



JAPAN AIRLINES

JAL REPORT 2022
JAL Group Integrated Report
March, 2022



JAL Group Information System

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

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You can learn about...

Our long-term vision to create long-term value and visualize social values to solve social issues

Strengths and foundations essential to competitive advantage

Business model for long-term and sustainable value creation through our business

Corporate governance that disciplines the direction toward long-term and sustainable enhancement of corporate value

External environment, risks and opportunities that impact our business

Embedding ESG into the management plan and ESG strategies

Portfolio management for business restructuring

Investment strategy for intangible assets (DX, etc.) including human resources and intellectual property

Finance strategy to achieve both resilience and capital efficiency and strategically allocate resources

Solving social issues toward a sustainable future

KPIs to measure progress toward achievement of initiatives and results

Other media

JAL corporate website



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

Corporate Policy and Company Profile

- JAL Group Corporate Policy
- JAL Philosophy
- Company Profile
- History
- Corporate Governance
- Medium Term Management Plan
- Organizational Overview

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

Safety and Quality

- Safety Management
- Initiatives to Create a Safe and Secure Society
- Quality Initiatives

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

Sustainability

- Sustainability Management
- Integrated Report/ESG Data
- JAL Group Sustainability Initiatives
- JAL Group Initiatives to Achieve the SDGs

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

Investor Relations

- About the JAL Group
- Stock Information
- IR Library
- Financial Highlights
- Monthly Traffic Data
- Business Risks

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

Other Media

- JAL Group Safety Report
- Corporate Governance Report
- Consolidated Financial Statements
- Consolidated Financial Results

WEB <https://www.jal.com/en/investor/library/information/>

Editorial Policy

The JAL Group has published JAL REPORT 2022 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 and economic values, and sustainable growth. This report has been collated from a wide range of both financial and nonfinancial information that the JAL Group has deemed to be of particular importance to Group management, all of which is made available on the JAL website.

Period covered by the report

Primarily April 2021 to March 2022 (FY2021)

Scope of the report

This report covers 199 JAL Group companies, comprising Japan Airlines Co., Ltd., 144 subsidiaries and 54 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
August 2022

The JAL website

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

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

Forward-looking statements

This report includes forward-looking statements about the JAL Group's businesses and forecasts. These statements are based on our analysis of existing information and various trends. Actual results may differ materially from forecasts set forth in forward-looking statements due to business risks and uncertainties.

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 the JAL website.

Photos

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

About the cover

The low-noise, fuel-efficient Airbus A350, which can reduce CO₂ emissions by 15% to 25% compared to conventional aircraft. Following service entry of 16 A350 aircraft on domestic routes, we plan to progressively introduce them on international routes from 2023. The JAL Group is working to reduce CO₂ emissions, which is a pressing issue for airlines, and aims to achieve net zero CO₂ emissions by 2050.



Our Purpose

To Become The World's
Most Preferred and Valued Airline Group,
Where Many People and Goods Freely Move Around

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.

Safety Charter (excerpt)

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.

Our Strength

Three Strengths Cultivated through Challenge and Innovation

More than 70 years have passed since Japan Airlines Co., Ltd. was founded in 1951 as Japan's first postwar commercial airline. With high goals, the JAL Group, together with its customers, ventured into the skies of Japan with unwavering dedication and ingenuity. In addition, all employees study and pass on valuable lessons drawn from the 2010 bankruptcy and accidents and continuously embrace challenge and innovation.

Our three strengths are assets of the JAL Group for achieving sustainable growth. We will continue to align our mental vectors and use our three strengths to realize JAL Vision 2030.

70 Years of Challenge and Innovation

Contributing to the progress and development of society through air transportation

Operations and Services

Providing unparalleled service grounded in experience



Lessons and Learning

Learning and passing lessons from accidents and incidents



Challenge and Innovation

Working steadily and creating innovations to attain high goals

- 1951: Founding of Japan Airlines (former company)
- 1959: Birth of the Tsurumaru (Japanese crane) logo
- 1987: Full privatization
- 2002: Merger of Japan Airlines and Japan Air System
- 2006: Establishes the Safety Promotion Center
Introduces a Safety Management System (SMS)
- 2010: Files petitions for reorganization proceedings
Reorganizes route network and withdraws from the freighter business
- 2011: Establishes a new Corporate Policy and the JAL Philosophy
Introduces the divisional profitability management system and revives the Tsurumaru logo
- 2012: Relists on the Tokyo Stock Exchange
Enacts the Fundamental Policies of Corporate Governance
- 2019: Revises the Safety Charter and enacts a new Code of Conduct
- 2021: Establishes "JAL Vision 2030"



JAL Group's Three Strengths

Human resources base

The human resource base was built through concerted efforts of all employees with awareness of belonging to the JAL Group team and a sense of professionalism

Human resources who make up the workforce, policies and attitudes such as the Corporate Policy and JAL Philosophy, and know-how and skills cultivated over the years

Customer base

A customer base made up of connections with all customers who use the JAL Group

Connections with all customers who have used the JAL Group through the mileage program, membership organizations and accumulated data

Financial base

One of the strongest financial bases of any airline in the world, built through steady and strong management focused on profitability

JAL Group's financial position, disciplined resource allocation and cost management, and connections with our shareholders, investors and other stakeholders

Our Vision



Safety and Peace of Mind

Build a society where everyone can live safely and with peace of mind

JAL Vision 2030

Sustainability

Build a better future where everyone can feel fulfilled and hopeful

Amid significant changes in the world and social values, JAL Vision 2030 paves the way towards growth, driven by the universal values, “Safety and Peace of Mind” and “Sustainability.”

The JAL Group will realize JAL Vision 2030 in coordination with our stakeholders, utilizing the strengths, which we have cultivated over the years.



TOP MESSAGE

We Will Create a Safe and Secure Society and a Sustainable Future with ESG at The Core of Management, Utilizing Our Strengths to The Maximum

AKASAKA Yuji

Representative Director, President
Japan Airlines Co., Ltd.

The JAL Group team is working united and aligned to achieve sustainable growth and development in accordance with the FY2021-2025 Medium Term Management Plan. This fiscal year, the second year of the five-year plan, we created Rolling Plan 2022 and to accelerate the realization of JAL Vision 2030, we made a big change to our policy; we put ESG strategy, one of the three pillars of our management strategy, at the core of management. How will we solve management issues such as normalizing earnings, promoting medium-term business restructuring, and restructuring our business model through long-term ESG strategies in order to achieve long-term enhancement of corporate value? President Akasaka spoke of his determination and enthusiasm.

**FY2021-2025 Medium Term Management Plan :
Review of the first fiscal year of the plan**

I would like to express my heartfelt sympathy to everyone who contracted the novel coronavirus (COVID-19) and their families and express my sincere gratitude to everyone who is working to bring the situation under control, including healthcare workers and administration.

In May 2021, the JAL Group announced a new Medium Term Management Plan and took a step forward toward sustainable growth and development through a three-pillar management strategy: Business Strategy, Finance Strategy and ESG Strategy.

However, we were struck by two unexpected situations. One was the prolonged pandemic. The rampant spread of variants restricted the movement of people. The other is the Russia-Ukraine situation. Flights to European destinations are still restricted, crude oil prices are shooting

up and the aviation industry faces headwinds. Meanwhile, the JAL Group steadily implemented the Medium Term Management Plan. We established four business areas in our Business Strategy: Full Service Carrier (FSC), LCC, Cargo and Mail, and Mileage, Lifestyle and Infrastructure, all non-aviation business domains, and are also working on promoting business restructuring to expand our revenue streams, especially outside the FSC business. In June 2021, we welcomed LCC SPRING JAPAN to the JAL Group, and in March 2022, JALUX to the JAL Group, a global trading company specializing in aviation, thus significantly expanding our business fields. In addition, ZIPAIR Tokyo, a medium- and long-haul LCC, became the first LCC to offer transpacific flights, while cargo and mail flights generated record revenues. Furthermore, we introduced the low-noise, fuel-efficient Airbus A350 to our FSC operations, which will contribute to our ESG strategy, and upgraded our domestic flagship fleet. Even as the pandemic dragged on, we never stopped moving forward.

**Return to profitability in FY2022 :
Rebuilding the financial base**

At the beginning of fiscal 2022, the aviation industry finally started to show signs of life again. With the gradual easing of international travel restrictions and various measures to stimulate domestic demand, travel demand is recovering strongly. Customers have flocked to airports and flights, and on seeing this, I felt that people's desires "to travel" and "to see" will never fade away.

The first quarter went largely according to the plan and operating cash flow bounced back to positive cash flow. Under the plan, we aim to return to monthly profitability in July and achieve 80 billion yen in EBIT, similar to pre-pandemic levels, and resume dividend payments to our shareholders. Despite the pandemic, we secured employment of all our employees and maintained human resources, making it possible to respond to the rapid recovery in demand without any problem.

I am also confident that we will accomplish our plan, as we have been able to absorb some of the negative effects such as high crude oil prices through profitability improvement measures over the past two years.

By accelerating business restructuring, we would like to achieve and deliver an upside to our profit target of 185 billion yen in EBIT by fiscal 2025. As for our financial base, we are maintaining an equity ratio of approximately 40%* and by generating consistently high profit, we will rebuild a strong and firm financial base. In addition, the aviation industry as a whole is taking action to overcome unprecedented damage. We will continue to work in unison with the Scheduled Airlines Association of JAPAN, IATA (International Air Transport

Association), the oneworld alliance and our business partners.

*Credit rating taking into account hybrid financing

**Accelerating business restructuring :
Strengthening resilience and improving profitability**

In our business strategy, we urgently need to strengthen resilience and improve profitability through business restructuring. Before the pandemic, the FSC business and Cargo and Mail business generated profits, but going forward, we would like to see the LCC and Mileage, Lifestyle and Infrastructure business, a growing business area, generate roughly half of our profits.

The Mileage and Commerce businesses, in particular, have low volatility and stable growth potential, which will contribute to strengthening resilience. Rapid growth is expected in these business areas by developing new business models through digital transformation (DX) utilizing our customer base.

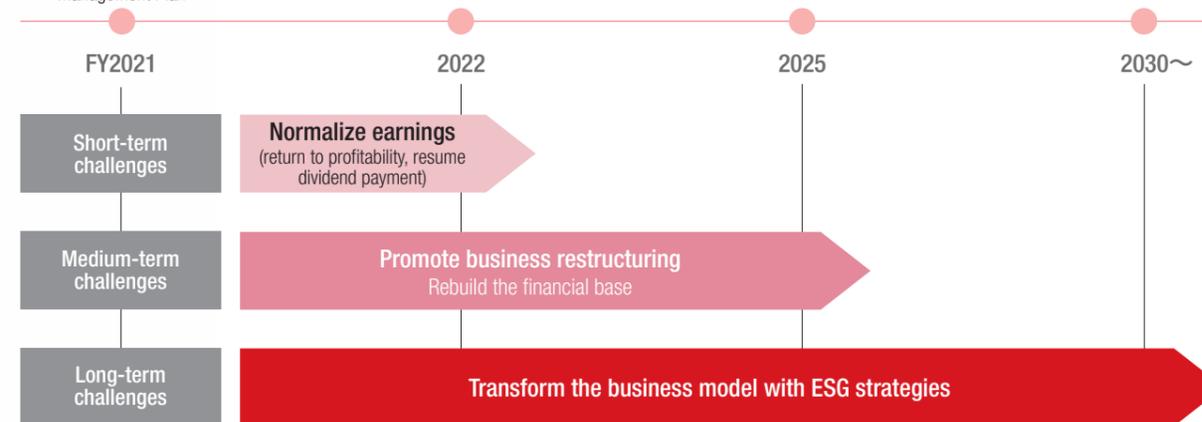
Each of the four business areas is not completely independent; they cannot exist without our core FSC business, a source of strength. For example, it is important to expand e-commerce utilizing FSC's customer base and to diversify business areas, leveraging the knowledge, experience and technological capabilities of diverse human resources cultivated in the FSC business.

Another important factor is the JAL Philosophy. It is through the JAL Philosophy, the shared values that we live by and what supports the strong our teamwork, that we can create new collaborations and synergies one after another as our business areas diversify.



Management issues

FY2021-2025
Announcement of the Medium Term
Management Plan



**Putting ESG strategy at the core of management :
Enhancing corporate value over the long-term**

Amid social changes caused by COVID-19, the growing momentum toward sustainability, or a sustainable society, has been remarkable. Environmentally-friendly and socially responsible products are important as well as price and quality.

Standing at a time of significant change in social values and a big turning point in history, our aim to create a sustainable society through our business is a worthy cause that will stimulate growth of our ambitious and diverse workforce. JAL Vision 2030, which contains long-term targets for 2030, upholds the goals of creating a society where everyone can live safely and with peace of mind and build a sustainable future. In Rolling Plan 2022, an amended version of the Medium Term Management Plan, we have put ESG strategy at the core of management to accelerate the realization of JAL Vision 2030. We have redefined growth as "enhancement of corporate value" rather than the conventional idea of increasing "volume" or "scale." We will make a major shift in our products, services and business model from an ESG perspective. Our ESG strategy is to create sustainable flows of

people, commodities and logistics by solving social issues. Our reason for being is to contribute to human exchanges and mutual understanding, utilizing our ability to transcend location barriers and time barriers, which are strengths of an airline, and create a society and future where people and goods freely move around. With this awareness, we aim to create sustainable demand.

We will focus on three key issues: the global environment, safety and security, our mission as a social infrastructure, and strive to make everyday life and life stages even better.

In particular, as CO₂ emission reduction is the most important issue for airlines, the JAL Group aims to achieve net zero CO₂ emissions by 2050. Amid the pandemic, we steadily upgraded our fleet to low-carbon aircraft such as the Airbus A350. Half of the carbon reductions by 2050 will be achieved through upgrades to fuel-efficient aircraft, but we will need to use SAF to reduce the other half of emissions.

First, we have concluded agreements with various suppliers overseas to replace 10% of total fuel on board with SAF in 2030. The next challenge is procuring SAF in Japan. We will cooperate with various parties such as the aviation industry, oil wholesalers and authorities to ensure stable SAF procurement at a fair price.

**In conclusion :
Building on our strengths**

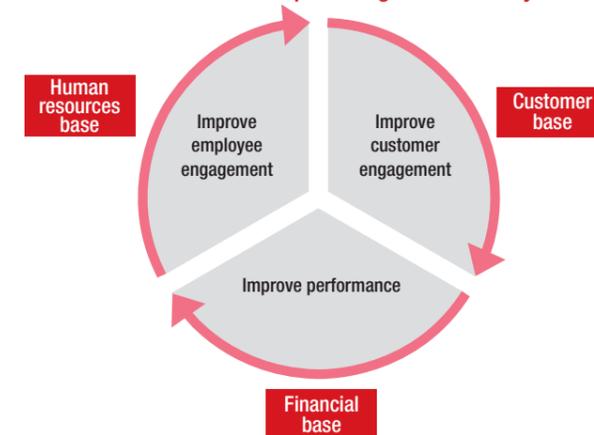
After experiencing COVID-19, an unprecedented crisis, I was reminded of our strengths; the human resources base and customer base.

All of our 36,000 or so employees practice the JAL Philosophy, and the culture of aiming for continual betterment of society has permeated through the organization. Even in challenging situations, this motivation has never waned. In the latest employee awareness survey, the scores for "I feel purpose and am motivated to work for society" and "I am satisfied working for the company" improved compared to pre-COVID-19 levels. The results show that awareness of the SDGs is high and on par with "Safety" and "Service." In addition, our approximately 3.6 million JAL Card members, approximately 30 million JAL Mileage members and other JAL Group customers show support and empathy for our business and products and services, are repeaters and provide advice. They continue to support us even though they are unable to fly with us as often as before.

As the JAL Group is supported by diverse human resources with high goals and customers who warmly

Growth scenario

Enhance the JAL Group's strengths sustainably



support us, we can confidently make big changes, such as business restructuring and the implementation of ESG strategies. We will continue to work to achieve growth, while improving employee engagement and customer engagement.

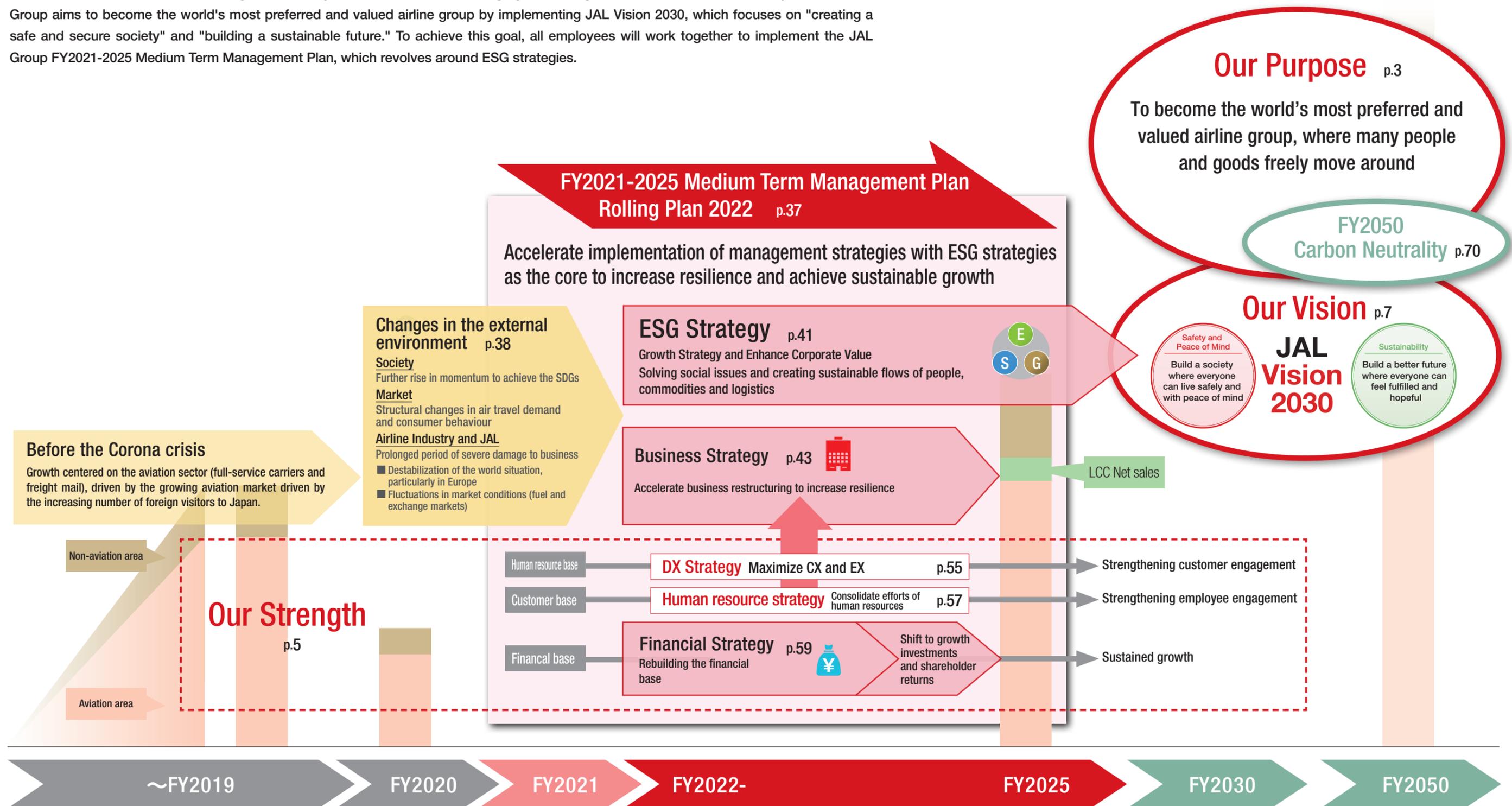
The JAL Group will fulfill its responsibilities as a social infrastructure and lifeline, and work united and aligned to become the world's most preferred and valued airline group of all stakeholders. We look forward to working with you.



1. JAL Group's Value Creation Story

JAL Vision 2030: Achieving Carbon Neutrality

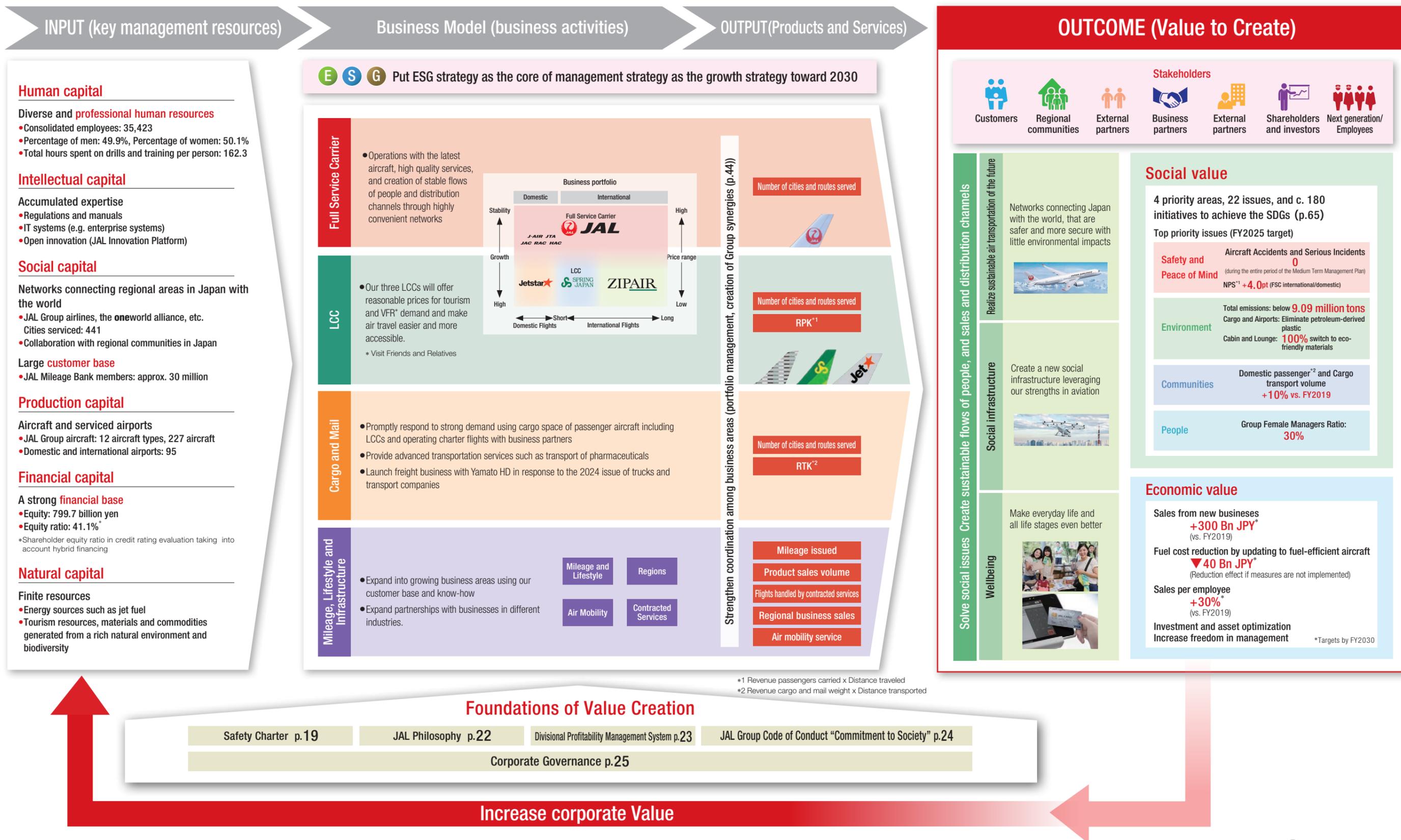
The business environment has changed drastically due to COVID-19. Leveraging the strengths it has cultivated over the years, the JAL Group aims to become the world's most preferred and valued airline group by implementing JAL Vision 2030, which focuses on "creating a safe and secure society" and "building 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.

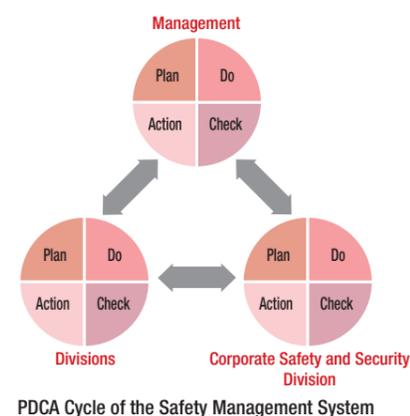
We take to heart our mission and responsibility as safety professionals to ensure a safe operation on every flight with the best of our knowledge, skills and abilities.

