrently serve as director.

*3 The total amount of remuneration of Audit and Supervisory Board Members is "no more than 100 million yen per annum" (resolution of the Extraordinary General Meeting of Shareholders held on July 10, 2012). Remuneration for Audit and Supervisory Board Members is only fixed remuneration (monthly remuneration) from an independent standpoint, and the decision is made through consultation of Audit and Supervisory Board Members. The number of Audit and Supervisory Board Members on the conclusion so the General Meeting of Shareholders was five (including three Outside Audit and Supervisory Board Members).

Succession Plan for President and Other Leaders

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. To develop the next generation of executives including Executive Officers, the Personnel Committee discusses career path mapping, cross-functional rotation, external networking and human resource pooling to promote diversity and expand their capacity and perspectives.

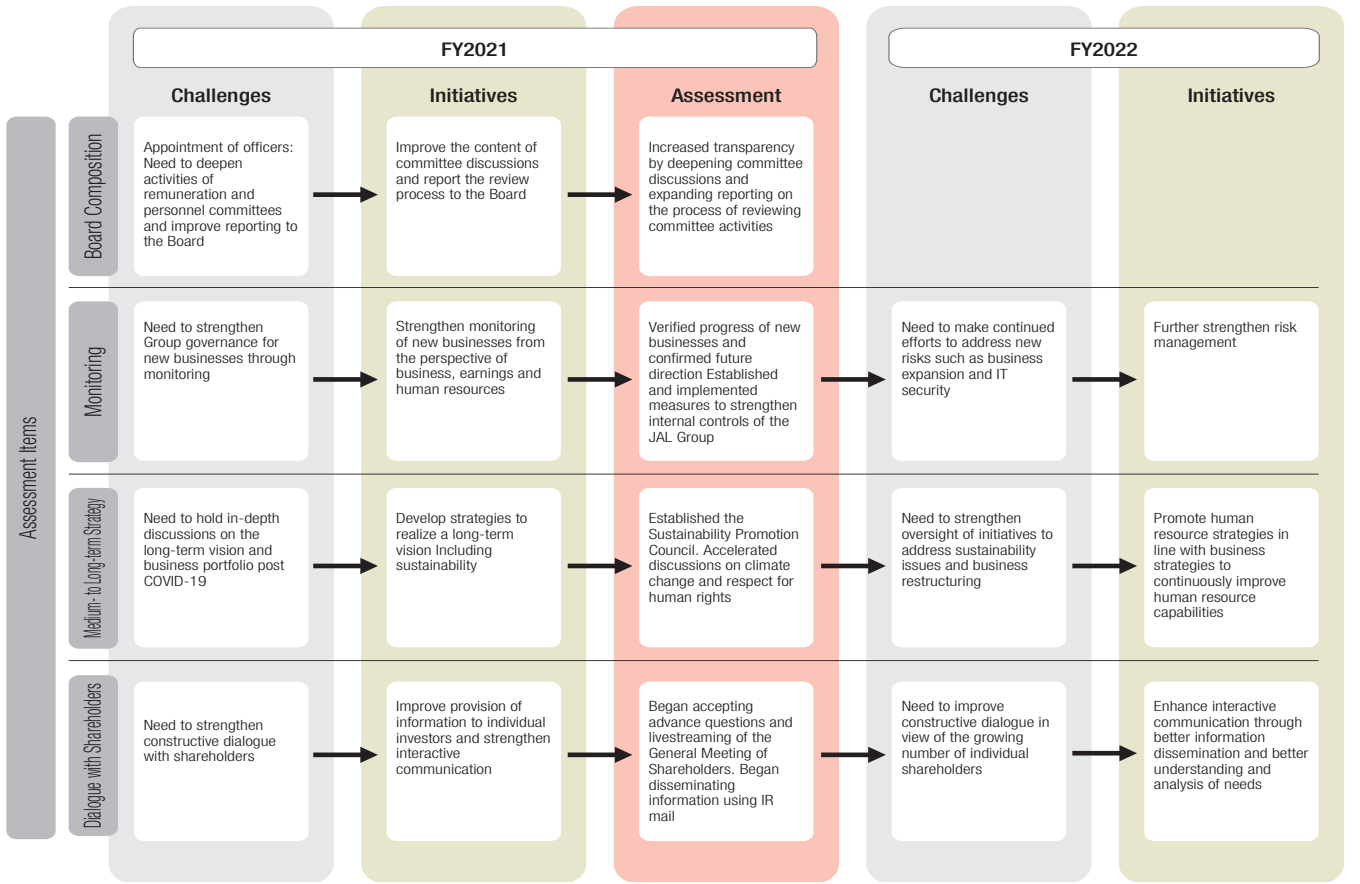
Support for Directors and Audit and Supervisory Board Members