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)

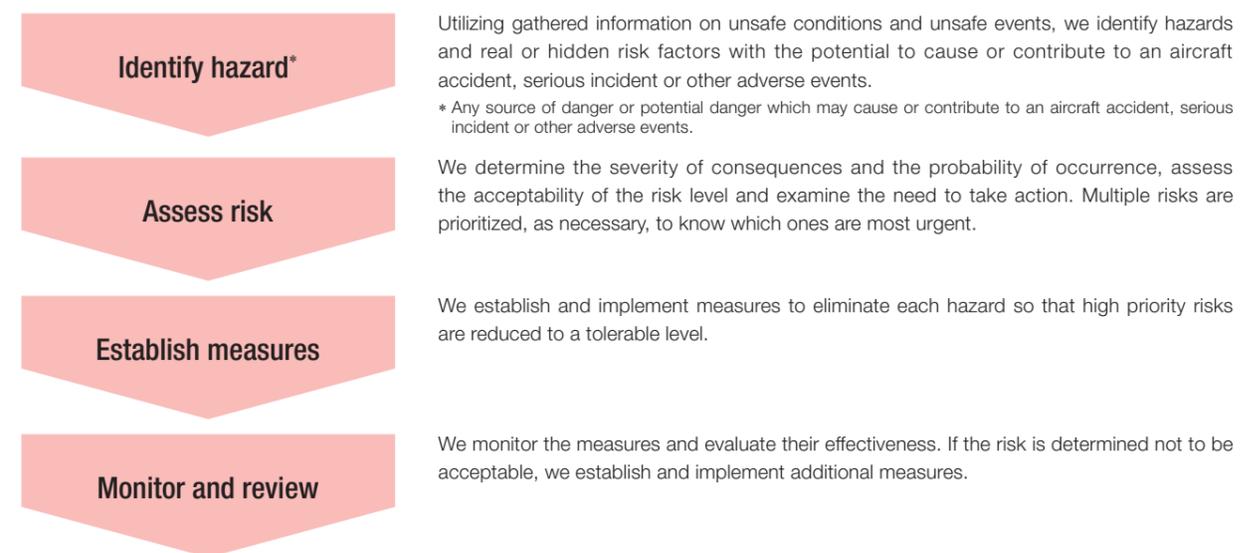
▶ Safety risk management

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

① External 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.

② Advice 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"

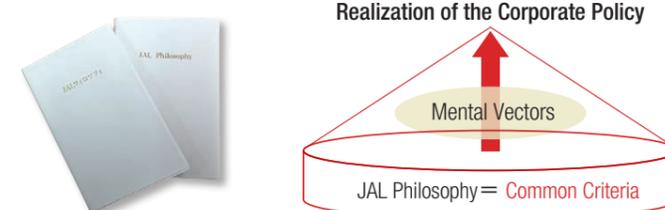
In order to encourage JAL Group employees to think from the customer's perspective, we place importance on the "second to third person perspective," which combines the third person perspective of thinking from a specialized airline professional and the first and second person perspective of treating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

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

Chapter 3 Accumulate Tedious Efforts with Passion

Work Earnestly
Accumulate Tedious Efforts
Work with Voluntary Attention

Fire Yourself Up

Strive for Perfection
Chapter 4 Ability Will Improve
Ability Will Improve

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 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 3 Unite Our Hearts

Make the Best Baton Pass
Align Mental Vectors
"Workfloor" Management
Follow the Merit System

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 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.

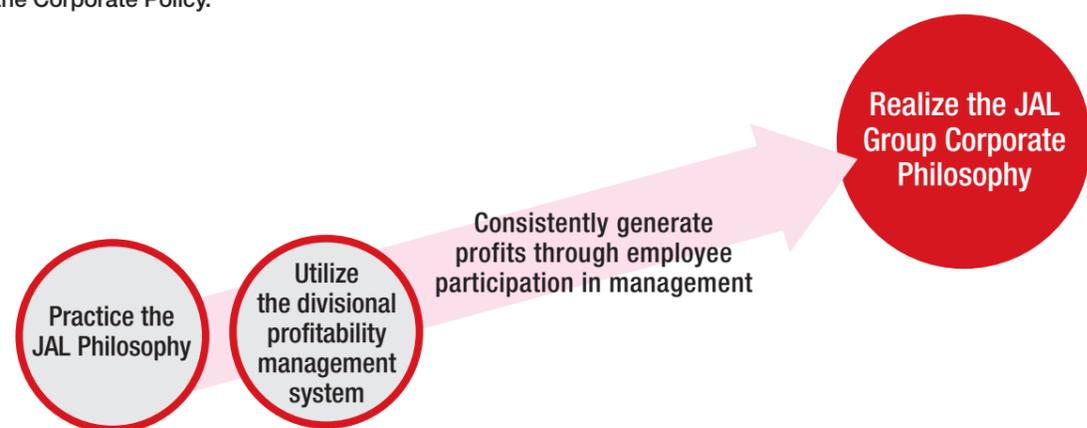
(3) Divisional Profitability Management System

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.

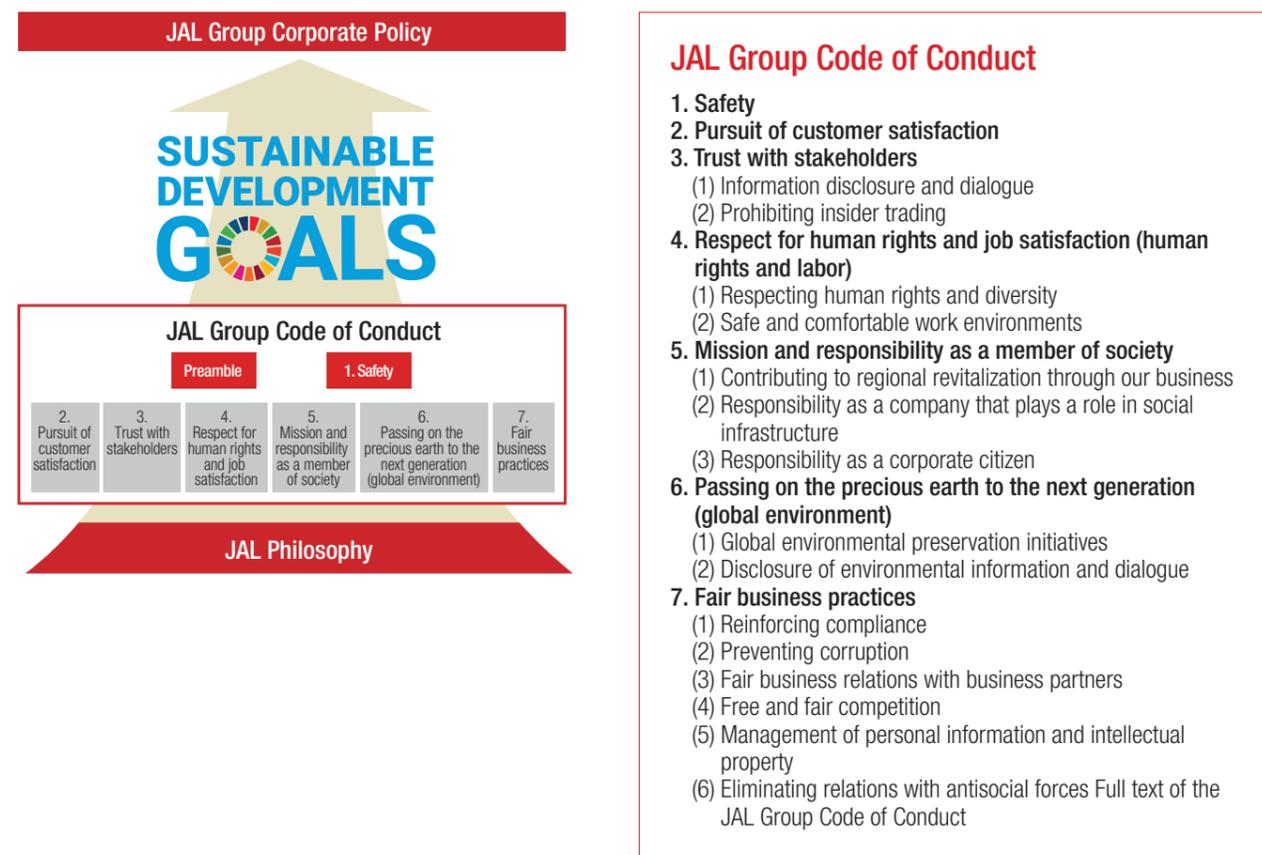


(4) JAL Group Code of Conduct "Commitment to Society"

"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.

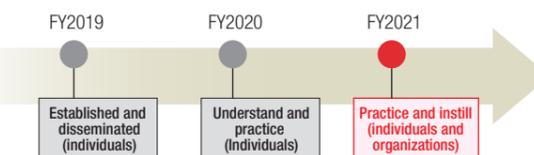


For the full text of the JAL Group Code of Conduct, please visit the JAL website.

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.

(5) Corporate Governance*

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.

For details of the Fundamental Policies of Corporate Governance and the Corporate Governance Report, please visit the JAL website.

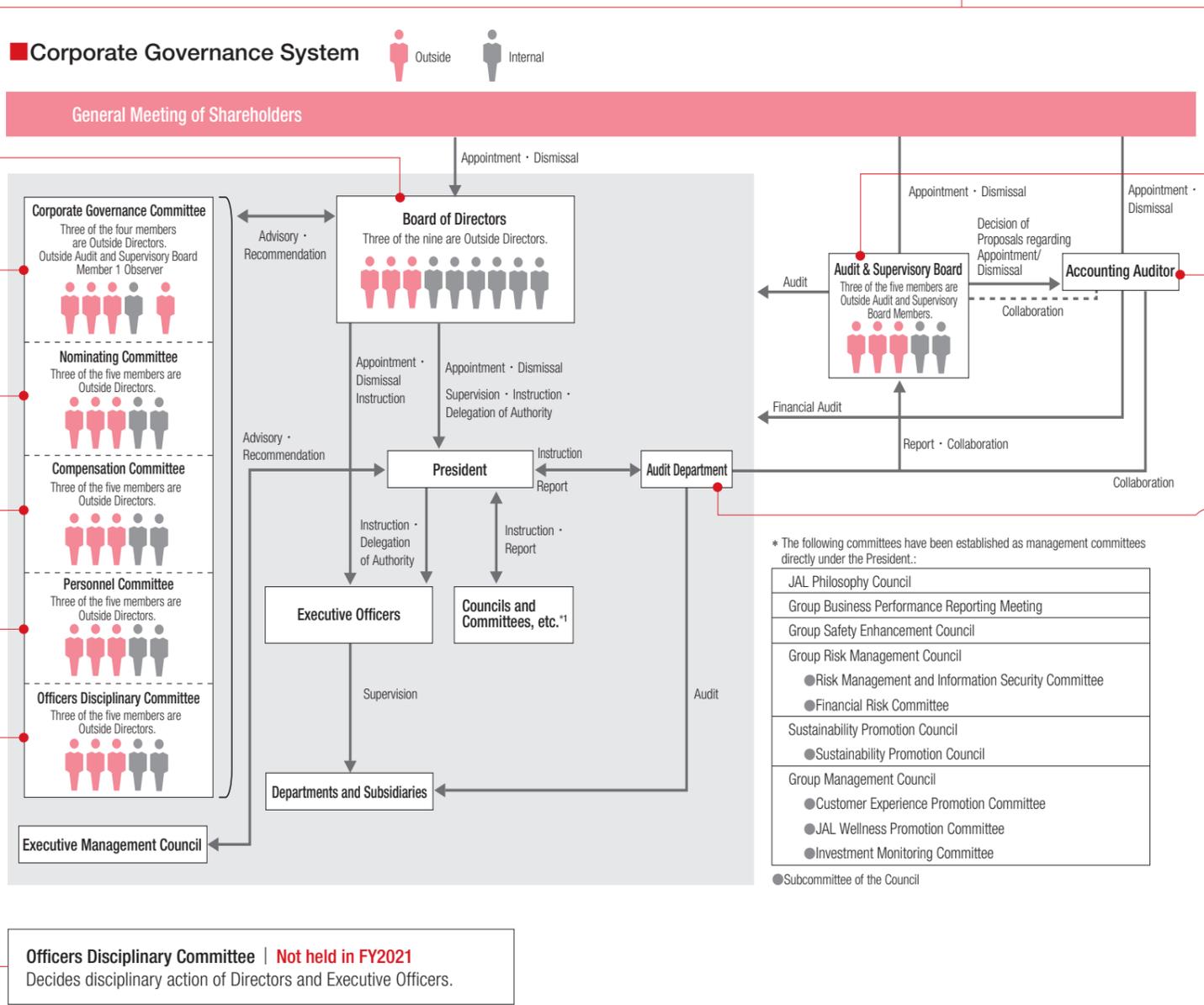
WEB <https://www.jal.com/en/outline/governance/>

*Matters not specifically mentioned in this section are those about Japan Airlines Co., Ltd.

① Corporate Governance System

Board of Directors | 19 meetings held in FY2021
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 officer remuneration, and important decision-making. To fulfill this role, the Board separates the management monitoring and business execution functions. The Board Chair is nominated from among Directors who do not concurrently serve as Executive Officer. In addition, at least three highly independent candidates are nominated for Outside Director, and Outside Directors account for at least one-third of all Board members. To ensure efficient decision-making, the Board of Directors entrusts the President with decision-making regarding matters stipulated in the Administrative Authority Criteria Table, in accordance with Regulations for Kessai and Administrative Authority, which was approved by the Board of Directors and the President. Generally, Directors and Audit and Supervisory Board Members must attend at least 80% of Board meetings.

Corporate Governance Committee | Held twice in FY2021
Checks whether business activities comply with the JAL Group Fundamental Policies of Corporate Governance, conducts analysis and assessment to determine whether they will contribute to sustainable growth and enhancement of corporate value over the medium- to long-term, and provides necessary feedback and recommendations to the Board of Directors. In FY2021, the committee discussed matters related to Fundamental Policies of Corporate Governance and formulated a policy on the Board Effectiveness Assessment and submitted a report.



Nominating Committee | 7 meetings held in FY2021
Submits a report on inquiries from the Board regarding the nomination of Directors and Audit and Supervisory Board Members. Defines the qualifications of President and other executives and manages Board member development. In FY2021, the committee discussed matters to be reported to the Board of Directors, and the requirements and processes for the selection of candidates for Executive Officers for change of officers, and future succession plans for management personnel.

Compensation Committee | 7 meetings held in FY2021
Submits a report on inquiries from the Board regarding remuneration of Directors, Executive Officers and Audit and Supervisory Board Members. Inspects the remuneration system to ensure it provides sound incentives toward sustainable growth. In FY2021, the committee discussed and presented a report to the Board of Directors on how the officer remuneration system should be used to promote the Medium Term Management Plan more vigorously.

Personnel Committee | 2 meetings held in FY2021
Submits a report on inquiries from the Board regarding the nomination and dismissal of Executive Officers. In FY2021, the committee discussed matters to be reported to the Board of Directors, and the training of candidates for Executive Officer positions and the ideal new execution structure. It also prepared a list of Executive Officer candidates.

Audit and Supervisory Board | 15 meetings held in FY2021
The Audit and Supervisory Board makes objective and appropriate decisions from an independent standpoint, based on their responsibility to our 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.

Internal Audits
The Audit Department (ten employees) performs internal audits, centering on Group-wide themes concerning the risk of large losses, business effectiveness and efficiency, credibility of financial statements, legal compliance, asset preservation, etc., according to a risk-analysis-based audit plan for the fiscal year. With regard to the credibility of financial statements, the Audit Department also conducts assessments in general as an independent organization under the President in the internal control reporting system relating to financial statements, in accordance with the Financial Instruments and Exchange Act. Results of internal audits are reported to the President and information on important matters concerning internal controls is provided to the Audit & Supervisory Board Members and accounting auditors to promote mutual coordination. Audit and Supervisory Board Members regularly exchange opinions and information with the Audit Department each quarter.

Accounting Audits
KPMG AZSA LLC conducts accounting audits, in accordance with the Companies Act and the Financial Instruments and Exchange Act. In addition to periodic audits, accounting issues such as the establishment, amendment and abolition of laws, regulations and rules are checked as necessary to achieve appropriate accounting work. Audit and Supervisory Board Members receive reports from the accounting auditors at times of audit planning and the announcement of financial results and ask for reports as necessary.

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

Position at the Company	Name	Important positions concurrently held (* is a public company)	Tenure (year)	Number of Company shares held (100 shares)	Attendance (FY2021)		Appointment of Committee Members					Skills Matrix					
					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
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

Position at the Company	Name	Important positions concurrently held (* is a public company)	Tenure (year)	Number of Company shares held (100 shares)	Attendance (FY2021)				Appointment of Committee Members	Skills Matrix						
					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
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, Kyohei 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.

1. A person who is currently or has been in the past 10 years an executive* of consolidated subsidiaries in our company and our company.
2. A person who has fallen under any of the following (a) to (f) in the past three years.
 - a. 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.
 - b. A major shareholder or an executive thereof whose ratio of funding to our company is 5% or more.

- c. Major lenders to our company or an executive thereof.
 - d. A person who receives or belongs to an organization that receives donations exceeding 10 million yen per year from our company.
 - e. 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.
 - f. An executive who is assigned as an external executive of another company and also the Director of the company.
3. 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.		★2015 Established the Corporate Governance Code	★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)	■ FY2016 • Increased the number of Outside Directors from 2 to 3		■ 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	■ FY2014 • To be chaired by a non-executive director			
Compliance with the Corporate Governance Code		■ FY2015 • Started Board Effectiveness Assessment	■ FY2017 • Compliance with all principles of the Corporate Governance Code	■ FY2021 • Compliance with all principles of the (revised) Corporate Governance Code
Improving board effectiveness		■ FY2017 • Commenced Board Effectiveness Assessment using a third party	■ FY2018 • Compliance with all principles of the (revised) Corporate Governance Code	■ 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》

- 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.
- 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.

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

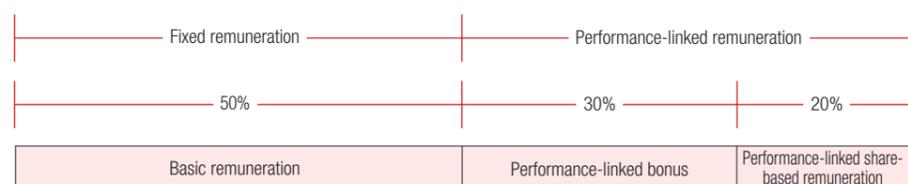
《Remuneration levels and remuneration composition ratios》

- We will set appropriate remuneration levels with reference to the business environment and objective remuneration data in the marketplace.
- 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

<p>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.</p> <p>Performance indicators</p> <ul style="list-style-type: none"> EBIT Individual performance indicators for each officer* <p>We will take into account achievement status of targets regarding flight safety.</p> <p>* 40% is a financial indicator and 60% is a non-financial indicator.</p>	<p>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.</p> <p>Performance indicators</p> <ul style="list-style-type: none"> TSR (ratio to TOPIX Including Dividends) Consolidated ROIC Number of selected ESG stocks CO₂ emissions per revenue to-kilometer
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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.

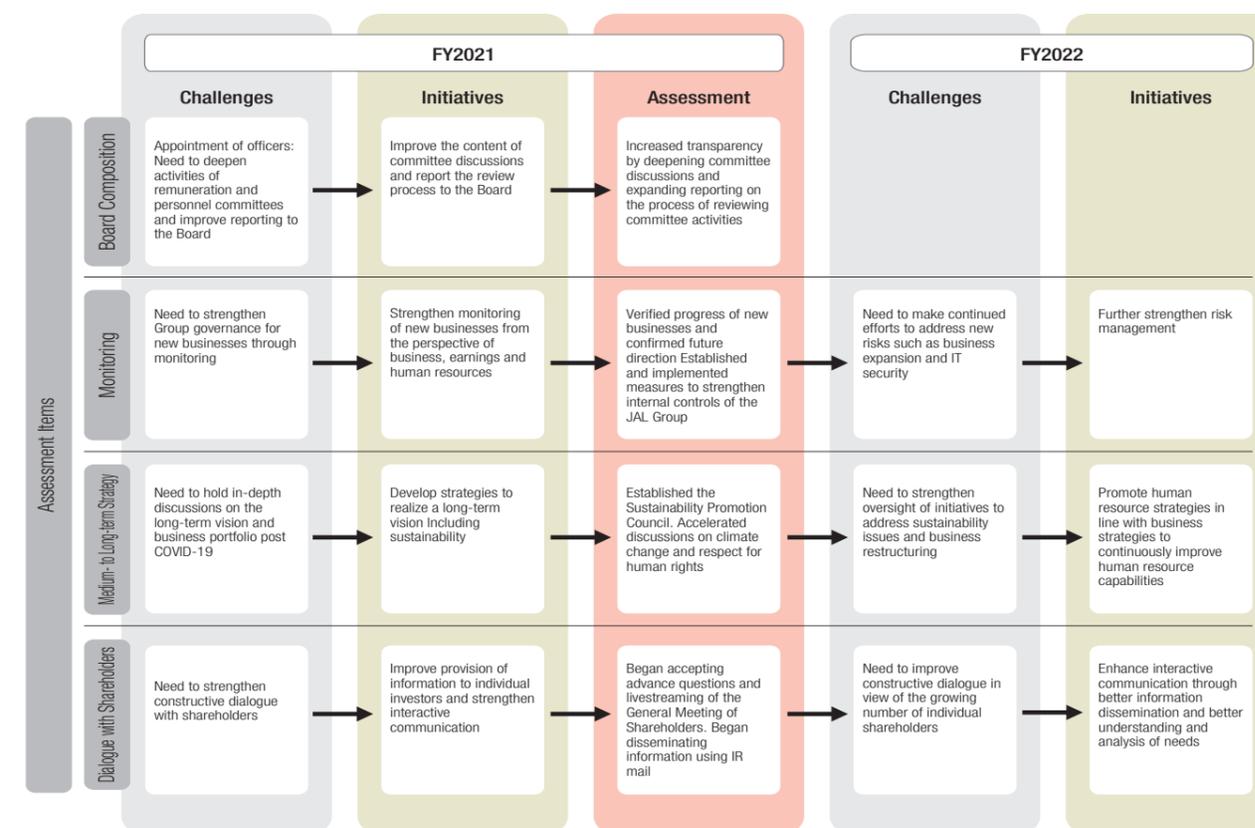
Support for Directors and Audit and Supervisory Board Members

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>

<p>Main Agenda Items Discussed by the Board of Directors</p> <p>In FY2021, a total of 19 monthly Board meetings and extraordinary Board meetings were held.</p>	<p>【Response to COVID-19】 Earnings and financial condition Financing</p> <p>【Management Strategy】 FY2021-2025 JAL Group Medium Term Management Plan Formulation of Rolling Plan 2022</p> <ul style="list-style-type: none"> ESG Strategy Business Strategy (LCC, new businesses, etc.) Finance Strategy <p>Made JALUX a consolidated subsidiary Develop human resources to promote advancement of women and women in management posts</p>	<p>【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</p> <p>【Dialogue with Stakeholders】 Feedback on IR briefings, etc. Customer feedback Shareholder benefit programs and communication with shareholders</p> <p>【Decision and Oversight of Other Important Duties】</p>
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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.

1. Strategy – The Big Picture

—Accelerate management strategy execution centered on ESG strategy—



To further ensure the achievement of the Medium Term Management Plan announced in May 2021, we updated the plan to adapt to changes in the business environment and created Rolling Plan 2022 in May 2022. We will make concerted Group-wide efforts to implement the Rolling Plan and achieve sustainable growth and development.

SAITO Yuji
 Managing Executive Officer
 Senior Vice President of Corporate Strategy & Planning
 Senior Vice President of Business Administration

► Business Environment

The business environment continued to worsen due to the prolonged pandemic, and unstable global conditions were compounded by rising crude oil prices and a weakening yen. However, with the global progress on vaccinations and lifting of travel restrictions, the Japanese government has implemented various measures to stimulate demand for domestic travel and we are beginning to see positive signs of recovery. I feel that society is starting to shift towards the “with COVID-19” and “post-COVID-19” eras.

► Medium Term Management Plan-Rolling Plan 2022

In May 2021, we announced a five-year Medium Term Management Plan and moved forward to restructure our business model and implement ESG strategies. Given the fast-changing impact of the pandemic and other external changes, we updated the plan to ensure its achievement and formulated, in May 2022, a four-year Rolling Plan 2022 starting from FY2022

The three-point plan is as follows.

① ESG-centered values to drive management strategies

Our ESG strategies are aimed at solving social issues and achieving the SDGs through our business activities. Rolling Plan 2022 defines ESG strategy as the growth strategy towards 2030. We will continue to provide value to society through our business operations, thereby generating revenue and increasing our company’s value.

② Accelerate business restructuring and build a more resilient business structure

We will transform the business model, such as growing and expanding new businesses in addition to our LCC and airline-related businesses, to build a more resilient revenue model so that we can prepare for and respond better to all types of changes in the external environment. Rolling Plan 2022 sets new restructuring targets. Out of the FY2025 profit target of 185 billion yen in EBIT, we will increase profit in the Mileage, Lifestyle and Infrastructure business domain and improve the profit mix from 30% before the COVID-19 pandemic to 45% by 2025. To accelerate business restructuring, we feel that it is important to strengthen cooperation and activities between business domains. We will strive to maximize revenues, while keeping in mind what is “best for all” for the JAL Group.