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

In order to deepen their understanding of the Company, we provide Outside Directors and Outside Audit and Supervisory Board Members with safety education including a memorial climb of Mt. Osutaka, a visit to the Safety Promotion Center, and visits of frontlines. We also provide advance briefings on agenda items as necessary and opportunities and materials to explain other matters at their request.

Board Effectiveness Assessment

The JAL Group 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.



For more information on the results of the 2021 assessment and future initiatives, please visit the JAL website.

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

Main Agenda Items Discussed by the Board of Directors

In FY2021, a total of 19 monthly Board meetings and extraordinary Board meetings were held.

【Response to COVID-19】

Earnings and financial condition
Financing

【Management Strategy】

FY2021-2025 JAL Group Medium Term Management Plan
Formulation of Rolling Plan 2022
● ESG Strategy
● Business Strategy (LCC, new businesses, etc.)
● Finance Strategy
Made JALUX a consolidated subsidiary
Develop human resources to promote advancement of women and women in management posts

【Governance and Risk Management】

Aircraft accident report
Decision of new executive officers
Board Effectiveness Assessment
Compliance with the Revised Corporate Governance Code
Response to priority risks
Strengthen internal controls of the JAL Group
Revise the officer remuneration system

【Dialogue with Stakeholders】

Feedback on IR briefings, etc.
Customer feedback
Shareholder benefit programs and communication with shareholders

【Decision and Oversight of Other Important Duties】

③ Outside Directors Speak Out About the JAL Group



Enhance Board Effectiveness From an External Perspective and Support Future Growth of the JAL Group

Amid tremendous changes in the business environment of the aviation industry, the JAL Group Medium Term Management Plan is being put to the test on how growth strategies should be created. The three Outside Directors and Mr. Ueki, Chair of the Board of Directors, discussed key themes for future growth of the JAL Group, such as what role Outside Directors should play in enhancing the effectiveness of the Board, which manages the JAL Group, and how JAL's vision should be communicated through dialogue with stakeholders and markets.

Attendees	UEKI Yoshiharu Director, Chairperson	KOBAYASHI Eizo Independent Outside Director (Lead Independent Outside Director) Important positions concurrently held (*is a public company) Outside Director, Daicel Corporation Outside Director, Japan Exchange Group, Inc.	HATCHOJI Sonoko Independent Outside Director Important positions concurrently held (*is a public company) Outside Director, Daicel Corporation Outside Director, Maruha Nichiro Corporation	YANAGI Hiroyuki Independent Outside Director Important positions concurrently held (*is a public company) Outside Director, AGC Inc. Independent Non-executive Director, Kirin Holdings Company, Limited Mitsubishi Electric" Outside Director
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Utilizing experience and knowledge to contribute to sustainable growth of the JAL Group

First of all, could you tell us how you accepted the role of Outside Director and what you feel about the JAL Group?

HATCHOJI: I accepted the post because I was interested in how the JAL Group, which had overcome many difficulties in the aviation industry, incorporated its experience and initiatives in its corporate DNA.

Currently, I only have opportunities to speak to management and heads of businesses, but I believe it is also the role of Outside Directors to talk to young employees, who actually run the business, to hear their thoughts, and to convey the views of management so that management and employees can grow in the same direction.

YANAGI: Originally, the JAL Group had the image of a company that emphasized brand values, but I was interested in how the company was embracing

challenges while handing down its brand to the younger generation of employees. As the company handles technology typified by aircraft, I wanted to use my own experience and knowledge in BtoC manufacturing, so I accepted the position of Outside Director.

KOBAYASHI: I have been an Outside Director since 2015, the longest of the three. Until then, I had used JAL Group flights frequently for business trips and other purposes, but after experiencing the pain of bankruptcy, I observed changes in employee mindset and behavior at firsthand. I was interested in what process led to this change. At the same time, the aviation industry was shifting from a supply-chain-driven paradigm to a demand-driven paradigm of providing services while stimulating and generating demand at customer touchpoints based on customers' needs. Amid all this, I wanted the JAL Group to become more energetic and I am here to help.

To become an organization that promotes active Board discussions and encourages employees to embrace challenges

What are your thoughts on ways to revitalize and increase Board effectiveness?

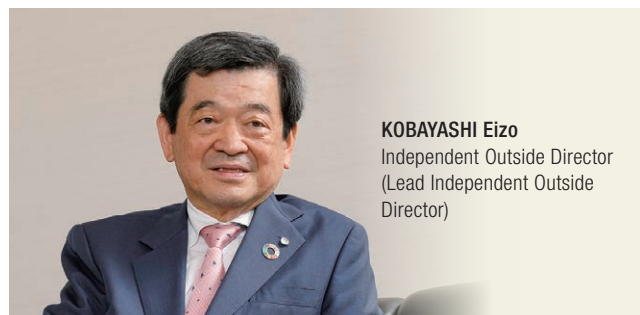
YANAGI: I think the current way of running the Board and the content of discussions are very good. Proposals have also been put forward in an organized manner. The JAL Group is restructuring its business, and three factors are essential when venturing into new territory: passion, uniqueness and logic. I think passion will gain importance in the future. While figures such as business performance are important, it is difficult to come up with new ideas if you seek results first. Management must cultivate a corporate culture that encourages employees to think about the next action as the project progresses and act immediately if it fails. I hope that more and more employees speak passionately about their desire to create new businesses in the JAL Group. It would be interesting if the Board would sometimes come up with surprising ideas or passionately engage in discussions.

HATCHOJI: I believe that the JAL Group Board of Directors operates in a very open atmosphere compared to other companies. I speak frankly myself. Even today, there are active discussions about the aviation business, but when strengthening new businesses in non-aviation areas, I think it would be more effective if discussions are further deepened with Outside Directors, who have experience in other fields and industries.

KOBAYASHI: Since the Board of Directors needs to consider various proposals in a limited amount of time, we try to prioritize discussions according to the business environment. I also try not to read the atmosphere at Board meetings but instead feel free to express my opinions. This is because I feel that if a director disapproves or gives a bold opinion, it will stimulate discussion.



UEKI: The JAL Philosophy Chapter 5, "Be Creative in Our Work" contains the philosophies, "Today Should Be Better Than Yesterday, Tomorrow Better Than Today," "Conceive Optimistically, Plan Pessimistically, and Execute Optimistically," "Think Through to Visualize the Results," "Decide and Act with Speed," "Face Challenges with Courage," and "Aim High." If you think pessimistically from the conceptual stage, nothing new will come out, so it is better to be optimistic. But when working out figures for the plan, a pessimistic view is better. Once it is decided to put it into action, believe optimistically that you can do it. During the six years that I served as President, the exchange rate fluctuated from 80 yen to 120 yen against the dollar. Even if the core of business has not changed, the external environment will change rapidly. It's all about having the courage to persevere and keep



KOBAYASHI Eizo
Independent Outside Director
(Lead Independent Outside Director)

up with changes in the environment at any cost.

KOBAYASHI: Management needs to think about how much impact new businesses will have on performance. I think that if we can continue to grow thriving businesses and build a team, or organization, to support underperforming businesses, we can let employees work on new businesses. No project will go as planned. It is the responsibility of management to correct where things go wrong, implement the PDCA cycle, and build a team that can support and make up for what is lacking in their activities.

UEKI: About 70% of the company's investments are in aircraft, 20% in systems and about 10% in new projects. Since the JAL Group has little experience with new investments, Outside Directors provide various instructions on how to proceed with investments.

KOBAYASHI: While the Board's basic stance has not changed, the nature of discussions has changed significantly since the beginning of my tenure. At first, the discussions centered on how to expand the domestic and international FSC business, which had been growing steadily up till now. Now, it is important to enter new fields and create new businesses. You will need to do things differently, whether it's finding internal resources, hiring outside talent, or partnering with companies.