③ V-shaped recovery after COVID-19

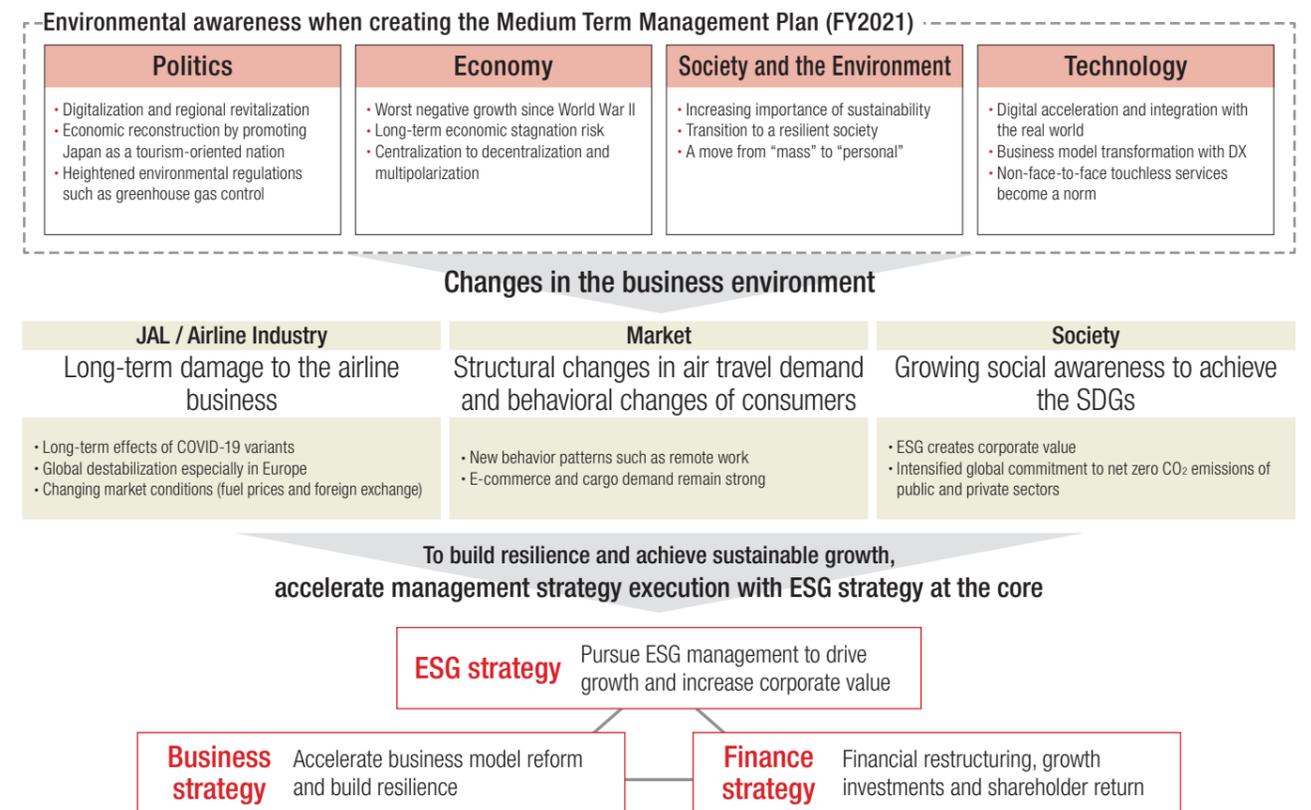
In FY2022, international passenger demand is expected to be around 45% of pre-COVID-19 levels and domestic passenger demand to be 90%, with further recovery thereafter. Through determined efforts to improve earnings and capture the comeback of air travel, we aim to get back into the black in FY2022 and achieve the FY2019 profit level of 80 billion yen in EBIT. We will utilize our strengths, that is, our human resource base and customer base, and work across the Group to accomplish Rolling Plan 2022 and position ourselves for sustainable growth and development.

* EBIT of each business domain as described in this Chapter uses a simplified calculation method for internal management purposes and does not represent revenue or profit of the business segment. In addition, classification of businesses does not correspond one-to-one with the air transportation business segment or other segments.

Timeline



Environmental Awareness and Strategic Outline



Uncertainty remains in the business environment due to the prolonged pandemic as seen by structural changes in air travel demand and behavioral changes of consumers, global instability, and changing market conditions. Led by the growing momentum to achieve the SDGs, companies and investors are becoming more aware of ESG. The airline industry is expected to grow strongly again in the medium- to long-term spurred by global economic recovery and growth. Business strategy, finance strategy and ESG strategy remain the pillars of our management strategies, but to adapt to the new reality, we will pursue ESG-centered strategies. To achieve our management targets, we will tackle social issues through our business activities and implement business and financial restructuring.

Management Targets

Work steadily towards their achievement by FY2025

We have established management targets for FY2025 in the areas of safety and security, sustainability, and finance, taking into account the business environment, global trends, stakeholder expectations, their impact on our business, and their importance to management. These are the key management issues and challenges of the JAL Group.

		FY2025 Targets	FY2021 Results
Safety and Peace of Mind	Safety	Aircraft Accidents and Serious Incidents: 0 (during the entire period of the Medium Term Management Plan)	2 cases
	Peace of Mind	NPS*1 +4.0pt (FSC international/domestic)	Domestic +7.1pt International +7.4pt
Sustainability	Environment	CO ₂ Emission Reduction Total emissions: below 9.09 million tons	6.2 million tons
		Reduction of Single-use Plastic Cabin and Lounge: Eliminate virgin petroleum-derived plastic Cargo and Airports: 100% eco-friendly materials	25% abolished 90% change
	Communities	Regional Revitalization Domestic passenger*2 and cargo transport volume: +10% vs. FY2019	Passenger ▼59% Cargo ▼34%
	People	Diversity and Inclusion Ratio of female managers in the JAL Group 30%	21.9% (as of March 21, 2020)
Finance	EBIT Margin (sales margin)	10% or Higher in FY2023	—*3
	ROIC (Return On Invested Capital)	9% in FY2023	—*3
	EPS (Earnings Per Share)	FY2023 ¥260 Pre-COVID-19 level	FY2025 c. ¥290 level

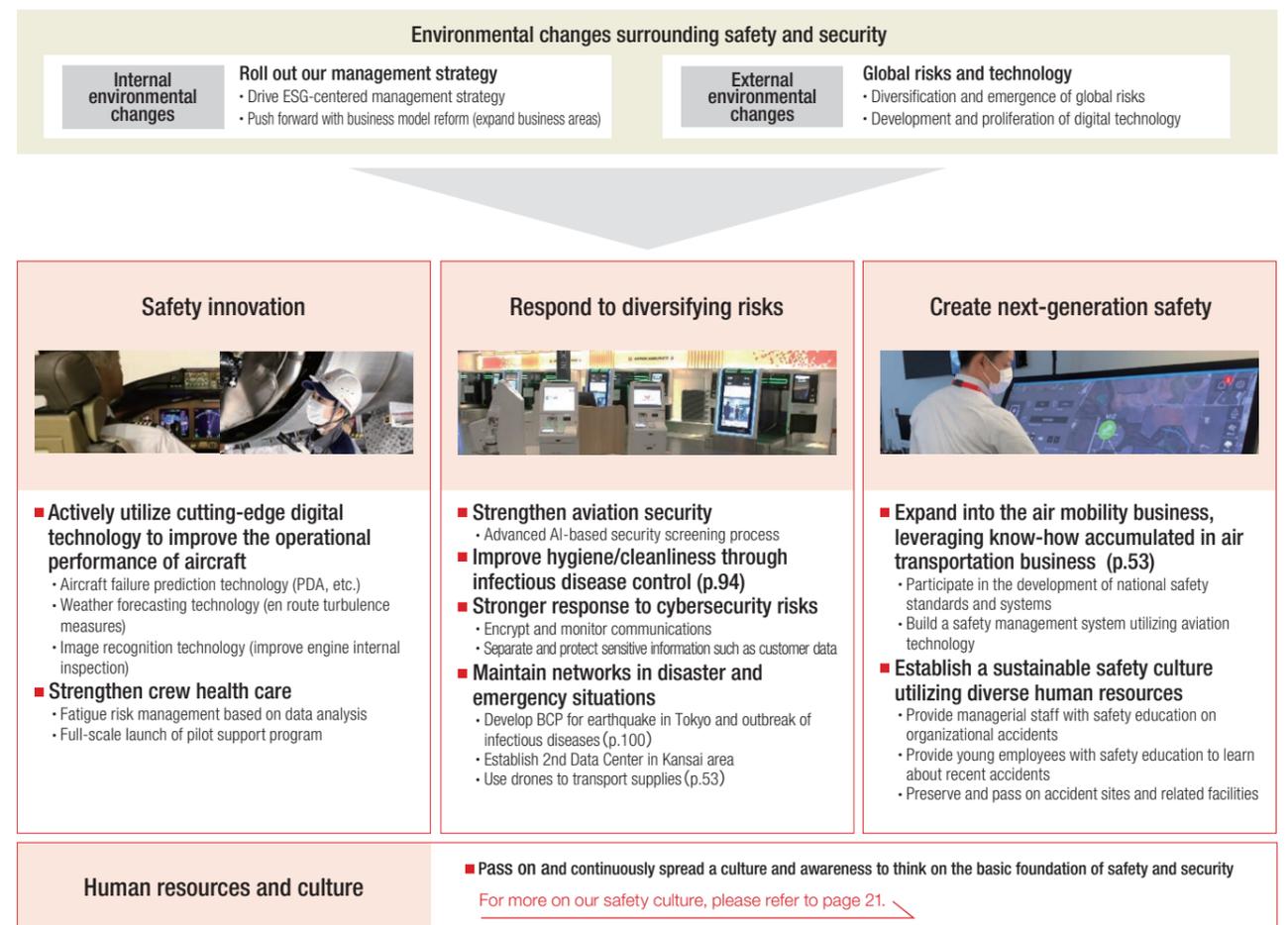
*1 Net Promoter Score ... Objective indicator of customer satisfaction (compared to the beginning of FY2021)
*2 Passenger traffic growth by stimulating tourism demand and creating new flows
*3 Negative EBIT and negative net profit in FY2021

Safety and Peace of Mind	<p>■ FY2025 target: Achieve a clean record free of aircraft accidents and serious incidents during the period covering the medium term plan, and create a comfortable world-class customer experience that provides peace of mind in all settings.</p> <p>■ FY2021 results: Safety: We fell short of our target due to two aircraft accidents that caused injury to persons on board from the shaking of the aircraft. In response, we stepped up measures to prevent injury caused by the shaking of the aircraft to protect the safety of our passengers and crew members. Peace of mind: Customer satisfaction on both domestic and international flights exceeded our targets through JAL FlySafe and JAL SMART AIRPORT services.</p> <p>For our safety and security initiatives, please refer to page 40.</p>
Sustainability	<p>■ FY2025 targets: We established targets for four of the social issues defined as key issues.</p> <p>■ FY2021 results: Environment: We are making progress on carbon reduction and elimination of single-use plastics to meet our FY2025 targets. Communities: Passenger traffic declined from FY2019 due to flight reductions as domestic passenger demand continued a slow recovery. People: The ratio of female managers in JAL Group rose 2.4 percentage points from FY2020 to 21.9%. We will continue to work to achieve the 30% target by FY2025.</p> <p>For information on our sustainability initiatives, please refer to Chapter 4 Sustainability on page 63</p>
Finance	<p>■ FY2025 targets: We aim to achieve pre-COVID-19 levels of all indicators in FY2023 and maintain and improve them thereafter. In particular, we aim to achieve Earnings Per Share (EPS) to counteract the stock dilution caused by the public offering in November 2020.</p> <p>■ FY2021 results: Although we recorded a loss, we maintained our financial base as the foundation of a successful business restructure using hybrid financing.</p> <p>For our finance initiatives, please refer to Finance Strategy on page 59.</p>

Safety and Security

Accelerate safety and security initiatives to realize JAL Vision 2030

As mentioned in the Medium Term Management Plan, the JAL Group, as a leading company of safety, aims to increase its safety layers and build a society where everyone can live safely and with peace of mind. To adapt to changes in the internal and external environment, we will accelerate safety innovation, risk response strategies, creation of next-generation safety, and development of human resources and culture as the basis of these initiatives towards the realization of JAL Vision 2030.



Food safety

To serve safe, delicious meals customers can enjoy with peace of mind in flight and in lounges, we implement a safety management system that covers the entire process from menu development to provision. Under the supervision of the officers in charge, we are working to ensure safe and secure air travel for our customers across their journey through cross-functional coordination that includes food safety management departments, airport departments, cabin attendant departments, and inflight meal caterers and suppliers.

Food safety management

JAL Group hygiene auditors who are knowledgeable of FSSC22000, an internationally-recognized food safety certification scheme, perform hygiene audits at our caterers and JAL airport lounges around the world to ensure that hygiene standards are observed and appropriate risk measures are taken.

Allergy prevention

We provide allergen free in-flight meals with the utmost care so that passengers are served their requested meal. For example, our cabin attendants verbally confirm the contents of the meal, each passenger is served by the same cabin attendant, and colored paper napkins are used for visual identification. We also provide information on allergens and nutrients in compliance with the law and in an appropriate manner.



Food safety management

2. ESG Strategy

—ESG-centered growth strategy to increase corporate value—

We will integrate ESG into our management strategies to drive corporate growth towards 2030. To realize JAL Vision 2030, we will work on the theme "Solve social issues and create sustainable flows of people, commodities and logistics."

JAL Group ESG Strategy

Put ESG strategy at the core of our management strategy to drive growth towards 2030



<p>Climate change Build sustainable air transport infrastructure</p> <p>FSC • Minimize environmental impacts • Provide air transportation that is safer, more secure and gives more peace of mind LCC • Continue to connect Japan with the rest of the world Cargo and Mail • Expand regional route network</p>	<p>Social infrastructure Build new social infrastructure with the strengths of aviation</p> <p>Cargo and Mail Maintain high value-added transportation and logistics networks Air Mobility Realize seamless transportation in all regions to solve social issues Airport and Maintenance Build transportation Infrastructure to and from airports</p>	<p>Wellbeing Make everyday life and all life stages even better</p> <p>Mileage Promote the JAL Mileage and Lifestyle Concept for the wellbeing of our customers and society Commerce Regions and Travel Maximize regional attractiveness and value and create flows</p>
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Build sustainable air transport infrastructure

We aim to solve the following social issues through our FSC, LCC and Cargo and Mail businesses.

Minimize environment impacts : **Addressing Climate Change** (p.70), **Effective Use of Limited Resources** (p.79)
Provide safe and secure air travel : **Accessibility** (p.93), **Prevention of Infectious Diseases** (p.94)
Expand route networks connecting Japan and regional Japan with the world : **Route Network Expansion** (p.95), **Promotion of Inbound Tourism** (p.95), **Regional Revitalization** (p.96)

Build new social infrastructure with the strengths of aviation

We aim to solve the following social issues through our cargo and mail, air mobility, and airport and maintenance contracted service businesses

Maintain logistics networks : Solve labor shortage issues in the logistics sector by shifting from truck to air freight
Seamless transportation in all regions : **Convenience in Mobility and Daily Life** (p.97)
Build transportation infrastructure to and from : **Convenience in Mobility and Daily Life** (p.97)
Support Japanese market entry of overseas airlines with airport and maintenance contracted services

Make everyday life and all life stages even better

We will work on the theme "make everyday life and all life stages even better" through our mileage, commerce, regional and travel businesses, and tackle the following social issues.

Achieve wellbeing with the JAL Mileage and Lifestyle Concept : **Environmentally-friendly Activities**, **Ethical Consumption**, **Wellness** (p.91)
Create new flows by enhancing regional attractiveness : **Regional Revitalization** (p.96)

Drive ESG strategy to increase corporate value

Create social and economic values through ESG strategies and increase corporate value



Acquire opportunities	2030 targets	Reduce risks
<p>Increase sales</p>	<p>Sales from new businesses +300 Bn JPY (vs. FY2019)</p>	<p>Investment and asset optimization</p>
<p>Reduce costs</p>	<p>Fuel cost reduction by updating to fuel-efficient aircraft ▼40 Bn JPY (Reduction effect if measures are not implemented)</p>	<p>Increase freedom in management</p>
<p>Improve productivity</p>	<p>Sales per employee +30% (vs. FY2019)</p>	

When promoting ESG strategies, we will actively solve social issues to not only create opportunities to increase sales, reduce costs and improve productivity but also comply with future environmental regulations and reduce risks.

These efforts will enhance the JAL brand and increase our market value and corporate value.

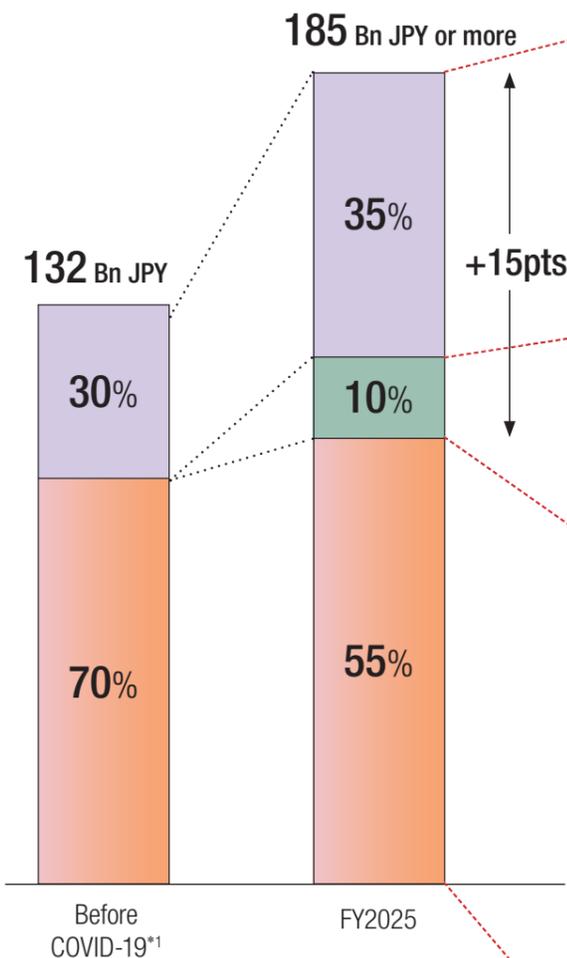
Identify opportunities	① Increase sales	Improving customer preference by solving social issues and creating air mobility and cargo and mail demand will contribute to sales increase. We target a 300 billion yen sales increase in new businesses in 2030 compared to 2019.
	② Reduce costs	The introduction of fuel-efficient aircraft will reduce carbon emissions and fuel costs. We aim for a 40 billion yen reduction in fuel costs in 2030 compared to fuel costs without the introduction of fuel-efficient aircraft.
	③ Improve productivity	The participation and retention of diverse human resources will increase employee motivation and satisfaction, which in turn will attract even more talented human resources, thus creating an upward spiral of active participation of diverse human resources. We will also revamp and improve business processes with DX to improve employee productivity. Through these initiatives, we target a 30% improvement in sales-per-employee in 2030 compared to FY2019.
Reduce risks	① Investment and asset optimization	Assets such as low-noise fuel-efficient aircraft comply with the latest environmental regulations and are expected to be serviceable over the long-term. We will also expand financing options such as SDGs bonds.
	② More freedom in management	By taking the lead in solving environmental and social issues, we can prevent impacts and restrictions imposed by regulations.

3. Business Strategy

Accelerate business restructuring and build resilience

We will accelerate business restructuring and create a resilient business portfolio.

EBIT targets and composition ratio by business



*1 Before COVID-19: figures deducting impact of COVID-19 from FY2019 results (earnings forecast figures disclosed at the announcement of FY19Q3 financial results (IFRS))

- Mileage, Lifestyle, Infrastructure
- LCC
- FSC • Cargo and Mail

Business targets

Mileage, Lifestyle and Infrastructure

Business expansion

Move into high growth areas and drive business model reform

Expand new business areas using our strong customer base and human skills as drivers

FY2025 EBIT	FY2025 sales
65 Bn JPY	330 Bn JPY
FY2019-25 CAGR +9%	FY2019-25 CAGR +3%
EBIT margin 20%	

LCC

Structural reform

Realize high profitability and double the size of business

Introduce a multi-brand strategy for growing leisure and VFR*2 markets

FY2025 EBIT	FY2025 sales
19 Bn JPY	120 Bn JPY
EBIT margin 16%	

*2 Visit Friends and Relatives

Full Service Carrier (FSC)

Structural reform

Accelerate initiatives to increase profitability and recover/increase demand

Improve profitability as the core business

FY2025 sales
1 Tn JPY and over

FSC + Cargo&Mail

FY2025 EBIT margin	FY2025 EBIT
8% and over	100 Bn JPY

Cargo and Mail

Business expansion

Expand business with a new business model

Increase profit through utilization of belly cargo space and freighter business in partnership

FY2019 –FY2025 sales CAGR	FY2025 sales
+14%	200 Bn JPY

Business restructuring targets

To accelerate business restructuring, we set up specific targets in each business. Leveraging the strengths we have cultivated as a full service carrier (FSC), we will increase the EBIT ratio of LCC and Mileage, Lifestyle and Infrastructure by 15 percentage points compared to pre-COVID-19 levels and build a business structure that withstands changes in the business environment. By expanding new business areas such as LCC and Mileage, Lifestyle and Infrastructure without reducing profits of FSC areas, we will build a more resilient business structure.

Strengthen Collaboration Among Business Areas

Build a resilient business structure with growth potential by promoting Group management

Portfolio management

- Design a business structure adaptive to the business environment
- Optimize resource allocation

Create Group-wide synergies

- Maximize sales through synergic effects
- Minimize costs by improving efficiency

Maximize profitability of the entire JAL Group across business areas

	Full Service Carrier (FSC)	LCC	Cargo and Mail	Mileage, Lifestyle and Infrastructure
Safety and Peace of Mind	To respond to diversifying risks, we will deploy technologies developed in aviation in new business domains such as air mobility.			
Human	To create value, we will assign human resources to profitable businesses with growth potential. To improve productivity, we will accelerate Group-wide initiatives such as the establishment of regional headquarters in Japan.			
DX	To accelerate business restructuring, we will develop a cross-business database and analyze and utilize the data.			
Sales	To unify customer touchpoints and promote sales functions in non-FSC businesses, we will shift from ticket sales to solution sales using JAL Group assets.			
JAL Group companies	To achieve business growth, we will increase revenues in each JAL Group company.			
Corporate function	To improve operational efficiency and the "best for all," we will reduce functional dispersion and functional redundancy.			
Cost management	To keep JAL Group's actual fixed costs at the 500 billion yen level, we will control costs across business areas.			

To accelerate initiatives in each business and maximize JAL Group's profits, we will promote Group management and strengthen cross-functional cooperation beyond business boundaries. To achieve the optimal business portfolio and generate synergies throughout the JAL Group, we will coordinate and support businesses focusing on the seven items shown in the chart above.

Topic

We have established five regional headquarters that report to the President in Hokkaido, Tohoku, Chubu, West Japan, and Kyushu with the aim to improve Group productivity and shift to solution sales, thus clarifying the business responsibilities of each region and building a management promotion system. We will create a portfolio based on regional characteristics to maximize Group revenues.



1. Strategy – The Big Picture	2. ESG Strategy	3. Business Strategy	4. Finance Strategy
(1) Passengers	(2) Cargo and Mail	(3) Mileage, Lifestyle and Infrastructure	(4) DX Strategy
			(5) Human Resource Strategy

Message from the Officers

Passengers



TOYOSHIMA Ryuzo
Senior Vice President,
Route Marketing



Ross Leggett
Deputy Senior Vice
President, Route Marketing

Global air transportation is a business that brings flows of people, commodities and logistics to every city and region of the world, and is essential to the advancement and development of society in every aspect including economics, culture and politics. Therefore, to play an indispensable role in society, we will make a firm contribution to the realization of a sustainable future.

Specifically, we need to make flights safer and more secure with little or negative environmental impact and expand regional route networks to connect Japan with the world. Therefore, as a common initiative of our FSC and LCC operations, we will not only reduce CO₂ emissions through joint SAF procurement with our global alliance and joint business partners, but also actively eliminate single-use plastics, reduce waste and food loss, improve accessibility, ensure hygiene and cleanliness, and increase inbound demand and travel demand to regions in Japan.

Cargo and Mail



IWAKOSHI Hiroo
Senior Vice President,
Cargo and Mail Division

Strong demand for cargo and mail is set to continue in the global air cargo market. To respond to pre- and post-COVID-19 changes in transport demand, we will improve our products and services, particularly strategic items such as e-commerce, home delivery, healthcare (pharmaceuticals and medical products) and food, which are closely related to social life. In addition to using JAL aircraft, we will maximize capacity through partnerships, thereby maintaining our logistics network.

Furthermore, we will provide long-haul transportation with freighters, in collaboration with our partners, as a new domestic transportation business model and contribute to logistics stabilization. Going forward, JALCARGO will continue to contribute to the sustainable development of society by solving social issues through logistics.

Mileage, Lifestyle and Infrastructure



OMORI Yasushi
Senior Vice
President, Mileage
and Lifestyle
Business Division

Mileage and Lifestyle promotes the JAL Mileage and Lifestyle Concept under the motto "make daily life and life even better with miles" for the wellbeing of our customers and society.

We will create services to suit customers' everyday life and life stages, provide points for environmental-friendly activities, introduce a new loyalty program, and expand e-commerce of ethically-sourced products to increase corporate value, and solve social issues, thereby contributing to a sustainable society. By further strengthening and developing mileage, finance and commerce business areas, which thrived during the pandemic, as pillars of the medium term non-airline business strategy, we will stand at the forefront of restructuring the JAL Group and aim for an annual operating profit of 50 billion yen in FY2025, double the figure of pre-COVID-19 levels.

Regions



HONDA Shunsuke
Senior Vice President,
Regional Vitalization
Division



ABE Eri
Deputy Senior Vice
President, Regional
Vitalization Division

There are many attractive regions in Japan, but they also have common issues such as depopulation and environmental problems. We aim to contribute to regional revitalization by creating flows of people, commodities and logistics, and achieve the medium term target of a 10% increase in passenger and cargo traffic by enhancing local tourism resources, creating programs such as workation and agri-training, rethinking our brand, diversifying agricultural products, and developing new sales channels for cross-border EC. "Cheer up your community! Connect smiles!" All employees will work together to achieve this goal.

Contracted Services



MAEDA Atsushi
Senior Vice
President, Airport
Division

I believe that attracting inbound demand will become an increasingly important measure to promote regional revitalization, which is a social issue. We will build a stable and agile system that assures quality and is second to none with safety as the major premise, and steadily provide ground handling services for overseas airlines at airports throughout Japan. In addition, we will support their entry to the Japanese market and create flows of people, commodities and logistics by continuously communicating the value and charms of regional Japan in collaboration with local governments and related companies. In addition to providing air transportation, the JAL Group will connect regions across Japan with the world to and from airports and provide ground handling services to contribute to the growth of inbound demand and promote Japan as a tourism-oriented nation.



TAMURA Ryo
Senior Vice President,
Engineering and
Maintenance Division

How wonderful it would be to fly and go wherever you want to the pandemic made these feelings stronger. In order to live up to these expectations, we are working each day to provide unparalleled aircraft quality. I am confident that our maintenance engineers and technical staff will be motivated by the process to reach this goal, which will in turn contribute to customers' safety and peace of mind.

By putting these thoughts into practice when maintaining the JAL Group fleet and serving overseas airlines and related businesses, we will contribute to the safety and security of aviation in Japan.

Air Mobility



NODA Yasushi
Senior Vice
President, Digital
Innovation Division

Next-generation air mobility represented by drones and eVTOLs will not only contribute to environmentally-friendly logistics and transportation infrastructure but also help create a disaster-resistant and resilient society through prompt emergency transportation of relief personnel and relief supplies and also revitalize communities through the provision of new services.

However, for new mobility to take root in society, we need to ensure safety and security. In this respect, the JAL Group has the knowledge and technology to safeguard flight safety, which we have cultivated over the years, and we believe it is our responsibility to take full advantage of this know-how to spread next-generation air mobility across all regions of Japan.

Through the launch of a drone business in 2023 and an air taxi business in 2025, we will find new revenue streams through air mobility and create a sustainable society where everyone can enjoy an enriched life.

(1) Passengers – Achieve sustainable growth with FSC and LCCs –

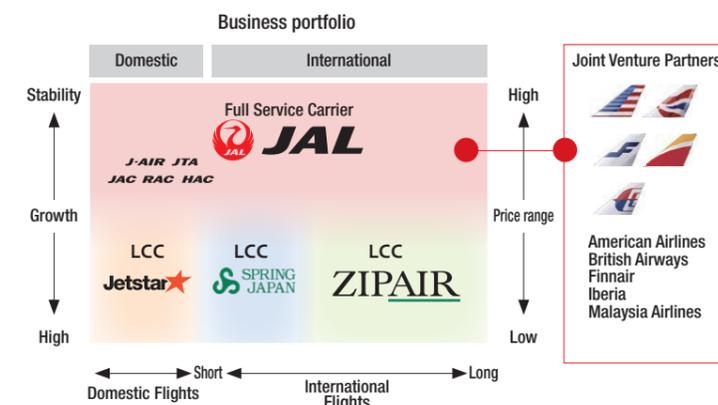
By maintaining and expanding networks that connect Japan, and regions and cities in Japan with the world, the JAL Group will improve accessibility, vitalize regions and make air transport more sustainable. To achieve this, we will strengthen ties with partner airlines and build networks that cover all markets.

Cater to a wide range of customer needs with our FSC and LCC lineup

JAL, as a full service carrier, provides and develops high quality products and services and an extensive network with convenient connections, and operates flights to meet the volume and size of demand. We will deepen airline partnerships to build a network that is essential for business, tourism and daily life, and air links between cities and regions in Japan with the world to contribute to stable flows of people and commodities.

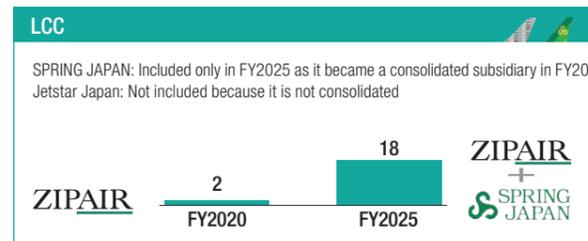
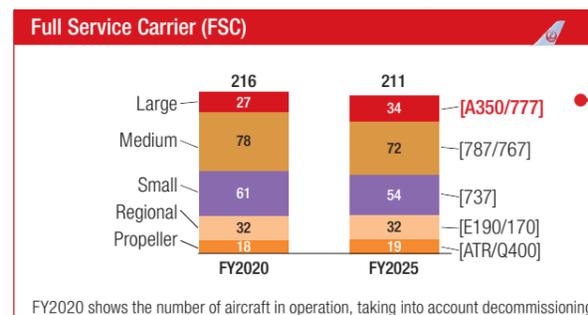
To meet diversified customer needs for prices and services, the JAL Group will offer a wider range of prices and diverse services covering all domestic and international markets utilizing its three LCCs (ZIPAIR Tokyo, SPRING JAPAN, Jetstar Japan). In particular, the three LCCs aim to increase so-called "associated demand" by offering reasonable prices for tourism and VFR* demand with growth potential, and making air travel easier and more accessible.

* Visit Friends and Relatives



① Aircraft – Aircraft strategy to support sustainable growth –

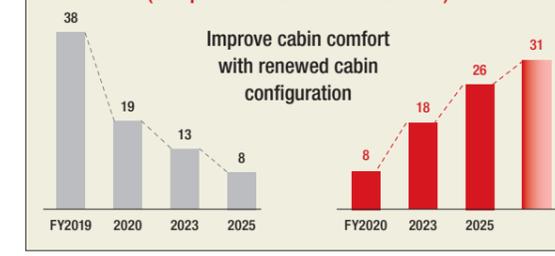
Form a network with 229 Group aircraft



Steady flagship fleet upgrade



25% improvement in fuel efficiency (compared to conventional aircraft)



We will respond to changes in the business environment such as fluctuating demand trends by building a flexible aircraft portfolio to strategically promote our FSC and LCC operations. The JAL Group will form a network for FY2025 with 229 aircraft, an increase of 11 from 218 aircraft in FY2020. We will increase FSC operations with 211 aircraft in FY2025 and improve profitability.

We will increase LCC aircraft from two in FY2020 to 18 aircraft in FY2025 and expand their networks. Furthermore, we will steadily introduce the fuel-efficient Airbus A350 to update our domestic and international flagship fleet, reduce our environmental footprint and improve cabin comfort.

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			(5) Human Resource Strategy

② Full Service Carrier (FSC) – Improve profitability and accelerate demand recovery and expansion initiatives –

	FY2021	FY2022~
Full Service Carrier	<p>Improve profitability during weak demand periods</p> <ul style="list-style-type: none"> Reduced maintenance and operating costs by retiring the Boeing 777 and introducing the Airbus A350 Suspended unprofitable routes and utilized code-sharing Introduced JAL SMART AIRPORT to hub airports in Japan 	<p>Improve profitability and accelerate demand recovery and expansion initiatives</p> <ul style="list-style-type: none"> Expand networks based on demand recovery Improve customer preference by expanding fuel-efficient Airbus A350 services Promote product-service development and provision with little or negative environmental impact Further promote ESG strategies with global alliance and joint business partners

Review of FY2021

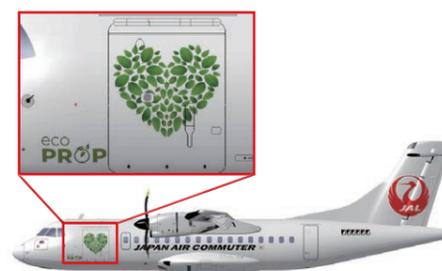
We slashed costs during the prolonged pandemic, such as cutting maintenance and operating costs by retiring old aircraft and adjusting routes and flight frequency. At the same time, we strived to maximize revenues by assigning larger aircraft to meet demand and flexibly adjusting flight frequency and flight schedules to attract passengers with connecting international flights. On domestic routes, JAL SMART AIRPORT touchless and smooth services were introduced at five domestic hub airports (Haneda, Itami, New Chitose, Fukuoka, Naha).

Medium Term Initiative Expand networks based on demand recovery

On international routes, we will resume routes and flights based on demand recovery from COVID-19. In addition to capturing transit passengers between North America and Asia on Narita routes, where demand has rapidly recovered, we will progressively resume flights to and from Haneda, which were scheduled to be expanded from FY2020, to improve connections to domestic flights, thereby contributing to stimulating flows of people and commodities between regional Japan and the world.

On domestic routes, we will maintain and expand networks as an important social infrastructure. In particular, regional airlines J-AIR, JAC, HAC, JTA and RAC have a social mission to keep community lifelines open. We will therefore optimize their networks and utilize the resources of each airline, while creating and communicating the charms of each region.

Furthermore, JAL and All Nippon Airways (ANA) will codeshare on outlying island routes through the five-member EAS LLP (Essential Air Service Alliance LLP) framework, comprising JAL, ANA and three Kyushu-based regional airlines with routes to outlying islands, JAC, Amakusa Airlines and ORIENTAL AIR BRIDGE. JAL and ANA will join hands to contribute to regional route network expansion and regional revitalization by creating flows of people between cities and outlying islands.



ATR aircraft of JAC and HAC are low-carbon turboprop aircraft. JAC's 11th ATR delivered in April 2022 was given a special livery decorated with the words "ecoPROP" and a heart-shaped leaf design to convey the message of preserving nature and passing it on to the next generation. The JAL Group is maintaining networks and promoting regional development in outlying islands with abundant natural resources, such as the World Heritage sites of Yakushima, Amami-Oshima and Tokunoshima, and Okinawa.

Medium Term Initiative Improve customer preference by expanding fuel-efficient Airbus A350 services

On domestic routes, we expanded our low-noise fuel-efficient A350-900 fleet to 16 aircraft and will gradually introduce the A350-1000 on international routes from 2023.

Environmental-friendly aircraft will contribute to compliance with future environmental regulations and the sustainable development of air transport. We will also improve customer preference and comfort to further capture business demand, an important revenue source.



Medium Term Initiative Promote low-environmental-impact product-service development and provision

We will eliminate petroleum-derived plastics used in cabins and lounges by FY2025.

We will change buffet style to mobile ordering in Sakura Lounge* for international passengers at Haneda and Narita to reduce food waste, and will recycle and compost 100% of food waste generated from in-flight meal preparation at Haneda and Narita. Furthermore, we will work together with our customers to reduce our environmental footprint by offering a carbon offset service for corporate customers and expanding our "JAL Ethical Choice ~Meal Skip Option~" service to all international routes.

* Introduced to JAL First Class Lounge in March 2021



Mobile ordering screen in lounge



Amenity kit for Meal Skip Option users
The photo is for illustrative purposes.

Medium Term Initiative Further promote ESG strategies with global alliance and joint business partners

We will strengthen our network with partner airlines to improve customer convenience, deepen our understanding of each other's ESG strategies and explore opportunities for collaboration.

In addition to joint SAF procurement in the U.S. with certain oneworld members, we will consider promoting SAF production in areas with low manufacturing capacity and making strategic investments in SAF manufacturers.

Utilizing the alliance framework and joint businesses, we will consider promoting innovation and D&I through exchanges of human resources with diverse backgrounds and values, and a combination of know-how.



On the launch of codeshare flights with Malaysian Airlines, our joint business partner, on the Haneda-Kuala Lumpur route in August 2022, we jointly



purchased SAF in the U.S. through the oneworld framework. SAF will be loaded on scheduled flights from San Francisco in 2024, and will be expanded to flights from Los Angeles and San Diego from 2027

Voice



INOUE Atsuki
Manager, Corporate Planning
Department
Hokkaido Air System Co., Ltd.

Working with local communities - Hokkaido Air System initiatives

In FY2021, Hokkaido Air System (HAC) completed aircraft upgrades to the latest low-noise, fuel-efficient ATR. With three ATRs, the Sapporo Okadama Airport-based airline connects six routes in Hokkaido (including two outlying island routes) with one route in Tohoku and plays the role of community-based transportation infrastructure. Through interactions with customers at our destinations, I feel that HAC's role is expanding. I will continue to work with the local communities to design ways of solving their problems, such as creating venues to attract visitors with local businesses, improving multimodal transportation with airports in coordination with local transportation operators, and collaborating with local high schools.

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③ LCC –Achieve high profitability and double business size–

	FY2021	FY2022~
LCC	Full-scale launch of three LCCs based in Narita Aircraft: 10 aircraft Routes: 11 routes * Excluding Jetstar Japan ZIPAIR • Opened US west coast route as Japan's first medium- and long-haul LCC • Made SPRING JAPAN a consolidated subsidiary, created a new brand SPRING JAPAN • Reviewed the number of aircraft and routes to improve profitability Jetstar	Realize high profitability and double the size of business Aircraft: 18 Aircraft routes: 22 routes FY2025 plan, excluding Jetstar Japan ZIPAIR • Expand networks in Asia, North America and China SPRING JAPAN Jetstar • Increase competitiveness and reduce environmental impacts by introducing the A321 LR

■ Review of FY2021

ZIPAIR Tokyo, Japan's pioneer medium- and long-haul LCC, expanded its size of business while maintaining a first-mover advantage by launching services to the U.S. west coast. SPRING JAPAN became a consolidated subsidiary to lead the way into the Chinese inbound market, with expectations of recovery and growth, and Jetstar Japan helped stimulate recovery in tourism demand, especially during the New Year holidays.

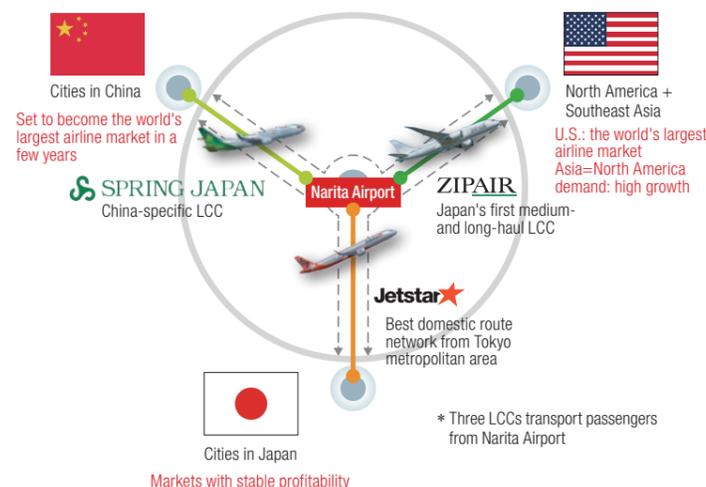
Medium Term Initiative Expand Asia, North America and China networks

The JAL Group offers diverse products in growing and changing markets. Each LCC will promote ESG strategies to create people flow to regional Japan with environmentally-friendly aircraft and reasonable prices to improve customer preference as the customers' most preferred LCC and increase profitability.

Specifically, the three LCCs will work to capture leisure and VFR* markets, which are expected to grow in the post-COVID-19 future, and double the size of their business. The three Narita-based LCCs will utilize their route networks to create people flow between regional Japan and the world and contribute to the expansion of inbound demand.

We will strive to strengthen the JAL Group LCC brand through reciprocal frequency flyer benefits and the strengths and features of JAL and the three LCCs.

* Visit Friends and Relatives



Voice



NAKAJIMA Sayaka
Cabin attendant
ZIPAIR Tokyo, Japan

To become the customer's most preferred LCC

In order to embody ZIPAIR Tokyo's NEW BASIC AIRLINE spirit, we communicate with our customers in a cordial manner, proactively create ideas and strive to understand what our customers genuinely prefer from an airline. For example, we do not provide complimentary blankets, but instead, provide advice to help navigate the online portal so that our customers can purchase a blanket on their personal devices. Our goal is to remove any preconceived notion toward LCCs, which are generally known for low service levels because the air tickets are inexpensive. Since cabin attendants concurrently handle ground services, we have the distinct advantage to apply the acquired skillset and knowledge during flight duty. When communicating with passengers and fellow crew members, I proactively apply the experience I gained when conducting online internships for students. ZIPAIR Tokyo's services onboard the aircraft are comparable to that of a full-service carrier; in terms of the seat pitch and complimentary in-flight internet services. We will continue to strive to provide in-flight services that make a lasting impression, and we sincerely hope that our customers select ZIPAIR as their most preferred LCC.

(2) Cargo and Mail –Expand business with a new business model–

Transport demand is diversifying even amidst tight capacity and demand. To meet social needs, we will maximize capacity through airline partnerships, and strengthen the handling of strategic items that are closely related to social life, such as e-commerce, home delivery, health care and food. We will also continue to provide sustainable services by solving social issues related to logistics.

	FY2021	FY2022~
Cargo and Mail	Securely capture robust demand and increase profit • Made maximum use of our routes and other airline's aircraft to meet robust cargo demand • Transported vaccines and other pharmaceuticals leveraging our high quality transportation	Expand business with a new business model • Increase transportation capacity on high demand and high growth routes by strengthening partnerships • Strengthen handling of high-unit revenue cargo by building a production system that enables quality control and reduction of lead time • Launch freighter business with Yamato Holdings in April 2024 (operated by Jetstar Japan)

■ Review of FY2021

In international cargo operations, amid strong demand for semiconductors and the shift to air freight due to sea freight disruptions, the JAL Group endeavored to maintain supply chains for various customers and maximize revenue by operating freighters of overseas airlines and cargo flights using JAL passenger aircraft. When transporting COVID-19 vaccines, we met requests from society utilizing our high transport quality.

Medium Term Initiative Launch freighter business with Yamato HD in April 2024

In April 2024, we will launch a joint business with Yamato Holdings, Inc. (Yamato HD) to develop a sustainable logistics network in response to the "2024 issue."

In addition to trucks and other transport modes in Japan, which handle a large amount of long-distance logistics, the use of freighters as a new transport mode will contribute to ensuring stable transportation capacity and maintaining and improving service quality. JAL and Yamato HD will promote partnership by using each other's resources to contribute to communities and solving social issues, and achieve further growth by becoming the customer's choice of airline.



Build a sustainable logistics network through freighter operations leveraging the strengths of JAL and Yamato HD

Voice



PU YONG
Cargo Route Marketing,
Alliance Office

Meet customer needs with our partners

Taking into account the strong growth trend of air cargo demand especially from Japan, China and other Asian countries to Europe and the U.S., we have been building higher capacity with partner airlines overseas, as well as using JAL's route network with our own aircraft. Despite supply chain disruptions and strong air freight charter demand, we were able to meet customer demand to the fullest and successfully secure capacity through negotiations, thanks in part to our long-standing partnerships since the pre-pandemic period. I feel that JALCARGO has a great responsibility to fulfill amid disruptions in logistics. Going forward, we will continue to listen to the customer's voice in order to maintain supply chains, and by making agile adjustments to capacity, we will meet their needs and contribute to the growth and development of society.

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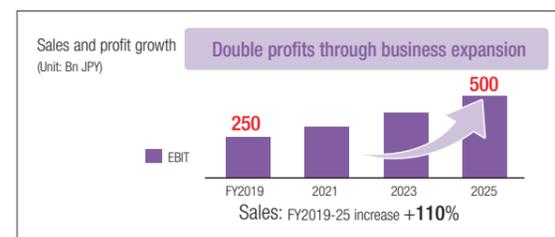
(3) Mileage, Lifestyle and Infrastructure

The sharp decline in air transport demand caused by the pandemic made us reaffirm the importance of revenue sources in areas other than air transport. In FY2021, we started to work on expanding the Mileage, Lifestyle and Infrastructure business domain to restructure our business model. We aim to grow the JAL Group, utilizing the strengths of our customer base, brand and skills in each business domain; Mileage, Lifestyle, Regions, Air Mobility, and Contracted Services (airport/maintenance/cargo).

① Mileage and Lifestyle

	FY2021	FY2022~
Mileage and Lifestyle	<ul style="list-style-type: none"> Expanded services in daily life and all stages of life (marketed JAL Denki and JAL Housing Loans) Made JALUX a consolidated subsidiary 	<ul style="list-style-type: none"> Double profits by promoting the JAL Mileage and Lifestyle Concept

We will promote the JAL Mileage and Lifestyle Concept of providing services in daily life, and expand areas for saving and using miles to promote the wellbeing of our customers and society. In addition to expanding partnerships with other industries and promoting DX, we will introduce a new mileage program that allows members to earn points in everyday life and environmentally-friendly activities, and provide high-quality, convenient services to contribute to building a sustainable society and promoting our ESG strategies.

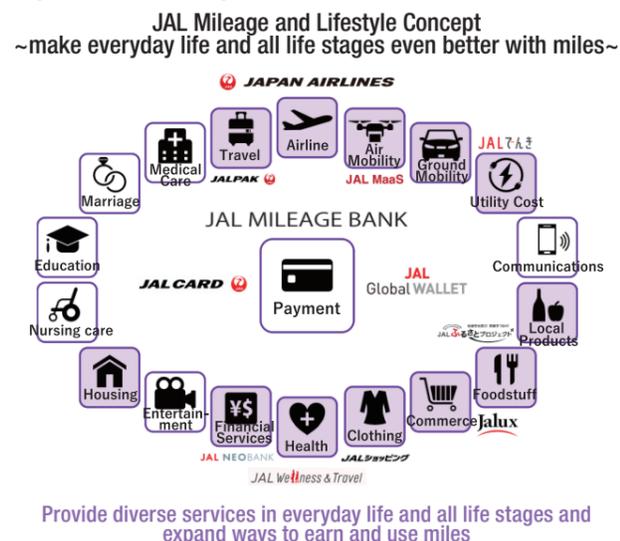


Medium Term Initiative Contribute to the wellbeing of our customers and society through the JAL Mileage and Lifestyle Concept and double profits

In the Mileage and Finance business domains, we will launch new services such as JAL Wellness & Travel, JAL housing loans, JAL Denki (electricity) and the mutual exchange of Rakuten points and JAL miles to further the JAL Mileage and Lifestyle Concept. In the Commerce business domain, we welcomed JALUX to the JAL Group to strengthen our EC business.

Going forward, we will improve our financial services and product lineup such as insurance and securities, and promote cashless payment such as touchless and QR code payments. We will build a new EC website and develop ethically-sourced products to expand our commerce business, in addition to increasing synergies with JALUX.

We will continue to promote the JAL Mileage and Lifestyle Concept under the motto "make everyday life and all life stages even better with miles."



Voice



YONEKURA Sonosuke
Business Strategy Group
Mileage Business Division

Meet the challenge to offer an attractive mileage program

I hold frank discussions with my colleagues every day on how we can create a mileage program that appeals to customers. JAL Denki (electricity) which we launched with Kyushu Electric Power Company in April 2022 is a service that connects everyday activities with leisure activities based on our aspiration to "provide our customers with more opportunities to earn miles and board JAL flights." Going forward, we will boldly take on the challenge of making JAL's mileage program more appealing by promoting environmentally-friendly services.

② Regions

	FY2021	FY2022~
Regions	<ul style="list-style-type: none"> Increased awareness of local products and expanded sales channels (JAL FURUSATO NOZEI (hometown tax donation program), EC for China, increased desirability of local products by Furusato Cheering Teams) 	<ul style="list-style-type: none"> Expand joint problem-solving projects with regional areas (local governments and companies)

We aim to revitalize regions while preserving the natural environment and creating lasting people flow.

To solve regional problems, we will design purposeful tourism for people to visit regions and develop attractive products and distribution channels to deliver regional products throughout the world including Japan.

Medium Term Initiative Expand the solution business in coordination with local communities



People flow

- Promote regional attractiveness** (Create added value) × Passenger transport
 - Add value to inspire customers to travel to regional areas, such as environmental preservation activities and cultural experiential travel utilizing attractive regional traditions, cultures, natural features, etc.
 - Tourism promotion project with local companies planned by JAL Furusato Ambassadors (e.g. JR Hokkaido Rail Tour)
- New tourism** (Permanent people flows) × Passenger transport
 - Create and increase permanent flows of people to "my second hometown" and its associated demand in collaboration with local governments and companies
 - Traveling with a purpose, such as JAL Agricultural Exchange, a short-term agri-training program, SDGs tours, and "my second hometown" tours

Flows of sales and distribution channels

- Product development & branding** (Branding) × HR (cabin crew, etc.)
 - Develop new value-added products by combining excellent local commodities and JAL's know-how
 - In addition to planning and development, provide comprehensive support from market research to sales and PR
- Expand sales channels for local specialty products** (Increase consumption) × Cargo transport
 - Expand distribution channels in Japan for local specialty products by promoting JAL FURUSATO NOZEI
 - Promote cross-border EC initiatives and increase exports of local specialty products

Sales target	By FY2025 10 Bn JPY
Management target	Domestic passenger and cargo traffic by FY2025 vs. FY2019 +10%

Voice



IHARA Yuichiro
Strategic Group, Business
Strategy Department

Revitalize regions through cross-border EC

We feel that we can assist local business operators with procedures that are difficult for them, such as customs procedures and contracts, so that they can sell attractive local products on our cross-border EC site (JAL Yusen, an official mini-program in mobile app WeChat).

We aim to revitalize regions by disseminating information on the regional features, culture and history of local products to inspire customers to visit.