The JAL Group has developed talented human resources to support its future, so it is important to cultivate a corporate culture in which employees can challenge themselves to do whatever they want without fear of failure.

Engagement in the succession plan that will determine the future growth of the JAL Group

Outside Directors sit on internal committees. Can you tell us how committee discussions are progressing?

YANAGI: As Chair of the Nominating Committee, I believe there are four issues to be addressed. First, the election and selection process of a candidate to succeed the President.

Second, a framework to develop human resources to become future President, based on a matrix of business fields they have experienced. Third, deciding the best mix for management, including Outside Directors. Fourth, deciding whether to reappoint the President. At other companies where I serve as Outside Director, the Nominating Committee has determined the reappointment of the President as of several years ago to strengthen governance. Maybe you should consider these ideas, too.

KOBAYASHI: It is important to share what is discussed in the committee with other directors. You may need to set some criteria, such as a career path necessary for a potential candidate.

HATCHOJI: Publishing the rules also leads to better governance of the succession plan, including the selection of the President.



HATCHOJI Sonoko
Independent Outside Director

Fulfilling accountability on growth strategies through dialogue with stakeholders

What are the pressing issues that the JAL Group should address during the period of the Medium Term Management Plan?

YANAGI: The first thing we need to do is to get back into the black and resume payment of dividends. Then,

we can work to expand the three business areas other than FSC, as described in the Medium Term Management Plan, namely LCC, Cargo and Mail, and Mileage, Lifestyle and Infrastructure, address the seven issues such as safety and security, DX and human resources, establish a completely new business platform, and work on the three business areas and seven issues over the next five years in ways that are visible.



YANAGI Hiroyuki
Independent Outside Director

HATCHOJI: We are going to invest a lot of energy, both material and human, in new areas such as non-aviation fields and LCC. It would be great if we could use that energy to nurture the seeds of the spirit or aspirations that still exist in those fields.

KOBAYASHI: What is clear is that there is no future for the JAL Group unless the FSC business remains solid as the core business. That's why it's time to redesign the future of FSC. We must first grow FSC and LCC for air passengers as the platform for new businesses. Regarding non-passenger business areas, we will need to assess and decide the need for any necessary action by the company. It may be a good idea to consider how young employees in their 30s and 40s, who will be the future leaders, view the future of JAL and new businesses.

In non-air travel fields, cooperation of external human resources and partnerships with other companies are important. A new business can only thrive after three years at the best, and usually bloom years later. The Board must decide whether there are employees who will work in new businesses even if it takes time, and if there are none, we must hire people from outside and invest in management resources.

What do you think about dialogue with stakeholders

such as our shareholders, customers and employees?

YANAGI: In terms of dialogue with the market, it is all about carefully explaining new business strategies and progress on business restructuring that the market expects. Even if it takes time to produce results and the market doubts its feasibility, it is important to explain what progress has been made and gain trust.

HATCHOJI: About five years ago, overseas institutional investors accounted for nearly half of the JAL Group's shareholders, but now individual shareholders make up 46%. In the past, IR was mainly for institutional investors, but in the future, we will have to think more about how to communicate with individual investors and how to explain our growth strategy.

KOBAYASHI: Internally, the key is to ensure that JAL Group employees are fully aware of our business strategies and growth strategies. If management and employees are convinced of the future direction, the 36,000 or so employees in the JAL Group will make their own sales pitch.

UEKI: In dialogues with stakeholders, we must explain in our own words in a way that resonates with ourselves so that our employees can work with a sense of reality and our shareholders and other investors can trust our growth strategy.

KOBAYASHI: Despite hardships in the aviation industry resulting from the outbreak of COVID-19 in 2020, all employees believed in the future of the JAL Group and persevered. The aviation industry is undergoing huge structural changes. The JAL Group vision is to grow while protecting the fundamentals, such as safety, through collaboration with employees who have worked primarily in the airline business, mid-career employees with experience in other industries, and employees hired overseas.

UEKI: Thank you for your time and your valuable opinions from the perspective of Outside Directors.