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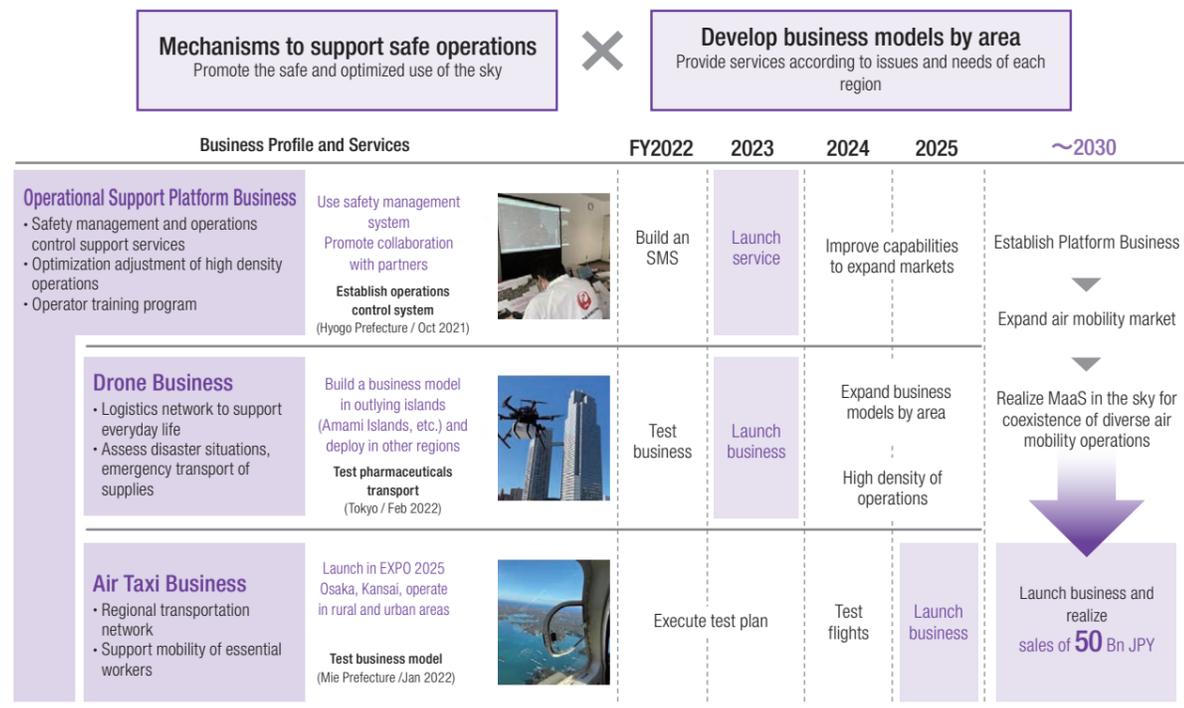
③ Air Mobility

	FY2021	FY2022~
Air Mobility	<ul style="list-style-type: none"> • Tried the drone business in various regions • Tried the business model of the air taxi business 	<ul style="list-style-type: none"> • Establish an Operation Platform Business and expand air mobility market

Underpopulated areas including remote islands with an aging and declining population face challenges such as access to shopping, and there are rising expectations of using next-generation air mobility to solve various regional issues and provide people with new forms of transportation to enrich their lives. The JAL Group will be aware of their needs and contribute to solving social issues with our know-how on air mobility to improve mobility and convenience and live more sustainably.

Medium Term Initiative

Establish an operation platform and expand the air mobility market



The JAL Group has been actively participating in drone Proof of Concept flight tests in remote islands and urban areas and eVTOL studies to turn them into businesses. We will utilize the know-how we have cultivated in the air transportation business to draw a picture where drones and eVTOLs play an active role in society, based on a flight management framework and system, and play a leadership role in new markets. Aiming to build a world where different types of air mobility move around, we will develop a platform that supports safe and smooth operations so that more operators can enter into air mobility and ensure safe operation.

For more information, please visit the JAL website.
 WEB https://www.jal.com/en/air_mobility/

Voice



KINOSHITA Hayato
Air Mobility Creation Department
Digital Innovation Division

Build a society where everyone can live comfortably
 We are preparing to launch a platform to manage and support drones and eVTOLs in an integrated manner. Although difficult decisions must be made at times due to speed inherent in new businesses, we aim to build a world where drones and eVTOLs operate safely and efficiently using JAL's operations control and safety management system cultivated in the airline business, and build a society where everyone can live comfortably in coordination with local governments and companies

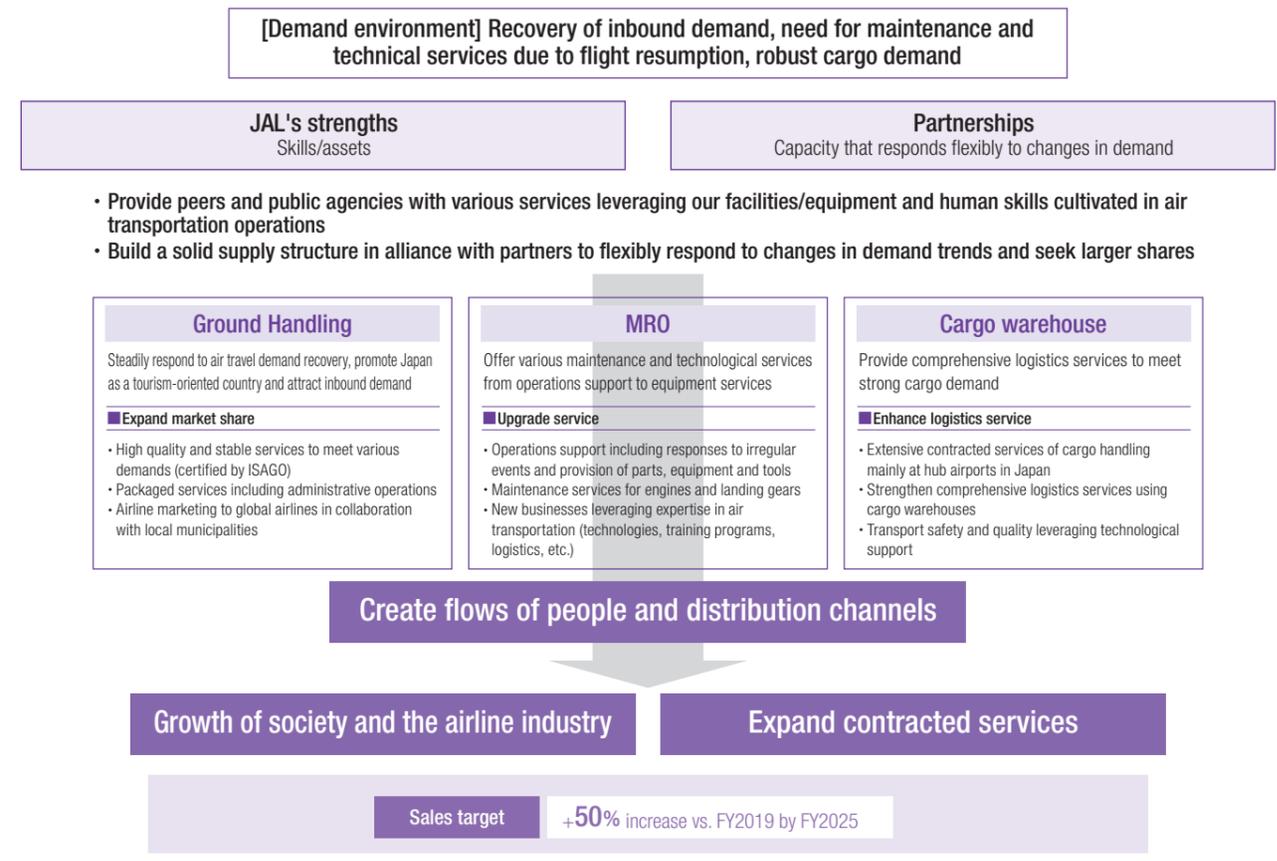
④ Contracted Services

	FY2021	FY2022~
Contracted Services	<ul style="list-style-type: none"> • Supported the growth of society and the airline industry through business expansion leveraging our strengths 	

We will develop a contracted services system enabling us to flexibly and steadily respond to the recovery in air travel demand, and expand our services utilizing the strengths of an airline. We will also attract overseas airlines to airports in Japan, contribute to creating flows of people and logistics in Japan and overseas and support growth of the economy and the airline industry.

Medium Term Initiative

Contribute to the development of society and the airline industry through business expansion leveraging our strengths



Voice



Zhao Danyang
Customer Sales and Contracts Group
Ground Handling Strategy

We had a strong desire to see more overseas carriers fly to Japan, so we opened a consignment business website in Japanese, English, Chinese and Korean for overseas airlines that are thinking of entering the Japanese market. By promoting our high quality services, we have received many inquiries. Looking ahead to the recovery and growth of inbound tourism, we will steadily fulfill our mission of connecting Japan with the world.



NOZAWA Fumiaki
Customer Maintenance Department
Narita Aircraft Maintenance Center (NMZ)
JAL Engineering Co., Ltd.

To prepare for recovery in air transport demand, we evolved traditional maintenance practices with DX and other technologies. At Narita, we made progress last year with quality control by developing a document and qualifications management system, which is less prone to human error, as the forms and systems of each customer airline are different. Going forward, we will continue to further enhance JAL's technological capabilities cultivated over the years, serve our customers sincerely, and create an organization that flexibly meets customer needs.

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(4) DX Strategy –Build and utilize Big Data to accelerate business restructuring–



We will apply our know-how on customer data analysis and utilization developed in the FSC business to other business areas such as Mileage, Lifestyle and LCC, speed up business restructuring through DX to accelerate growth, and tackle social issues.

NODA Yasushi
Executive Officer
Senior Vice President,
Digital Innovation Division



DX target: Maximize CX and EX

The targets of DX in the Medium Term Management Plan are to maximize CX (Customer Experience) through value creation and unparalleled service, and to maximize EX (Employee Experience) through workstyle innovation so as to improve business quality and productivity.

To maximize CX, we will improve service quality and evolve personalization by expanding digital touchpoints such as mobile apps. To maximize EX, we will improve productivity through business sophistication in data preparation, acquisition and sharing, and AI- and RPA-based automation and improved efficiency. Maximizing EX will increase employee motivation and productivity, which in turn will contribute to service development and service quality, thereby maximizing CX and creating an upward spiral of EX improvement.

►Review of FY2021

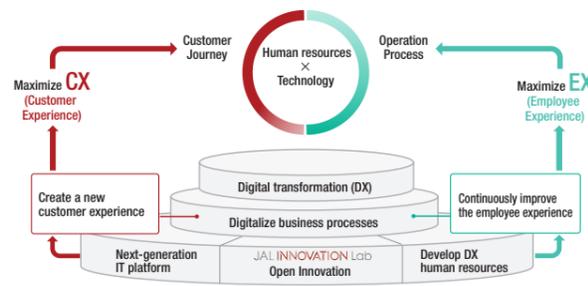
We worked on maximizing CX and EX through digitalization. For example, we completed the deployment of JAL SMART AIRPORT to domestic hub airports and installed touchless check-in kiosks to welcome guests in a hygienic and clean environment.

We also diversified workstyles and improved productivity by creating an environment that enabled remote work during the pandemic, such as programs to support remote work and avatar robots on airport frontlines. We will apply the strengths developed through these initiatives to accelerate business restructuring.

►Accelerate business restructuring through DX

To adapt to challenging situations such as the COVID-19 pandemic, there is an urgent need to build a resilient business structure with growth potential. We will therefore accelerate business restructuring through DX.

Together with our diverse workforce, we will drive business innovation utilizing digital technology and data, and create Group-wide synergies, cross-industry ecosystems, and new value.



For more information on JAL Innovation Lab, please visit the JAL website.

WEB https://www.jal.com/en/innovation_lab/#/

►To promote DX

To achieve our targets, next-generation IT infrastructure, open innovation, and the development of DX human resources are essential.

- ①Next-generation IT infrastructure
Strengthen security and data infrastructure.
- ②Open innovation
We will utilize the JAL Innovation Lab, the base for value creation and business development, and accelerate co-creation of new value (solutions, products, services) together with other industries through cross-organizational initiatives and Lab Alliance.
- ③Development of DX human resources
We will develop human resources group wide, who are capable of driving DX and business creation from three perspectives: education, assignment, and recruitment. By investing in human resources, we will further evolve our intellectual capital, that is, know-how on services and technology, and accelerate business restructuring through business expansion.

The JAL Group will meet the challenge of value creation through DX, fusing human resources and technology.

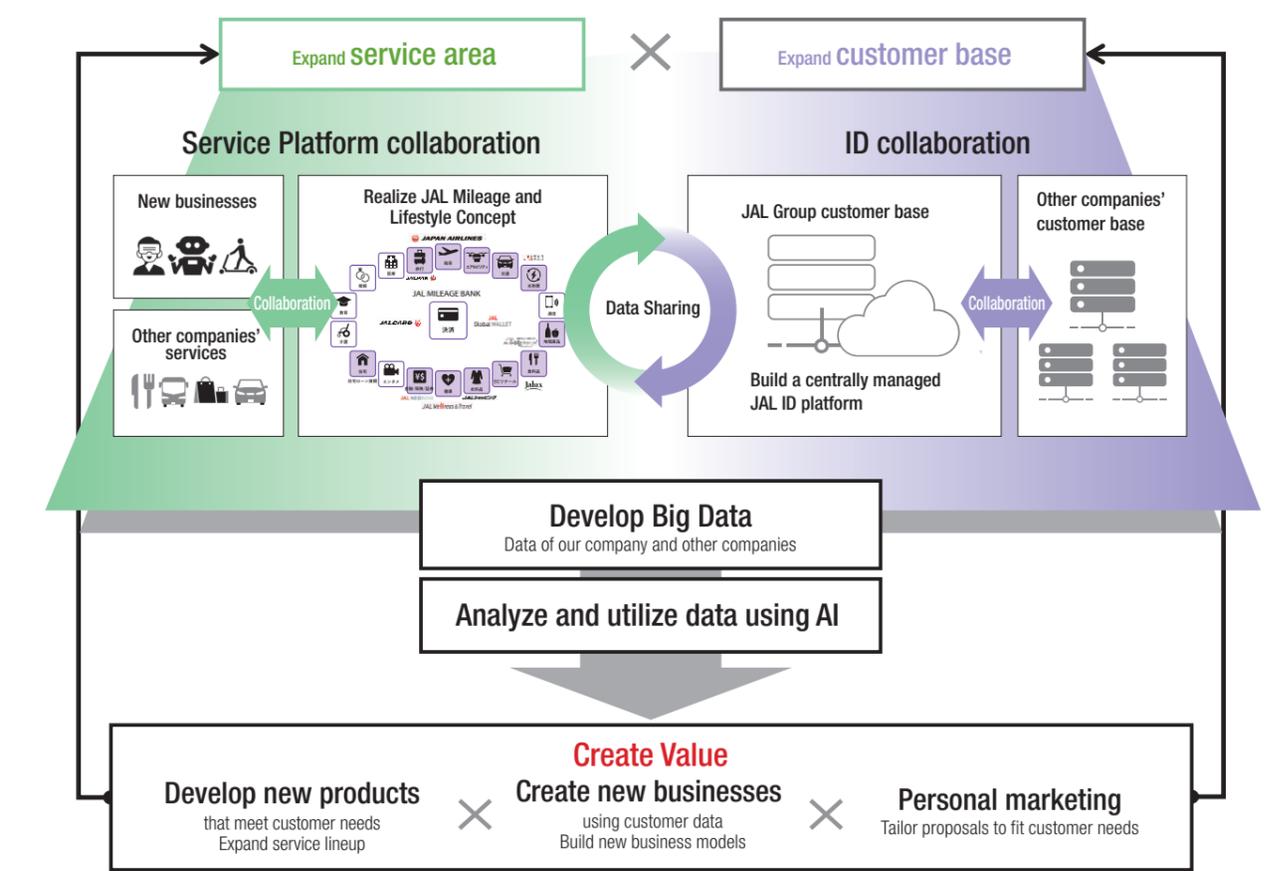
Business restructuring through DX

Expand service area

We will realize the JAL Mileage and Lifestyle Concept of offering diverse services in everyday life and all life stages and expand our service area, in collaboration with new businesses and other companies' services. One member ID will enable the use of a various services, increasing the use of mileage and making it more appealing to customers.

Expand customer base

We will centrally manage JAL Group member IDs and link them to member IDs of other companies. By expanding the membership base to non-airline businesses, we will be able to reach out to customers who seldom fly and expand our customer base. Customers will be able to use JAL services with member IDs of other companies.



Develop Big Data
By expanding our customer base and providing new services in airline and non-airline business areas, we will generate synergies and gather and accumulate more customer data. We will work on Big Data integration to bring data gathered from other company systems to make it more valuable for us, and analyze and utilize Big Data with AI, thereby strengthening our own system.

Analyze and utilize data using AI
Data-driven product development will enable us to better meet customer needs, create businesses in both airline and non-airline domains, and boost our personal marketing strategy to offer better customer solutions. We will accelerate business restructuring through a positive spiral of expanding our customer base and service area, building, analyzing and utilizing Big Data, and improving services.

Create value

(5) Human Resource Strategy

—Consolidate the talents of our diverse workforce, our greatest strength—



We will actively invest in human resources to maximize their talents and be the driver of sustainable growth and development.

We will consolidate the talents of our diverse workforce, our strength, and accelerate management strategy execution through joint efforts

SAEDA Naohito

Executive Officer
Human Resources Division

[For details on Human Resource Development, please refer to page 87.](#)

►Review of FY2021 and FY2022 Initiatives

In FY2021, the JAL Group continued education and training courses and secondments to external entities to make use of underutilized staff resulting from the sharp decline in demand during the pandemic. Training hours per employee increased 2.2 times compared to pre-COVID-19 levels, and external secondments averaged 1,600 employees a month. By acquiring new experiences and knowledge, each employee achieved personal growth. In FY2022, to take the offensive as demand recovers, we will accelerate business restructuring and the solutions business through business activities, putting ESG at the core of the three management strategies as outlined in Rolling Plan 2022.

Our human resource strategy was established, recognizing that human resources are our most important asset to support JAL Group's value creation story. In preparing our strategy, we made a quantitative comparison of the actual and ideal picture of our human resources, created concrete measures to close the gap, and adopted the outcome to establish our medium term targets.

We will steadily implement our human resource strategy, maximizing the talents of our diverse workforce, and accelerate management strategy execution through joint efforts.

Strategic Outline

In creating the human resource strategy for Rolling Plan 2022, we focused on two key points: value creation and continuous productivity growth.

To diversify revenue streams through business restructuring, which we will work over the medium term, we must challenge value creation in non-airline business domains. We will think out of the box to develop and nurture human resources who meet challenges and create value. We will also embed an organizational culture of "challenge without fear of failure and never give up till the end." Furthermore, we will continuously improve productivity so that we may flexibly respond to the increased workload caused by demand recovery and environmental changes.

Specific measures will be implemented in four areas: assign human resources to growing business areas, hire diverse human resources and provide personal growth opportunities, restructure business processes, and promote key initiatives. To accomplish this, it is important to gain empathy of JAL Vision 2030, and encourage autonomy and motivation within our employees to reach our goal. Therefore, "boosting employee engagement and motivation" will be a key initiative, and we will assist them in furthering their career and invest in human resources.

Placement and assignment	Recruitment and development	Business process
<ul style="list-style-type: none"> ■ Assign human resources in charge of business model reform <ul style="list-style-type: none"> • Increase personnel in growing business areas ■ Introduce a new evaluation system to encourage challenges in growing business areas <ul style="list-style-type: none"> • Expand the reach of our job posting through open recruitment • Introduce a performance-linked, performance-based remuneration system <p><Assign human resources to growing business areas> Increase of 3,000 employees in FY2025 (vs. FY2019)</p>	<ul style="list-style-type: none"> ■ Recruit and develop human resources according to diversification of business areas <ul style="list-style-type: none"> • Actively recruit diverse human resources • Expand practical experience through transferring to companies outside the Company or within the Group • Invest in human resources ■ Improve employee engagement by increasing motivation <ul style="list-style-type: none"> • Design new career paths • Provide appropriate employee return <p><Highly engaged employee percentage*1> FY2025 10pt improvement (vs. FY2019)</p>	<ul style="list-style-type: none"> ■ Establish a system to accelerate Group-wide initiatives <ul style="list-style-type: none"> • Establish regional offices in Japan • Integration and consolidation of distributed, overlapping functions ■ Improve operational efficiency using digital technology <ul style="list-style-type: none"> • Achieve business sophistication using operational data • Productivity growth through business process transformation <p><Increase of per capita sales> FY2025 15% increase (vs. FY2019)</p>
<ul style="list-style-type: none"> ■ Promote D&I・DX <ul style="list-style-type: none"> • Promote the active participation of diverse human resources such as women, non-Japanese, senior human resources and develop workstyles • Develop DX human resources to promote business development and problem solving 		<p><Ratio of female managers in the JAL Group> End of FY2021 21.9% → End of FY2025 30%</p>

*1 Percentage of employees who responded favorably to the Employee Engagement Survey

Strategy Details

■ Assign human resources in growing business areas

FY2025 target
Assign an additional **3,000** employees in growing business areas (vs. FY2019)

We will establish a human resources system to expand growing businesses such as LCC and Mileage and diversify revenue sources. We will shift employees from primarily FSC to growing business areas, resulting in an additional 3,000 employees in growing businesses with expectations of revenue increase, in FY2025 (vs. FY2019)

We will continue to expand job offerings and promotions in growth areas to motivate employees and introduce a performance-based remuneration system for posts requiring advanced expertise, creativity, and autonomy.

■ Hire diverse human resources and provide personal growth opportunities

FY2025 target
Increase highly engaged employees by **10** percentage points (vs. FY2019)

To diversify our business areas and contribute to sustainable growth and development of the JAL Group, we will hire human resources with diverse knowledge, and enhance employee capabilities and employee engagement through active human resource investments. Specifically, we will hire midcareer and experienced professionals throughout the year and people with skills for specific jobs. We will also provide practical experience through internships and internal and external secondments, and increase internal and external training opportunities to diversify their knowledge and experience.

■ Business process reform

FY2025 target
Increase per capita sales: **15%** increase (vs. FY2019)

We will reduce man-hours and improve productivity while increasing sales through business process reform.

In the production expansion phase of demand recovery, we will consolidate overlapping work in business support departments in the JAL Group, improve FSC business efficiency with digital technology, and minimize input. At the same time, we will establish regional offices in Japan to maximize regional profit and improve employee capabilities through human resource investments, and maximize output.

■ Key initiatives ~D&I & DX~

FY2025 target
Ratio of female managers in the JAL Group: **30%** (FY2021 result: 21.9%)

We will continuously promote D&I and DX as key initiatives of our human resource strategy.

We will break away from stereotype thinking through diverse workstyles with a diverse workforce transcending gender, culture and occupation barriers, and create innovation by fusing human resources with DX to create value and improve productivity.

[For details on D&I, please refer to page 89.](#)

Basic concept of human resource investment

The JAL Group has established a system to link key components of human resource development such as recruitment, assignment, evaluation, and training, and maximize human resource value. We innovated workstyles to increase employee motivation regardless of gender, nationality, age and other personal attributes, and actively invested in work environments and digital devices, among others. We will continue to actively invest in human resource development and improve workplaces to maximize diverse talents, create value and improve productivity.

[For details on Human Resource Development, please refer to page 87.](#)

4. Financial Strategy

—Restructuring of financial foundation and toward the sustainable growth phase—



The JAL Group will strive toward restructuring the financial foundation, strengthening risk tolerance, preparing for the post-COVID-19 sustainable growth phase and the recovery of cash-flow creation. Under such strong financial foundation, management resources will gradually and strategically be distributed toward shareholder returns and investment for sustainable growth.

KIKUYAMA Hideki

Representative Director,
Senior Managing Executive Officer

► Summary of Financial Year 2021

This fiscal year was a tough year again for the JAL Group and the aviation industry due to the prolonged COVID-19 pandemic. Although the latter half of the year saw a temporary recovery of domestic demand, demand saw a downturn with the spread of new variants, leading to a volatile environment. Amid this environment, the JAL Group strived for improved profitability by increasing revenue through the strong cargo domain, controlling variable costs through agile adjustment of capacity, decreasing executive compensation and decreasing fixed costs including bonuses for employees.

In terms of finance, we conducted a total of 441.9 billion yen of debt financing, including 350-billion-yen worth of hybrid financing. We have not only secured enough liquidity at hand but have strengthened our financial structure without diluting our equity, and secured investment capital to realize sustainable growth post-COVID-19. We have steadily strengthened our risk-tolerance through these factors and introduced new fuel-efficient aircraft for future growth.

► Toward Financial Year 2022 and beyond

The effect of the pandemic is steadily slowing down. Domestic demand is steadily recovering, and with factors such as the easing of border restrictions, a rapid recovery of demand is expected.

Regarding the full-service carrier domain, the JAL Group will swiftly recover capacity through the A350 aircraft that have been introduced during the pandemic. The consequent increase in product/service competitiveness will work to

differentiate us from our competitors. In addition, the JAL Group will conduct ESG management through proactively introducing low carbon-emitting, low-noise aircraft. Through the growth of 3 non-full service carrier domains of cargo/mail, LCC and Mileage/Lifestyle/Infrastructure, the JAL Group will conduct diversification of revenues and profits and build a business structure that is less reliant on full-service carrier. As for financial strategy, our policy of aiming for a balance of risk tolerance and capital efficiency, while strategically allocating our management resources, has not changed. Operating in the air transportation industry with high volatility, it is essential to keep a high level of risk tolerance for stable management. Therefore, we will initially prioritize a restructuring of our financial foundation such as a shareholder's equity ratio of about 50% (based on credit rating evaluation), and zero net interesting-bearing debt by the end of 2025. Thereafter, as cash flow generation recovers, we will move on to a new phase where capital allocation will be gradually directed toward shareholder returns and investment for sustainable growth. Through these initiatives, we will strive toward sustainable growth and long-term increase of corporate value. We position shareholder returns to be one of the most important management matters and will aim to resume year-end dividends for FY2022. Finally, we will promote and accelerate the management strategy of achieving sustainable growth with ESG placed at the core.

Restructuring of Financial Foundation

Strategically allocate resources to build risk tolerance and capital efficiency

		End of FY2021	Financial restructuring phase	Sustainable growth phase
Build Risk Tolerance and Capital Efficiency <ul style="list-style-type: none"> Build risk tolerance Maintain and improve financing capabilities Improve capital and asset efficiency 	Liquidity	494.2 Bn JPY Credit facility of 300 bn JPY	Secure and maintain 5.0~5.6 months worth of passenger revenue	
	Stability	Equity ratio 41.1% (credit rating)	<ul style="list-style-type: none"> Aim for approx. 50% equity ratio (credit rating) Aim to achieve zero net interest-bearing debt by the end of FY25 	
	Credit rating	Maintain A rating	Aim for A flat rating	
	Capital efficiency		Achieve, maintain and improve ROIC*1 9%, ROE 10% or above	
Resource Allocation <ul style="list-style-type: none"> Observe financial discipline Allocate resources optimally Promote investment for sustainable growth 	Capital allocation		Prioritize restructuring of financial structure Promote investment for sustainable growth	
	Financial discipline		Secure sufficient free cash flow for each fiscal period	
Shareholder Return <ul style="list-style-type: none"> Dividends with focus on stability and consistency Payout ratio: 35% or higher Flexible buyback to enhance total return ratio 	Dividend		Aim to resume dividends by the end of FY2022	Stable dividend payout ratio of over 35%
	Total return		Flexibly consider buyback	

*1 Return on Invested Capital = EBIT (after tax) / Average fixed assets at the beginning and end of a fiscal year(*2)

*2 Fixed assets = Inventory assets + Non-current assets - Deferred tax assets - Net defined benefit asset

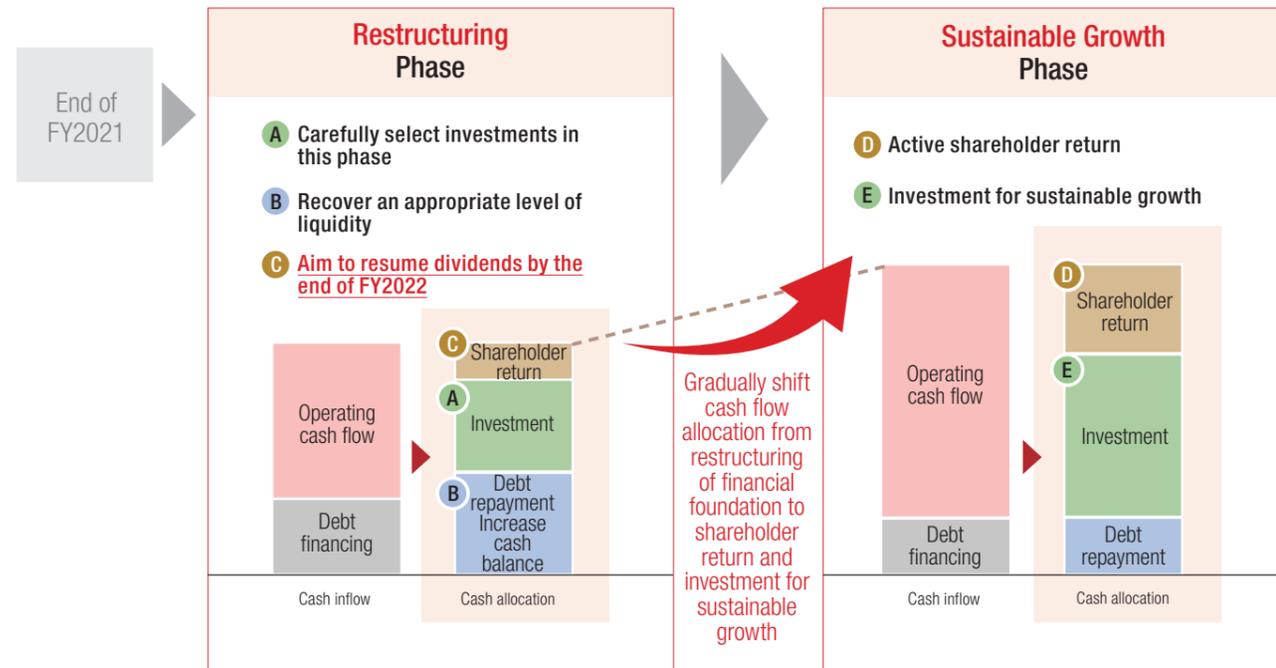
Given our experiences with the COVID-19 pandemic, we will prioritize restructuring our financial foundation for increased risk tolerance, then transition to the phase of shareholder returns and active investment of management resources toward sustainable growth.

In terms of liquidity at hand, we will secure 5.0~5.6 months' worth of passenger revenue in order to tolerate large-scale pandemics like the COVID-19 pandemic. To increase capital efficiency, committed credit lines will also be utilized. In addition, a healthy financial structure and increased fund-raising ability will be aimed through a shareholder's equity ratio of 50% (based on credit rating evaluation), and zero net interesting-bearing debt by the end of 2025. In terms of credit rating, "A" will be aimed.

On the other hand, improved capital/asset efficiency of 9% ROIC and 10% ROE will be aimed for increased efficiency of management. By improving capital efficiency, we will strive toward management that will meet the expectations of our stakeholders.

Toward Investment for Growth and Shareholder Returns

Gradually shift cash flow allocation from restructuring of financial foundation to shareholder return and investment for sustainable growth



In terms of cash flow distribution, the “Financial foundation restructuring phase” that prioritizes the restructuring of financial foundation will be gradually shifted to the “Sustainable growth phase” that strengthens shareholders returns and investment for sustainable growth.

In the “Financial foundation restructuring phase”, cash flow distribution will be conducted with priority on liquidity at hand and debt repayment, toward increased risk tolerance and early improvement of financial structure. During this phase, investments will be conducted through careful analysis, and resumption of year-end dividends for the FY2022 will be aimed.

Thereafter, as passenger demand recovers and cash flow improves through structural reform, we will shift to the “Sustainable growth phase” to gradually shift focus to shareholder return and investment toward sustainable growth.

In terms of shareholder returns, we plan to achieve a stable dividend payout ratio of more than about 35% and improve the total payout ratio through flexible buyback.

In the “Sustainable growth phase”, we will continue to conduct disciplined investment with ROIC and mid/long-term improvement of corporate value placed at the core.

Topic Discussion with our shareholders

We proactively provide opportunities for analysts of security companies and institutional investors to have discussions with our president, executive vice president, CFO, and others in the form of 1-on-1 as well as large meetings. In addition, we conduct events directed towards investors such as IR DAY and CEO/CFO Small Meetings.

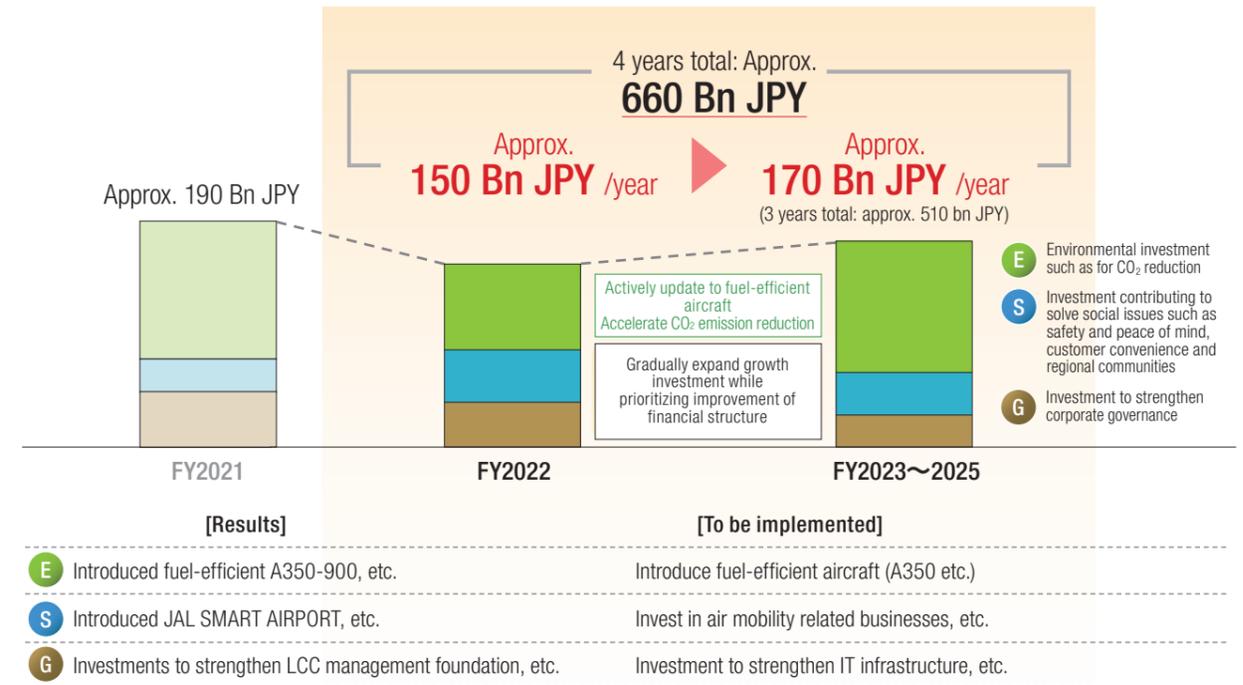
In “IR DAY” conducted in May 2022, we provided the opportunity for investors to discuss the “JAL Group FY2021-2025 Medium Term Management Plan Rolling plan 2022” with 11 executive officers including the CEO. Continuing from last year, Outside Director HATCHOJI Sonoko joined the session to discuss corporate governance, allowing the understanding of the JAL Group from various perspectives.

In the “CEO Small Meeting” held in June 2022, active discussion was held between our investors and President AKASAKA about the “ESG Strategy” that is placed at the core of the “FY2021-2025 Medium Term Management Plan Rolling Plan 2022”.



Investment Strategy

All investments are to drive ESG management



The JAL Group considers all investments are to drive ESG management, and will steadily conduct investments belonging to the areas of “E”, “S” and “G”. The planned investment for the four years from 2022 to 2025 is 660 billion yen and will be conducted under disciplined investment management.

- Investment for E** Introduction of fuel-efficient aircraft such as the A350 will contribute to a reduction of CO₂ emissions, as well as investment for SAF.
- Investment for S** Investment for “safety and peace of mind” is a social responsibility to the JAL Group, for improvement of convenience/comfortability for our customers and toward air mobility that will contribute to a new foundation of society.
- Investment for G** Investment for stable management of the JAL Group, to strengthen information security and to strengthen BCP.

The JAL Group will promote ESG management by steadily investing toward the areas of “E”, “S” and “G”. If performance recovers and cash flow creation improves higher than planned, enhanced shareholder returns and increased volumes of investment for sustainable growth will be conducted.

Sustainability Initiatives

—Solving Social Issues—



We aim to be an airline group with corporate value that creates sustainable flows of people, commodities and logistics so that we can build a better future where everyone can feel fulfilled and hopeful. We will also execute our ESG strategies while always asking ourselves whether our initiatives are really solving social issues and whether the direction and speed at which we are heading matches global trends.

AOKI Noriyuki

Managing Executive Officer
Chair of Sustainability Promotion Committee
Senior Vice President, General Affairs Division

►Putting ESG strategy at the core of management

The world is shifting to an era of change where economic activities are impacted by the external environment, such as the acceleration of globalization and rising interest in ESG and the SDGs. The JAL Group has made efforts to solve social issues through its business activities and achieve the SDGs. Rolling Plan 2022 defines our ESG strategy (long-term business strategy) as “solve social issues and create sustainable flows of people, commodities and logistics.” This represents a shift in our business objective to accelerate ESG-centered management strategy and business restructuring. It is vital that we change our mindset from conducting corporate citizenship activities to improving sustainable corporate value and creating it. To build a better future where everyone can feel fulfilled and hopeful, we will treat ESG initiatives as “investments” in new businesses rather than “costs” and will incorporate them in our business strategy to enhance long-term sustainable value.

►A powerful offensive strategy hinges on a strong defense

ESG factors present business risks and opportunities, therefore, the key issues of the JAL Group can be categorized into four areas, Environment, People, Communities and Governance, and 22 issues. We will reduce risks by removing impediments to sustainable growth, and to increase opportunities, we will link social change with value creation to achieve sustainable growth and economic revitalization, and build a better society. As we move forward with business

restructuring, it is important to have the collective strength and sensitivity to eliminate as many risks as possible. Taking on new challenges will only be possible if we are sensitive to the environment and we build a solid foundation for managing risks.

►Employees, the drivers of business synergies

In the previous fiscal year, we strengthened the sustainability promotion structure by establishing the Sustainability Promotion Council chaired by the President. Our present challenge is to embed sustainability activities in the organization, where we see diverse human resources achieve the SDGs through their work and individual efforts bind the strengths of businesses together and generate synergies. We will utilize the strengths of our strong human resource base and customer base to create Group-wide synergies.

►Build a better future with stakeholders

Behavioral changes have occurred, exemplified by the choice of eco-friendly or ethically-sourced products over those that are not. To become a leading company of ESG, we would like to further accelerate efforts to address climate change and other social issues and play our part in building a sustainable society. The important thing is to work together with our stakeholders through internal and external communication. We will work hand in hand with society to build a sustainable future and become the world's most preferred and valued airline group.

Promotion System

The Sustainability Promotion Committee chaired by the Senior Vice President of General Affairs meets each month to review progress and discuss initiatives with relevant officers. The Sustainability Promotion Council, established in 2021 and chaired by the President, manages ESG through management review on the following agenda items.

- Decide major issues and annual targets for sustainability initiatives, and monitor and evaluate progress
- Decide actions to address climate change, risks and opportunities
- Monitor and evaluate the Environmental Management System
- Monitor and evaluate human rights due diligence

The agenda items are reported to the Board of Directors, where they are discussed. Going forward, we will submit key issues on ESG to the Board for deliberation and pursue enhanced corporate value.



Solve Social Issues through ESG Strategies (identifying materiality)

To contribute to the achievement of the 17 goals/169 targets of the SDGs, we have categorized key issues to be addressed by the JAL Group into 22 issues in four areas, Environment, People, Communities, and Governance, based on their impact on our business and their importance to management, through Board discussion. They cover the 17 goals of the SDGs and have been categorized from the perspective of ESG.

Placing ESG strategy at the core of management strategy, Rolling Plan 2022 sets forth the goal of solving 22 social issues through our business and creating sustainable flows of people, commodities and logistics. We reviewed the 22 issues affecting sustainability in the four areas and their relationship with Passengers, Cargo and Mail, Mileage, Lifestyle, Regions, Contracted Services, and Air Mobility, and changed the objective of our business to achieve JAL Vision 2030.

■4 Areas and 22 Issues to be addressed by the JAL Group

	Issue	SDGs
E	Environment Addressing Climate Change Effective Use of Limited Resources Precaution of Environmental Pollution Noise Reduction Biodiversity Conservation	6, 7, 11, 12, 13, 14, 15
S	People Respect for Human Rights Human Resource Development Diversity and Inclusion Workstyle Innovation Wellness Accessibility Prevention of Infectious Diseases	3, 4, 5, 8, 10, 16
	Communities Route Network Expansion Promotion of Inbound Tourism Regional Revitalization Convenience in Mobility and Daily Life Disaster Restoration Assistance Community Relations	1, 2, 3, 4, 8, 9, 11, 17
G	Governance Robust Risk Management (strengthening BCM) Fair Business Practices (compliance) Disclosure Responsible Procurement	4, 8, 9, 12, 16

Key Initiatives and Performance Indicators (Targets and Performance)

The JAL Group has established medium-term targets in each of the four areas and 22 issues with the aim to build a sustainable society through our business operations and tackle the SDGs and ESG.

To promote ESG-centered management strategies in non-airline business areas, we established and disclosed new indicators in addition to those that were disclosed last year. On formulating the Medium Term Management

Plan in FY2021, we defined four priority management targets; reduction of carbon emissions, elimination of single-use plastics, women in management, regional revitalization, taking into account domestic and international standards, industrial targets, global trends, and stakeholder expectations, after deliberations at the management level based on opinions from relevant ministries, academic experts, NGOs and external experts.

22 issues		Main initiatives	Performance indicators	FY19 results	FY20 results	FY21 results	FY25 targets	Stakeholders	SDGs
E	Addressing Climate Change pp.70-78	CO ₂ emission reduction Management target Priority issues	CO ₂ emission Scope 1 [aviation]	9.09 million tons	4.39 million tons	6.19 million tons	Below 9.09 million tons		
			CO ₂ per revenue ton kilometers (RTK)	1.0648 kg-CO ₂ /RTK	km 1.3763 kg-CO ₂ /RTK	km 1.2751 kg-CO ₂ /RTK	Disclosed in FY22		
			CO ₂ emission Scope 2 [ground equipment]	57,000 tons	51,000 tons	53,000 tons	54,000 tons		
			Ratio of fuel-efficient aircraft	82.0%	84.0%	85.0%	86.0%		
			SAF out of Total Fuel On Board	•Loaded on all five A350 delivery flights (from Toulouse to Japan)	•Domestically produced SAF loaded on domestic scheduled flights	•Loaded on four A350 delivery flights (from Toulouse to Japan) •Loaded a blend of two types of domestically produced SAF on domestic scheduled flights	Replace 1% of total fuels with SAF		
			Reduction by JAL Green Operations (CO ₂ emission reduction in daily operations)	157,000 tons (1.7% of total emissions)	82,000 tons (1.8% of total emissions)	142,000 tons (2.3% of total emissions)	Reduce 2.5% of CO ₂ emitted from aircraft		
	Effective Use of Limited Resources pp.79-80	Plastic use reduction Management target Priority issues	Reduction of virgin petroleum-based single-use plastic in cabins and lounges	2.5%	10.4%	25.0%	100.0%		
			Ratio of single-use plastics made from environmentally-friendly materials at airports and in cargo	*started from FY20	87.6%	90.0%	100.0%		
		In-flight meals disposal reduction Priority issues	Routes offering international meal cancellation service	*started from FY20	7 routes (total 39 routes: 18%)	19 routes (total 39 routes: 48%)	All routes		
	Precaution of Environmental Pollution p.81	Industrial waste reduction	Final disposal rate	0.3%	0.6%	0.3%	Keep below 1%		
			Recycling of cooking waste from in-flight meals	7.7%	28.0%	34.0%	100.0%		
	Noise Reduction p.81	Operation with low-noise aircraft	ICAO Chapter 4 standard compliant aircraft	100%	100%	100%	100%		
Biodiversity Conservation pp.81-82	Prevention of illegal wildlife trade	Transport of illegal wildlife	0	0	0	0			
		Use of certified products	Ratio of paper items with international certification in consideration with forest resources used in cabins	24.2%	66.5%	66.5%	100.0%		
S	Respect for Human Rights pp.83-86	Human Rights Due Diligence	Preventing adverse HR impacts (establishment of PDCA and appropriate operation)	Tracked from FY22			100.0%		
			Improvement of employee training	Training hours per person	72.3 hours/person	277.1 hours/person	162.3 hours/person		
	Human Resource Development pp.87-88	Improvement employee satisfaction	Training cost per person* ³	¥449,480/person	¥109,321/person	¥84,469/person	Track record		
			Employee satisfaction	54.4%	54.4%	51.7%	64.4% (+10 pt vs. FY19)		
	Diversity and Inclusion pp.89-90	Promotion of the active participation of diverse human resources in the workplace Management target Priority issues	Ratio of employees with disabilities* ¹	2.62%	2.67%	2.64%	3.2%		
			Ratio of female managers	18.4%	19.5%	21.9%	30.0%		
Childcare leave applicants* ²			743 people	946 people	934 people	Track record			
Nursing care leave applicants* ²	53 people	40 people	20 people	Track record					

Legend for Stakeholders
 Customers Communities Next generation/Environment Business partners
 External partners Shareholders and investors Employees

		22 issues	Main initiatives	Performance indicators	FY19 results	FY20 results	FY21 results	FY25 targets	Stakeholders	SDGs
S	People	Workstyle Innovation p.91	Improvement of productivity	Total work hours*2	1,862 hours/person	1,878 hours/person	1,890 hours/person	1,850 hours/person		
				Annual paid leave usage ratio*2	79.0%	71.5%	74.5%	100%		
				Monthly overtime hours worked per person*2	9.5 hours/person	8.0 hours/person	9.9 hours/person	4 hours/person (linked to 1,850 hr total hr worked per person per year)		
			Promotion of diverse workstyles	Number of remote workers*2	36,105 people	336,287 people	346,167 people	Track record		
			Usage of workcation/bleisure*2	247 times (workcation only)	918 times	1,533 times	Track record			
		Wellness pp.91-92	Improvement of health check-up ratio	Employee check-up ratio	100%	100%	100%	Keep 100%		
	Family check-up ratio*2			37.5%	36.0%	To be disclosed within FY22	75%			
	Accessibility p.93	Improvement of gynecological check-up ratio	Breast cancer check-up ratio (including family)*2	36.7%	43.4%	To be disclosed within FY22	70%			
			Uterine cancer check-up ratio (including family)*2	30.7%	38.6%	To be disclosed within FY22	70%			
	Prevention of Infectious Diseases p.94	Increasing passengers who feel barriers to travel Priority issues	Ratio of these passengers on board	0.36%	0.29% (0.8 times vs. FY19 result)	0.64% (1.8 times vs. FY19 result)	2.5 times vs. FY19 result			
			Number of wooden wheelchairs, which go through metal detectors	478 wheelchairs	478 wheelchairs	478 wheelchairs	580 wheelchairs			
		Transport of pharmaceuticals Priority issues	Weight of pharmaceuticals transported	610 tons	721 tons (118% vs. FY19 result)	1,172 tons (92% vs. FY19 result)	+50% vs. FY19 result			
S	Communities	Route Network Expansion p.95	Preserving and developing regional routes including island routes	Number of domestic destinations (including code-share)	62 destinations	61 destinations	61 destinations	More than 62 destinations		
				Expanding services by increasing consignments	Ground handling of passenger and cargo flights of overseas carriers	87,000 flights	9,000 flights	17,000 flights		
		Promotion of Inbound Tourism p.95	Increasing international visitors aboard domestic flights	Number of passengers	701,240 people	49,188 people	121,844 people	1,505,000 people		
		Regional Revitalization p.96	Increasing domestic passenger/cargo traffic Management target Priority issues	Increase rate (passengers)	—	74.2% vs. FY19 result	59% vs. FY19 result	+10% vs. FY19 result		
				Increase rate (cargo)	—	30% vs. FY19 result	34% vs. FY19 result	+10% vs. FY19 result		
		Convenience in Mobility and Daily Life p.97	Increasing associated demand by creating a programs to visit regions in Japan	Environmental conservation measures and regional passenger transport measures	—	—	—	25		
				Commercialization of drone logistics/"flying cars" air taxi	Realization of commercialization	—	—	—		
		Disaster Restoration Assistance p.97	Disaster relief	Donations through Charity Miles	¥9,208,500	¥11,328,500	To be disclosed within FY22	Track record		
		Community Relations p.98	Promotion of volunteerism	Number of participants	7,745 people	9,772 people	6,125 people	Track record		
				Total hours	51,734 hours	33,600 hours	27,952 hours	Track record		
			Children's Dream Support Project	Miles donated	Started FY22	—	—	3 million miles		
			Nurturing the next generation	Number of SORAIKU® participants*4	191,840 people	20,435 people	50,147 people	Track record		
G	Governance	Robust Risk Management (strengthening BCM*) pp.99-100	Strengthening BCP effectiveness*7	Number of exercises as per BCP	1	1	4	2		
		Fair Business Practices (compliance) pp.101-102	Compliance to the Corporate Governance Code Priority issues	Compliance ratio	100%	100%	100%	Keep 100%		
				Improving Board performance	Ratio of Outside Directors	30%	30%	1/3		
			Prevention of information leakage	Board meeting attendance ratio of Outside Directors and Auditors	98.3%	100%	100%	Keep over 80%		
				Prevention of corruption and bribery	Number of incidents	0	2*5	0		
			Prevention of corruption and bribery	Number of corruption and bribery cases	0	0	0	0		
		Disclosure p.102	Improving disclosure on our Sustainability webpage	Website traffic	765,912 visitors	786,229 visitors	893,469 visitors	Over 1,000,000 visitors		
		Responsible Procurement pp.103-104	Supply chain management Priority issues	Confirmation rate of primary supplier soundness	18%	37%	62%	100%		
		Number of regulatory safety audits of all caterer factories and in-flight supply storerooms per year	2	2	2	2				

*1 Sum of Japan Airlines Co., Ltd. and special subsidiary JAL SUNLIGHT Co., Ltd.

*2 Japan Airlines Co., Ltd. only

*3 External training

*4 Activities to provide an opportunity for the next generation to think about their future, Japan, the world, and the planet by exploring the wonders of the sky

*5 Number of data breaches reported to the authorities

*6 Business Continuity Management

*7 Business Continuity Plan

Sustainability initiatives	Environment	People	Communities	Governance
Addressing Climate Change	Effective Use of Limited Resources	Precaution of Environmental Pollution	Noise Reduction	Biodiversity Conservation

Environment

Basic Concept (JAL Group Code of Conduct)

Passing on the precious Earth to the next generation (global environment)

We maintain an awareness that air transport is responsible for a number of negative effects on the environment. To fulfill our responsibility of passing on the precious Earth to the next generation, we raise awareness of every employee and protect the environment in every aspect.

(1) Global environmental preservation initiatives

The JAL Group complies with laws and regulations and strives to address climate change, use limited resources effectively, prevent environmental pollution, reduce noise, and conserve biodiversity to reduce impacts on the environment. Furthermore, we pursue the development of environmentally-friendly technologies to solve environmental issues, in coordination with stakeholders.

(2) Disclosure of environmental information and stakeholder dialogue

The JAL Group actively discloses environmental information, maintains dialogue with stakeholders and expands environmental preservation initiatives across society.

JAL Group Code of Conduct "Commitment to Society"

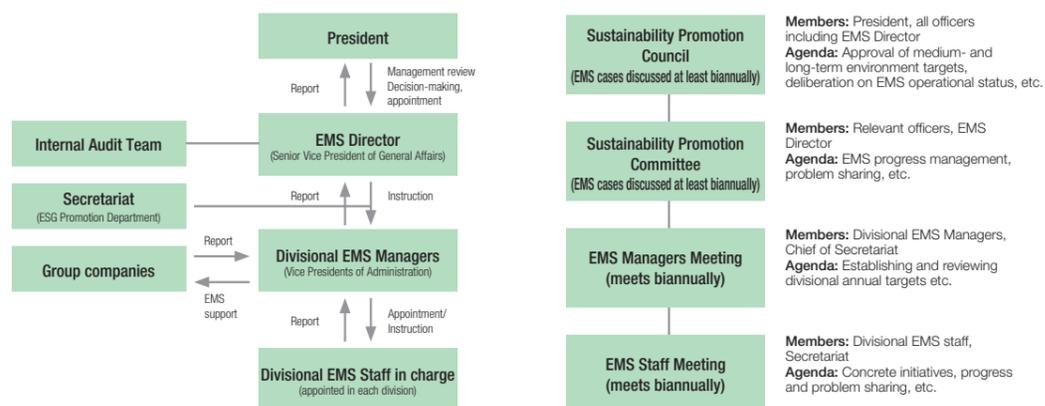
[WEB https://www.jal.com/en/sustainability/codeofconduct/](https://www.jal.com/en/sustainability/codeofconduct/)

Challenges to be solved

- Addressing Climate Change** pp.70-78
[WEB https://www.jal.com/en/sustainability/environment/climate-action/](https://www.jal.com/en/sustainability/environment/climate-action/)
- Effective Use of Limited Resources** pp.79-80
[WEB https://www.jal.com/en/sustainability/environment/limited-resources/](https://www.jal.com/en/sustainability/environment/limited-resources/)
- Precaution of Environmental Pollution** p.81
[WEB https://www.jal.com/en/sustainability/environment/pollution-prevention/](https://www.jal.com/en/sustainability/environment/pollution-prevention/)
- Noise Reduction** p.81
[WEB https://www.jal.com/en/sustainability/environment/noise-reduction/](https://www.jal.com/en/sustainability/environment/noise-reduction/)
- Biodiversity Conservation** pp.81-82
[WEB https://www.jal.com/en/sustainability/environment/biodiversity/](https://www.jal.com/en/sustainability/environment/biodiversity/)

Environmental Management

In accordance with the JAL Group Environmental Policy, we will strive to achieve our environmental targets by implementing the Environmental Management System (EMS) to promote environmental conservation activities, while making continuous improvements appropriately and efficiently. In addition to establishing targets and action plans, we will review the EMS on a quarterly basis and conduct internal environmental audits each year to verify system suitability and legal compliance, and the level of target achievement such as carbon reduction and single-use plastics elimination. In FY2021, in addition to divisional and company targets, we worked on waste segregation, personalized plastic water bottles, and electricity conservation, all of which employees can easily do. In 2021, JAL Royal Catering Co., Ltd., which provides in-flight meals, acquired ISO14001:2015, an international standard that specifies the requirements for an effective environmental management system.



1/22 Addressing Climate Change

Particularly relevant areas: **Passengers** **Cargo and Mail**

FY2025 Management target **Total CO₂ emissions below 9.09 million ton (FY2021 results: 6.19 million ton)**

Basic concept

The JAL Group recognizes that addressing climate change is a particularly important issue in social sustainability. To steadily promote carbon reduction initiatives, amongst others, and fulfill our responsibility as an air transport operator, we declared in June 2020 the target of achieving net zero CO₂ emissions (net zero emissions)* by 2050. We also endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in February 2021 and Science Based Targets (SBT) initiative in March 2022. We will make adequate disclosure of relevant information regularly.

As mentioned in the Medium Term Management Plan-Rolling Plan 2022 announced in May 2022, we aim to achieve the goals in JAL Vision 2030 and long-term growth by reducing risks and increasing opportunities with ESG at the core of our management strategy, thereby increasing corporate value.

Based on this concept, the JAL Group has established an environmental policy and a promotion system under this policy and will work actively as a corporate citizen to remove impediments and obstacles and protect the environment.

For more information on the JAL Group Environmental Policy, please visit the JAL website.

[WEB https://www.jal.com/en/sustainability/environment-management/policy/](https://www.jal.com/en/sustainability/environment-management/policy/)

* Net zero emissions: To balance actual carbon emissions from business activities and carbon reductions through initiatives (including the use of emissions trading and CCS (Carbon dioxide Capture and Storage, the technology for capturing CO₂ for long-term storage))

Governance

The Board of Directors deliberates and decides JAL Group policies and important matters to combat climate change. Important targets and initiatives are discussed and decided by the Sustainability Promotion Council, chaired by the President, and are reported to the Board of Directors four times a year. We launched the NZE (Net Zero Emissions) Project in June 2021, which is Group-wide. Initiatives to achieve specific targets go through the PDCA cycle in the Environmental Management System (EMS) and results are reported to the Sustainability Promotion Council.

The Medium Term Management Plan includes actions in our management strategy to address climate change and provides 22 sustainability issues across four areas to solve social issues through our business. Officer remuneration is based on the officer's strong determination to achieve sustainable business and increase corporate value through steady efforts to tackle these issues, using external ESG assessments and CO₂ reduction targets as indicators to measure progress and performance.

For more information about officer remuneration, please refer to page 31.

Strategy

Scenario analysis

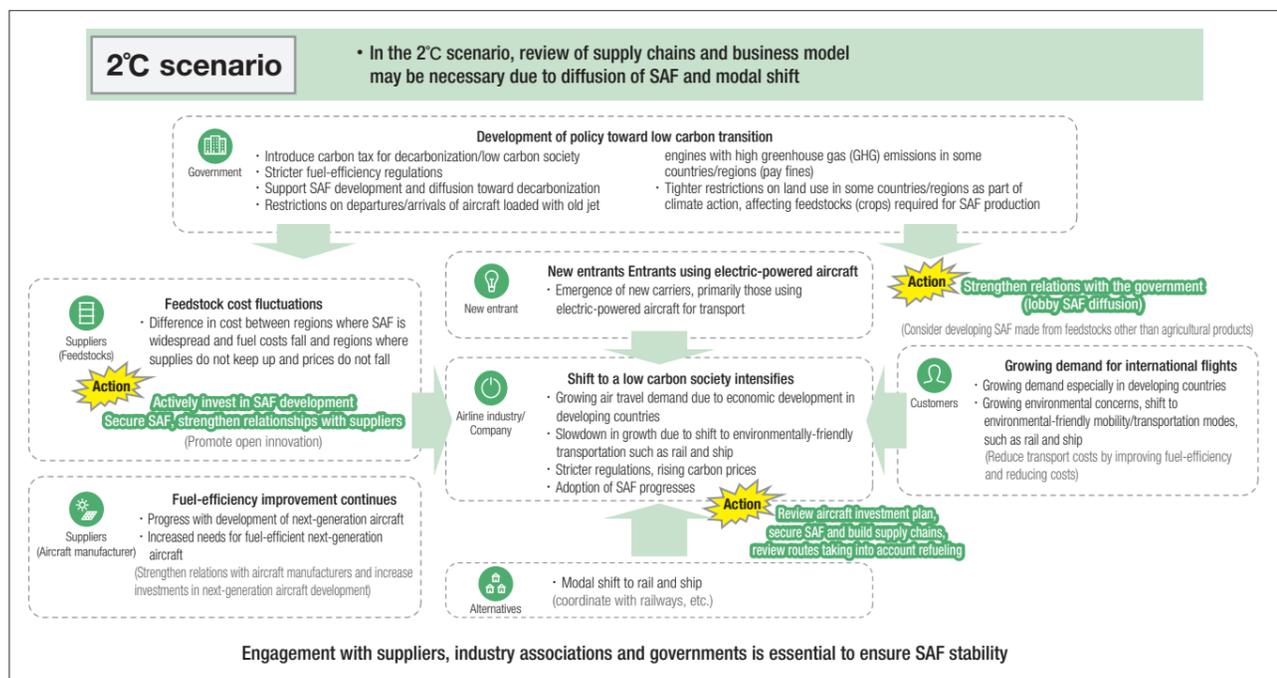
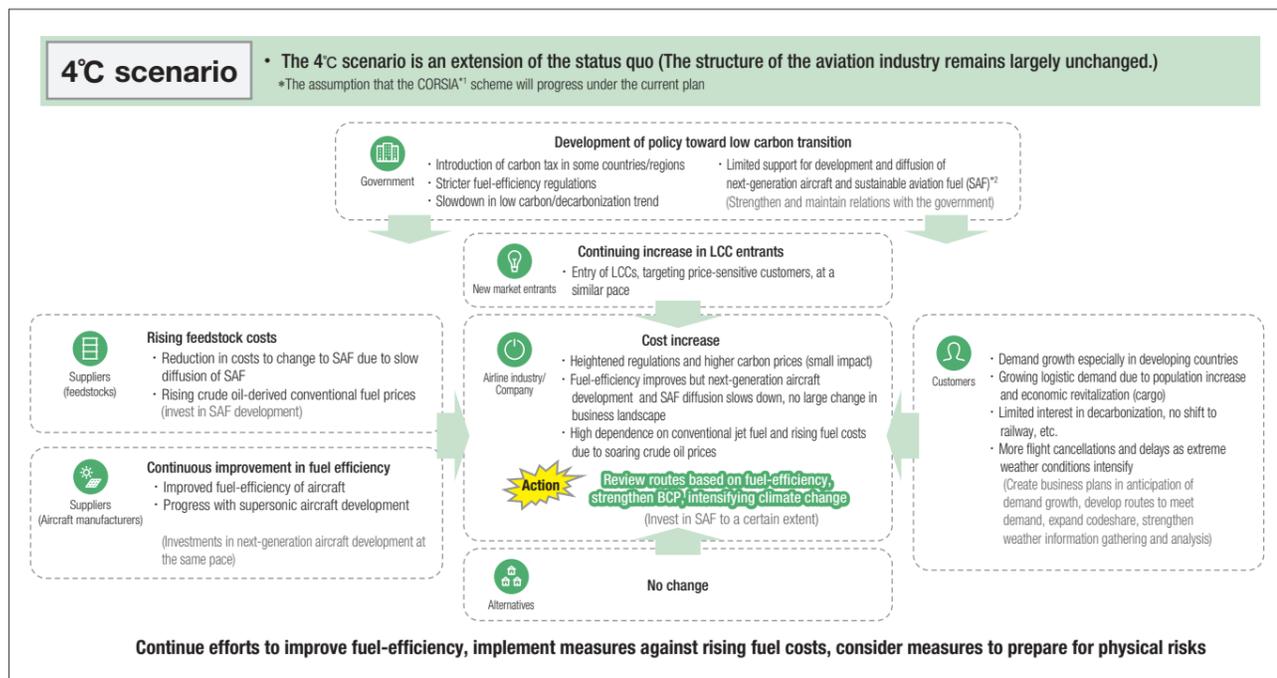
Since the global outbreak of COVID-19, the global community has established the 1.5°C scenario as the standard climate change scenario, and global action to achieve the 1.5°C has been growing, such as stronger environmental laws and regulations in Europe, the U.S. return to the Paris Agreement, Japan's carbon neutral declaration, revisions to Nationally Determined Contributions (NDC), and the COP26 agreement to meet the 1.5°C target.

In 2018, the JAL Group participated in the "Support Project for Scenario Analysis of Climate Risks and Opportunities in accordance with TCFD" supervised by the Japanese Ministry of the Environment (MOE) and predicted the society in 2030 based on two scenarios (RCP8.5^{*1}, RCP2.6^{*2}) of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), that is, keeping global warming to below 4°C and below 2°C by the end of this century.

*1 RCP8.5 scenario: A scenario with the highest emissions in the IPCC Fifth Assessment Report (a pathway with the highest greenhouse gas emissions in 2100)

*2 RCP2.6 scenario: A scenario with the lowest emissions to stabilize global warming in the IPCC Fifth Assessment Report (limit the increase of global mean temperature to 2°C)

Sustainability initiatives	Environment	People	Communities	Governance
Addressing Climate Change	Effective Use of Limited Resources	Precaution of Environmental Pollution	Noise Reduction	Biodiversity Conservation



Based on societal demand for decarbonization in the airline industry, ICAO (International Civil Aviation Organization) is considering long-term CO₂ reduction targets for 2050. It is expected that countries will continue to strengthen their carbon emission regulations and actively engage in emissions trading.

Under these circumstances, the JAL Group announced its target of net zero emissions by 2050 at the General Meeting of Shareholders in June 2020, on the basis of the 1.5°C scenario. We created a road map, taking into account risk and

opportunities based on IEA SDS³⁾ and other factors, which we reflected in the Medium Term Management Plan 2021 and Rolling Plan 2022. We are also actively working to utilize SAF, which is a key driver to achieving net zero emissions.

For details of the FY2021-2025 JAL Group Medium Term Management Plan-Rolling Plan 2022, please visit the JAL website.

[WEB https://press.jal.co.jp/en/release/202205/006653.html](https://press.jal.co.jp/en/release/202205/006653.html)

*1 Carbon Offsetting and Reduction Scheme for International Aviation: A system that requires international airlines to purchase emissions units for any excess of actual CO₂ emissions in 2019.

*2 Sustainable Aviation Fuel: Fuel that is expected to reduce CO₂ emissions by an average of 80% compared to conventional jet fuel over the entire life cycle throughout production, procurement, manufacturing, transportation and combustion.

*3 IEA SDS: Sustainable Development Scenario of the International Energy Agency (IEA), a path toward complete achievement of the SDGs

Risks and opportunities

Climate change has the potential to adversely affect the air transport business, which is founded on a “safe and secure society,” and as a result, poses a significant risk to business sustainability. Furthermore, addressing climate change through CO₂ emission reduction by airlines may have a variety of financial impacts, including upgrades to fuel-efficient aircraft and compliance with carbon pricing.

These factors affecting the JAL Group’s business are summarized and discussed in accordance with the TCFD portfolio of climate change-related risks and opportunities and are listed in the table below. The “period” and “impact” categories used here are defined below.

Period Classification	Contents
Short term	FY2022 to FY2025 (Current Medium-Term Management Plan applicable period)
Middle period	FY2026 to FY2030 (Period to achieve SDGs)
Long term	FY2031 to FY2050 (Period until net zero emissions is achieved)

Impact Classification	Revenue or Cost Impact(Duration)
Small	Less than 3 billion yen
Medium	From 3 billion yen to less than 30 billion yen
Large	30 billion yen or more

Items	Outline of Risks	Period	Impact of Risk	Mitigation Measures	
Transition risk Policies and regulations Technology Market Evaluation	Emission trading	Increase in credit purchase costs due to stronger CO ₂ emission regulations in each country	Medium- to long-term	Large	<ul style="list-style-type: none"> Purchase credits that meet CORSIA eligibility criteria at stable and fair prices Participate in rule-making on emissions trading overseas (ICAO, IATA) and in Japan (GX League)
	SAF	Shortage of capacity due to delays in SAF development, manufacture and supply	Short- to medium-term	Small to Medium	<ul style="list-style-type: none"> Invest in manufacturers and procure SAF at a fair price through joint purchasing alliance Make industry-wide approaches to the government and relevant entities
		Impact of high SAF and hydrogen fuel prices on earnings	Medium- to long-term	Large	
	Aircraft	Delays in the development of aircraft and airport infrastructure using new technologies such as hydrogen and electric power	Long-term	Large	<ul style="list-style-type: none"> Collaborate with aircraft and engine manufacturers Make approaches to the government and relevant entities
Physical risk Acute Chronic	Demand	Decline in customer preference due to delays in climate action and slowdown in air transport demand growth in Japan due to a modal shift	Medium- to long-term	Small to Medium	<ul style="list-style-type: none"> Promote the values of aircraft mobility on reinforcing CO₂ reduction measures
	Operations	Decrease in total passengers due to climate disasters caused by intensifying and extreme weather events, changes in precipitation and climate patterns, and the impact of increased flight cancellations on earnings	Medium- to long-term	Medium to Large	<ul style="list-style-type: none"> Strengthen the ability to manage disaster risks and improve the BCP
	Demand	Impact of a pandemic caused by ecosystem changes due to rising average temperatures on the air transportation business	Medium- to long-term	Large	<ul style="list-style-type: none"> Provide a safe and secure air transport environment by reinforcing infectious disease control Create flight plans on estimating passenger demand

Items	Outline of Opportunities	Period	Impact of Opportunities	Our responses to expand opportunities	
Opportunity Resource efficiency Energy source Resilience Market Products and services	Aircraft operated	Reduction of fuel costs and CO ₂ (reduction of credit purchase costs) through operational methods, improved aircraft technology and improved infrastructure including advanced air traffic control	Short- to long-term	Large	<ul style="list-style-type: none"> Reduce CO₂ emissions through innovative operational methods Make approaches to manufacturers, the government and relevant entities to introduce advanced air traffic control and aircraft using new technologies Steadily upgrade to fuel-efficient aircraft
	SAF	Stable jet fuel supply and lower jet fuel prices through diversifying fuel supply sources	Medium- to long-term	Large	<ul style="list-style-type: none"> Procure SAF produced through multiple manufacturing methods Promote SAF in Japan through an All Japan effort such as ACT FOR SKY
	Demand	Improved customer preference and increase in air demand by responding appropriately to diversifying customer needs	Short- to long-term	Large	<ul style="list-style-type: none"> Provide low carbon, environmentally-friendly products and services Expand disclosures on CO₂ reduction and climate action
		New revenue sources by creating new low carbon businesses (next generation air mobility, freighter business with Yamato HD, LCC business)	Medium- to long-term	Large	<ul style="list-style-type: none"> Create new businesses leveraging JAL Group's assets

Sustainability initiatives	Environment	People	Communities	Governance
Addressing Climate Change	Effective Use of Limited Resources	Precaution of Environmental Pollution	Noise Reduction	Biodiversity Conservation

Risk Management

The JAL Group defines risk as an event or action that impedes the achievement of an organization's mission, objectives or targets, and conducts a semiannual risk survey and assessment. Items evaluated as having a particularly large impact are identified as priority risks, and deliberations and decisions are made by the Group Risk Management Council, chaired by the President, and its subcommittee, the Risk Management and Information Security Committee.

Furthermore, as risks associated with climate change are recognized as material risks, each climate risk is identified in the PDCA cycle through the Environmental Management System (EMS), and is managed, taking into account global trends in legislation and policy. Details are reported to the Board of Directors for discussion and evaluation.

Risk Management System

Transition risks and physical risks associated with climate change are managed in the risk management framework of the JAL Group.

For a risk management structure chart, please visit the JAL website.

[WEB https://www.jal.com/en/sustainability/governance/riskmanagement/#risk](https://www.jal.com/en/sustainability/governance/riskmanagement/#risk)

Indicators and targets

To pass on the precious Earth to the next generation, the JAL Group has set targets on environmental data such as reduction of CO₂ emissions, waste materials and water consumption, and discloses results on progress and performance.

ESG Data Book: <https://www.jal.com/en/sustainability/esg/pdf/esg.pdf>

Due to the nature of the air transport business, aircraft emissions account for about 99% of CO₂ emissions. Accordingly, we will address this issue with top priority. We have also set high targets for CO₂ emissions from ground equipment and are working hard to achieve them.

Although achieving the targets is by no means easy, we will continue to stand at the forefront to support the aviation industry in reducing CO₂ emissions, in line with the Japanese government's Clean Energy Strategy and international frameworks, while strengthening coordination and collaboration with stakeholders in Japan and overseas.

For more information on "Performance and Targets for Reducing CO₂ Emissions," please visit the JAL website.

[WEB https://www.jal.com/en/sustainability/initiatives/](https://www.jal.com/en/sustainability/initiatives/)

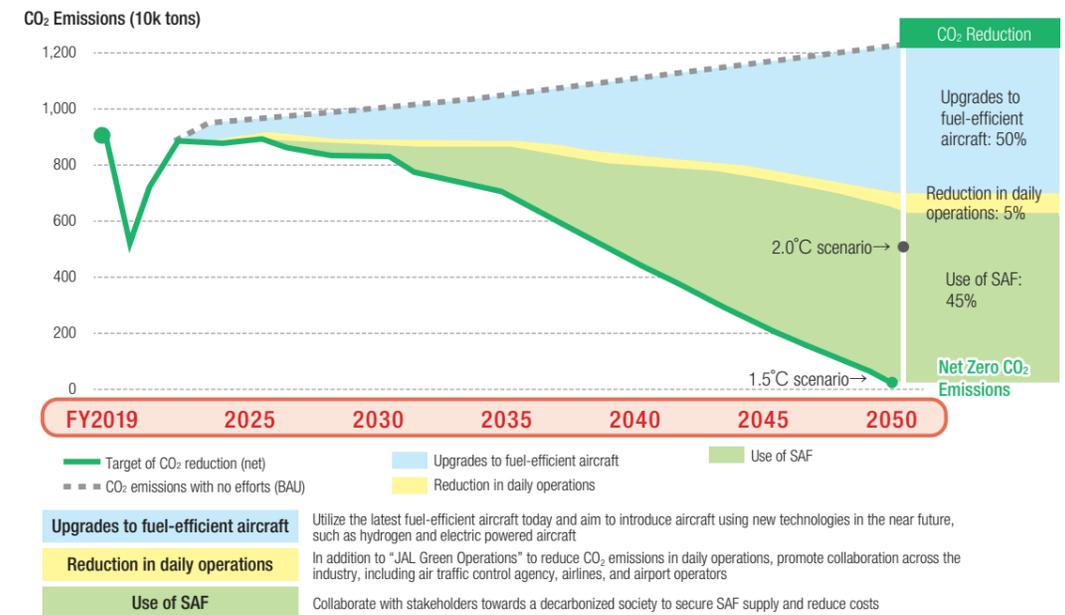
Conditions for creating scenarios to achieve net zero emissions by the JAL Group

To reduce CO₂ emissions from JAL Group aircraft, we are discussing issues and considering measures that can be taken, on studying 2050 emissions scenarios, with reference to the latest materials of ICAO and IATA based on the 1.5°C pathway and ATAG's^{*1} WAYPOINT 2050^{*2}.

In creating scenarios, we determined the growth of RTK (Revenue Ton-Kilometers) based on total international and domestic passenger demand respectively, calculated the total volume of CO₂ emissions up to 2050, and reflected the impact in each initiative.

*1 ATAG (Air Transport Action Group): An international coalition of organizations and companies in the air transport industry that promotes sustainability in the aviation industry.
 *2 Waypoint 2050 (English only) <https://aviationbenefits.org/environmental-efficiency/climate-action/waypoint-2050/>

JAL Group's road map towards Net Zero CO₂ Emissions

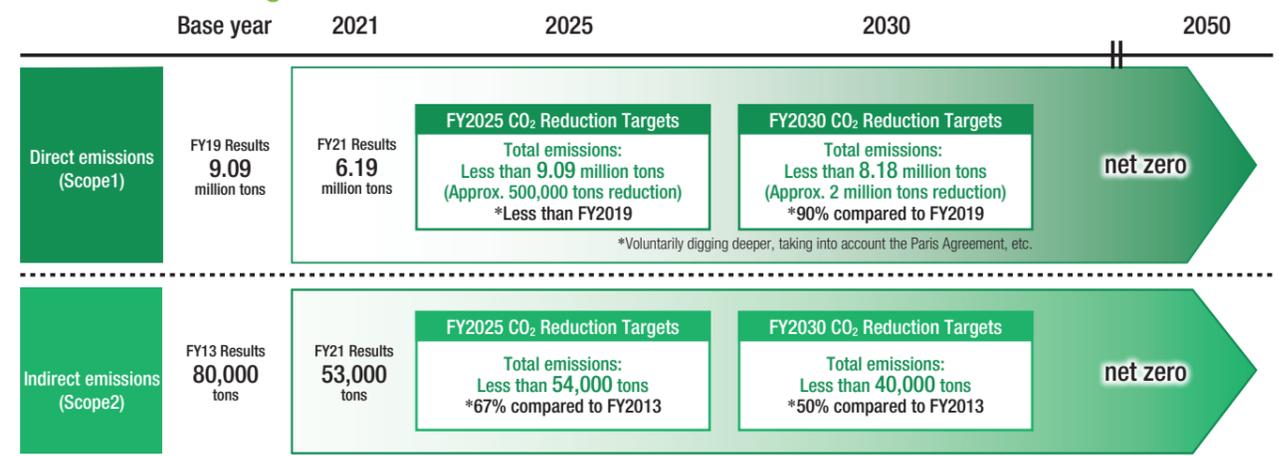


Targets and initiatives towards CO₂ emission reduction by 2030

The JAL Group's target of reducing 10% of total emissions by FY2030 compared to FY2019 levels is one of the most ambitious targets among global airlines. We will boldly take on this challenge through such initiatives as upgrades to fuel-efficient aircraft based on a stable financial base, the steady implementation of JAL Green Operations, and strategic procurement of SAF on setting specific SAF replacement targets.

Moves to produce SAF and build supply chains are accelerating overseas. The Japanese government has clearly stated its intention to promote the production and distribution of SAF in its "Basic Policy on Economic and Fiscal Management and Reform 2022" and "Grand Design and the Action Plan for a New Form of Capitalism." To achieve our ambitious target of replacing 10% of all fuel on board with SAF by 2030, the JAL Group will actively work to commercialize SAF through public-private partnerships and cooperation with domestic and international stakeholders.

CO₂ reduction targets and results



Coordination with external parties to reduce CO₂ emissions (public-private activities, etc.)

We are participating in a study group, organized by the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Economy, Trade, and Industry, to reduce CO₂ emissions in the operations domain (SAF adoption, improvement of aircraft operating techniques, adoption of new technology) and the airport

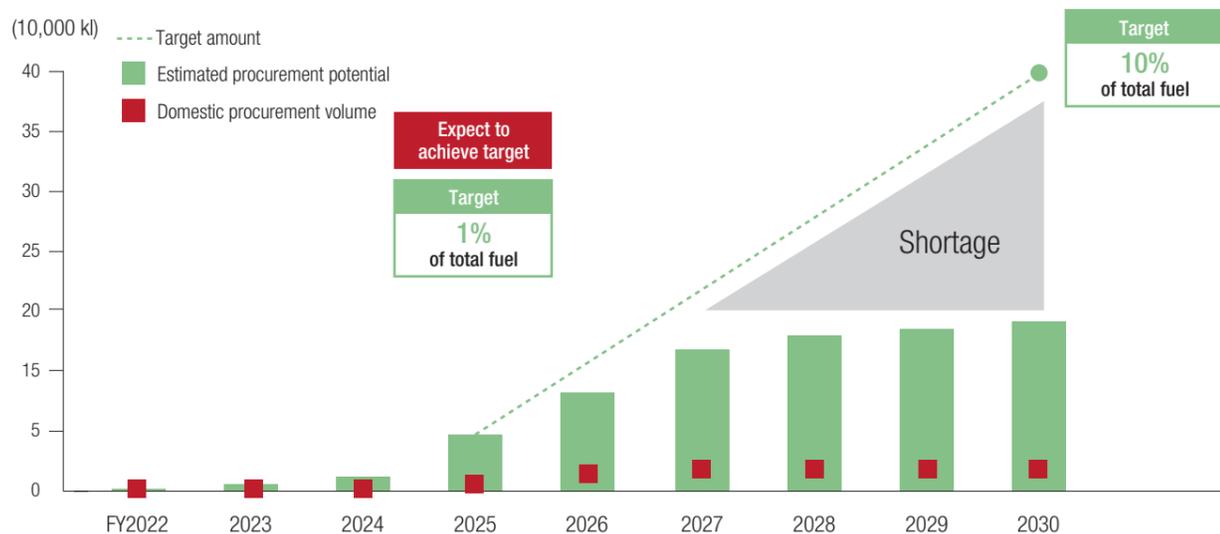
domain through public-private activities. In the airline industry, the 19 member companies of the Scheduled Airlines Association of JAPAN are drawing up the 2030 Global Warming Prevention Plan to reduce CO₂ emissions in coordination with relevant companies and other industry associations.

Sustainability initiatives	Environment	People	Communities	Governance
Addressing Climate Change	Effective Use of Limited Resources	Precaution of Environmental Pollution	Noise Reduction	Biodiversity Conservation

Priority and strategic measures

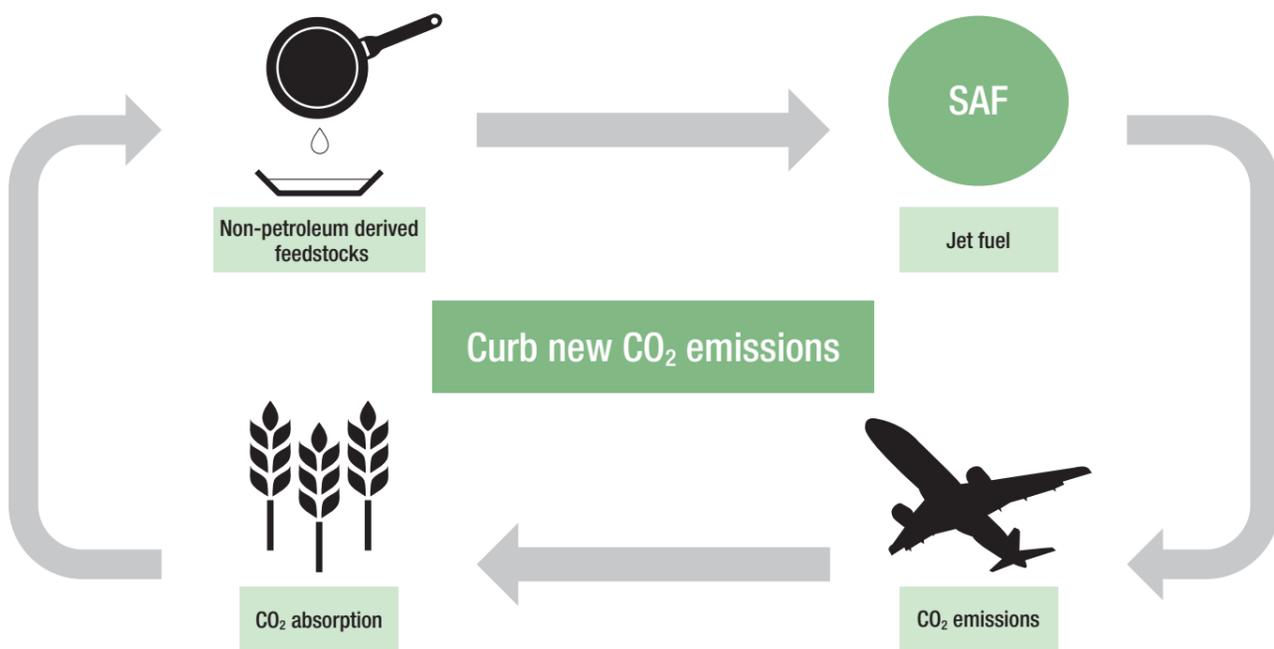
Use of SAF

The JAL Group has set the target of replacing 1% of total fuel with SAF in FY2025 and 10% in FY2030. To achieve these targets, we are working on SAF production and utilization pathways with our stakeholders in Japan and overseas, transcending industry boundaries.



What is SAF (Sustainable Aviation Fuel)?

SAF is fuel made from non-petroleum derived feedstocks that absorb carbon dioxide, such as used cooking oil and thinned wood. Using SAF results in a reduction in carbon emissions.



Initiatives to increase SAF procurement and utilization

In addition to joint procurement of SAF with oneworld alliance member airlines, the JAL Group is promoting SAF diffusion and expansion by using domestically produced SAF and participating in the development of next-generation SAF such as synthetic fuel.

Procurement of SAF

In FY2021, we signed a joint agreement with oneworld alliance member airlines to purchase SAF from the U.S., a leader in SAF production. SAF will be purchased from Aemetis, which produces SAF made from waste animal fats, and Gevo, which uses non-edible field corn to make SAF. This is the first initiative of the alliance, and by showing the need for SAF by multiple airlines, we will contribute to the diffusion and market expansion of SAF and promote carbon neutrality in the airline industry.



Aemetis and Gevo, with which oneworld alliance members signed a joint agreement

Coordination with stakeholders

Accelerating efforts to produce and stably secure SAF in Japan

1 Coordination in the airline industry

To achieve carbon neutrality in 2050, the development and diffusion of SAF is essential. In October 2021, JAL and ANA created and announced a joint report "Towards Virtually Zero CO₂ Emissions for Air Transport in 2050" to build a stable supply system for SAF.

The report aims to raise awareness and promote understanding of SAF in Japan and provides a wide range of information on mass production and utilization including estimates of SAF requirements of both companies. To pass on air transportation to the next generation as an important social infrastructure that connects Japan with the world, JAL and ANA will continue to work together to promote SAF diffusion and other environmental measures, in coordination with the government and related parties.



Joint report created and announced by JAL and ANA

2 Coordination among industries

In March 2022, JAL, JGC HOLDINGS CORPORATION, ANA and REVO International Inc. established ACT FOR SKY, a voluntary organization that works to commercialize, promote and expand the use of domestically produced SAF. A total of 16 companies, including those directly involved in domestic SAF business and those essential in establishing supply chains for domestic SAF, will coordinate and collaborate to change the awareness of citizens and companies, while promoting the importance of SAF, carbon neutrality and achieving a circular economy.

As a founding company, JAL will contribute to increasing awareness and decarbonization in the aviation sector. Going forward, ACT FOR SKY will work with various stakeholders to promote and expand SAF and implement specific initiatives to develop Japan's aviation network and the entire industry and build a sustainable society.



ACT FOR SKY logo and 16 participating companies

3 Coordination with the government

At the FY2021 Study Group on CO₂ Reduction in the Aircraft Operations Sector, the target of replacing 10% of fuel consumed by Japanese airlines with SAF was set up as a common target of the Ministry of Land, Infrastructure, Transport and Tourism and Japanese airlines. In introducing SAF, it was recommended that the development and production of internationally competitive domestic SAF should be promoted and that coordination among wholesalers on the supply side and airlines on the user side should be strengthened in order to build future supply chains.

For this reason, in FY2022, the Public-Private Council for the Promotion of SAF, co-sponsored by the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Economy, Trade and Industry, was established as a forum for public-private discussions and joint initiatives on technical and economic issues and solutions. JAL is an active participant in this forum.

Sustainability initiatives	Environment	People	Communities	Governance
Addressing Climate Change	Effective Use of Limited Resources	Precaution of Environmental Pollution	Noise Reduction	Biodiversity Conservation

Upgrading to fuel-efficient aircraft

In September 2019, we began introducing the Airbus A350 -900 on domestic routes and completed service entry of 16 aircraft. From 2023, we will begin to introduce the Airbus A350 -1000 on international routes. This fuel-efficient, low-noise, low-carbon aircraft reduces carbon emissions by 15% to 25% compared to previous models.

We will continue to steadily upgrade our fleet to fuel-efficient aircraft using funds raised through a public offering in FY2020 and SDGs bonds, the world's first transition bonds issued by the airline industry in March 2022.

With the active development of electric- and hydrogen-powered next-generation aircraft equipped with new technologies, we will cooperate with aircraft and engine manufacturers to promote technological innovation. As the development of infrastructure including airports is essential to next-generation aircraft, we will work with stakeholders such as the government and airport companies to improve the environment.

Initiatives in daily operations

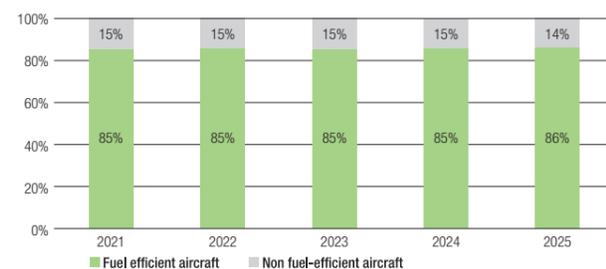
We are implementing various initiatives in daily operations to reduce CO₂ emissions such as eco-flights through better timing, better flight maneuvers, lighter weight aircraft, and shorter flight courses. These initiatives are collectively called JAL Green Operations.

In FY2021, we have introduced an initiative to improve fuel efficiency of regional jets by cleaning their engines with foam instead of spraying water. We are also actively promoting new initiatives such as shortening the distance of pushback with towing tractors at departure (short pushback) at Haneda Airport.

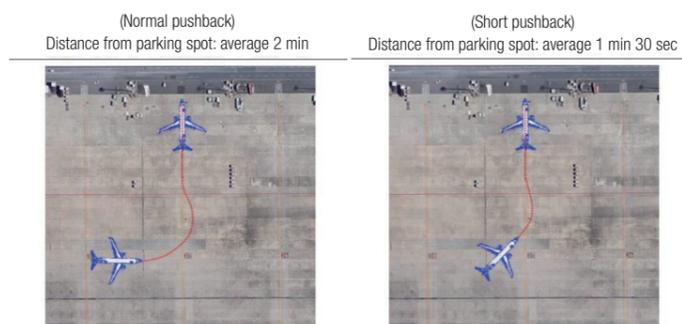


SDGs bonds

Percentage of fuel-efficient aircraft



Fuel-efficient aircraft: A350, 787, 777, 737-800, E170/190, ATR



Voice

First in the world to introduce a new method of Engine Foam Wash for regional jets

To protect the future of traveling around the world by plane, it is essential for the aviation industry to reduce its environmental impact. Foam wash using a special cleaning agent takes longer working hours than water wash, but we decided to introduce it as an initiative by the maintenance division to improve the environment. Each activity is small, but we hope to raise awareness of environmental concerns within the company and the aviation industry.



MIKI Sayuri
Planning, Aircraft Maintenance Center, Osaka
JAL Engineering Co., Ltd.

Engaging in emissions trading

In addition to complying with CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) adopted by ICAO, JAL offers JAL Carbon Offset. We will also participate in rulemaking through the GX (Green Transformation) League to build a carbon emissions trading system in Japan.

JAL Carbon Offset

With the cooperation of CHOOOSE, a Norwegian company of climate experts, the JAL Group offers JAL Carbon Offset, a voluntary scheme for customers to offset CO₂ their flights emit. Following the website renewal of the program for individuals in February 2022, we began offering a program for corporations in July 2022, which allows them to visualize and offset emissions from corporate travel. We will continue to work with our customers to reduce CO₂ emissions.



Illustration of using smartphones

Measures to reduce CO₂ emissions from ground equipment

With regard to ground equipment, initiatives to reduce unit energy consumption by 1% or more on average are in progress. Under the "operator classification evaluation system" of the Act on the Rational Use of Energy (Energy Conservation Act) implemented by the Ministry of Economy, Trade and Industry, the JAL Group has been certified as "S Class," an excellent business operator, for 7

consecutive years since 2015.

To reduce CO₂ emissions from airport vehicles at airports, we are working to introduce electric-powered vehicles and alternative diesel fuels. At Kumamoto Airport, we are testing B-30 fuel which is a blend of 30% biodiesel fuel made from used cooking oil, and at Narita Airport, B-100 fuel which is a substance of 100% biodiesel.



Launch of Japan's first B-30 fuel trial (Kumamoto Airport)



Refueling B-100 (Narita Airport)

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.



CONTRAIL logo

Sustainability initiatives	Environment	People	Communities	Governance
Addressing Climate Change	Effective Use of Limited Resources	Precaution of Environmental Pollution	Noise Reduction	Biodiversity Conservation

2/22 Effective Use of Limited Resources

Particularly relevant areas: **Passengers** **Cargo and Mail**

FY2025 Management target | **Eliminate petroleum-derived products in cabins and lounges** (FY2021 result: 25% eliminated)
 Single-use plastics | **Change 100% to environmentally-friendly materials for cargo and airports** (FY2021 result: 90% changed)

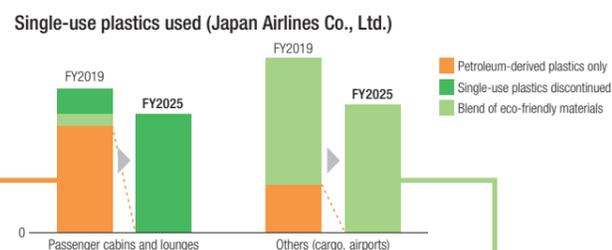
Basic concept

- To fulfill our responsibility to pass on the precious Earth to the next generation, the JAL Group aims to become a recycling-based society that uses limited resources effectively.
- To promote the effective use of limited resources, we will practice the 4Rs (Refuse, Reduce, Reuse, Recycle) to reduce food waste and eliminate petroleum-derived single-use plastics products in all aspects of our business, which will contribute to reducing greenhouse gas emissions.
- To achieve this, we will work with our customers to reduce food waste and eliminate the use of plastic products at every touchpoint including our cabins, and reduce food waste in supply chains.

Eliminate single-use plastics

Priority and strategic measures

In May 2021, the JAL Group set the target of eliminating single-use plastics, which cause global warming and ocean pollution, by FY2025. With the cooperation of our customers, we are promoting the 3Rs (Reduce, Reuse, Recycle) + 1R (Redesign).



Examples of single-use plastics reduction

Passenger cabins and lounges Elimination of petroleum-derived plastics FY21 result: 25%				Cargo, airports Change 100% to environmentally-friendly materials FY21 result: 90%	
Reduce	Redesign	Reuse	Reduce	Redesign	Recycle
Containers made from recycled plastic bottles	Wash and use repeatedly	Discontinue sobatsuyu (soba dipping sauce) bottles and use gelled type dipping sauce	Discontinue provision of plastic bags for checked baggage (1.5 million per year)	Discontinue provision of plastic bags for checked baggage (1.5 million per year)	Plastic sheets for packing cargo made from recycled materials, recycled from 40 years ago
Recycle 100% plastic bottles					

Topic

To solve global plastic pollution and climate change caused by mass production, mass consumption and mass disposal, it is essential to fundamentally reexamine the nature of production, consumption, and disposal. JAL and 10 other companies participated in Plastic Circular Challenge 2025 organized by Public Interest Incorporated Foundation World Wide Fund Japan (WWF Japan). Based on the concept of a sustainable circular economy, it is essential to take comprehensive and ambitious measures prioritizing Reduce, Reuse and Recycle in this order. While there are various issues in eliminating single-use plastics, we will continue to expand and accelerate our activities in collaboration with stakeholders to achieve these targets.



WWF Japan special website <https://www.wwf.or.jp/campaign/pcc2025/>

Reduce food waste

Priority and strategic measures

Greenhouse Gas (GHG) emissions from the entire food system covering production, distribution, processing and disposal are estimated to account for 21~37% of global emissions. Food waste is now a serious global problem and reduction initiatives are an essential social responsibility for building a decarbonized society. The JAL Group has implemented various initiatives such as scheduling forward reduction plans, reducing food waste from catering facilities and supply chains, and putting ideas from employees to action, making us one of the most pioneering and challenging airlines in the world.

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

Refuse

We have introduced a meal cancellation service called "JAL Ethical Choice - Meal Skip Option -" for customers who do not need meals, the world's first among global airlines, and will expand the service to all routes from the second half of FY2022.

WEB https://www.jal.co.jp/en/inter/service/meal/meal_skip/

Reduce

We are working to reduce food waste by improving cooking methods, reduce leftover food from in-flight meals by purchasing ingredients appropriately and managing reservations, and develop menus, so that passengers can enjoy and finish their meals. As a unique initiative, we request the customers' cooperation to reduce leftover food.

WEB <https://www.jal.com/en/sustainability/environment/limited-resources/#anc09>

Recycle

In June 2022, JAL Royal Catering, in collaboration with NTT Business Solutions, successfully recycled all cooking waste from in-flight meals into fertilizer. The recycled fertilizer is used to grow vegetables near Narita for use in in-flight meals. In this way, we are promoting recycling.

JAL's FLW 4R

Let's do ethical sky!

- Refuse:** Ethical Choice Service
- Reduce:** Develop menus so that passengers can finish their meal. Ideas in the cooking process. Loss meal* trend analysis. Campaign to prevent leftover food.
- Reuse:** Reuse non-standard crops. Use non-edible food parts. Donations to social welfare council, etc.
- Recycle:** 100% recycling of food waste in preparation process. Promote the use of cyclical vegetable production.

* Leftover food from in-flight meals caused by discrepancy between number of reservations and actual passenger count

Reuse

Vegetable soup made from broccoli stalks that would have been discarded

Reuse

Collaboration sweets with MIZKAN Group ZENB Sable made with beet seeds, stems and roots

Reuse

In-flight meal made with spinach grown with the cyclical agricultural method
Fumiko's Western Set Plate SDGs - A dish of future ingredients

We need to cancel in-flight meals in advance, so I think it is a very good idea.

I realized that finishing my in-flight meal is good for the environment.

Customer feedback

I think your efforts to eliminate waste are great.

It reminded me that companies are required to make efforts to improve the environment without lowering customer service levels.

Sustainability initiatives	Environment	People	Communities	Governance
Addressing Climate Change	Effective Use of Limited Resources	Precaution of Environmental Pollution	Noise Reduction	Biodiversity Conservation

3/22 Precaution of Environmental Pollution

Particularly relevant areas: **Passengers** **Cargo and Mail**

Basic concept

- The JAL Group will strive to prevent environmental pollution to fulfill its responsibility to pass on the precious Earth to the next generation.
 - We will strive to reduce carbon emissions from aircraft and factories, which cause environmental pollution.
 - To achieve this, we will reduce emissions of carbon dioxide (CO₂), nitrogen oxides (NO_x), carbon monoxide (CO) and hydrocarbons (HC) by using aircraft engines that comply with appropriate standards.
- We will also manage and reduce the release of hazardous chemical substances in accordance with the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management (PRTR Law). We will maintain a final disposal rate for industrial waste of 1% or lower.

4/22 Noise Reduction

Particularly relevant areas: **Passengers** **Cargo and Mail**

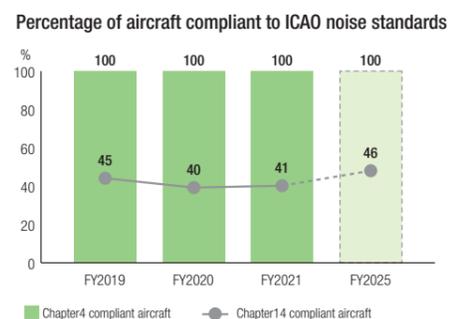
Basic concept

- The JAL Group maintains an awareness that air transport is responsible for a number of negative effects on the environment and aims to live in harmony with residents around the airport.
- To reduce noise, we are upgrading our fleet to the latest low-noise aircraft that comply with noise standards, and are actively introducing noise abatement operational procedures.

We are steadily upgrading to aircraft compliant to noise standards* (ICAO Chapter 4, Chapter 14), and are upgrading our flagship fleet to the low-noise, fuel-efficient Airbus A350.

We are also actively working on "reduction of noise at source" and "noise abatement operational procedures" required by airlines according to ICAO's Balanced Approach to Aircraft Noise Management.

* Standards set by ICAO. Chapter 4 applicable from 2001 and Chapter 14 applicable from 2017



5/22 Biodiversity Conservation

Particularly relevant areas: **Passengers** **Cargo and Mail**
Mileage, Lifestyle and Infrastructure

Basic concept

- The JAL Group will contribute to biodiversity conservation to fulfill its responsibility to pass on the precious Earth to the next generation.
- We will fulfill our responsibility as an air transport operator to ensure that our services are not used for the transportation of illegal wildlife trade.
- We also minimize the impact of our business activities on the environment and ecosystems.
- To achieve this, we are utilizing JAL's strengths of human resources to prevent illegal wildlife trade and are expanding biodiversity conservation activities.

Priority and strategic measures

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). There were incidents in the JAL Group, where we found passengers taking endangered species from the island; endangered palm crabs at Ishigaki Airport and rare frogs and snakes at Amami Airport. Considering the importance of preventing these incidents, we have invited staff from World Wide Fund Japan (WWF Japan) and held workshops since 2020 to study the current situation of illegal wildlife trade and how to handle situations when discovering this. We also created in-house educational content with the cooperation of WWF Japan, to embed Group-wide understanding.

In the Amami and Okinawa region, which is home to many rare wildlife species, the JAL Group, together with the local communities, is actively participating in anti-poaching and anti-smuggling measures implemented by the Ministry of the Environment and local government. These initiatives were introduced at a symposium on illegal wildlife trade in December 2021, which was organized by WWF Japan and TRAFFIC, a leading NGO working globally on Biodiversity Conservation and sustainability development.

Topic

Formulation of guidelines for ESG foods and merchandise

The JAL Group has developed guidelines for handling foods and merchandise related to the protection of endangered animals, animal welfare and other ESG risks. To properly understand the importance of biodiversity conservation and raise awareness of its relationship with foods and merchandise we handle, we are raising public awareness.

Relationship with World Natural Heritage Sites

In addition to communicating local attractions of the Amami and Okinawa region, the JAL Group has been working since 2019 as the lead organizer of a joint association to promote the registration of World Natural Heritage Sites (Kagoshima: 66 companies and organizations, Okinawa: 50 companies and organizations), in collaboration with administration, local businesses and local organizations. After registration of the region as a World Natural Heritage Site, we continue to provide support by attracting visitors with sightseeing tours to enjoy the natural environment and donating a portion of the tour price to conserve World Heritage Sites.



Livery based on a drawing of endangered animals and plants by elementary and junior high school students that won a prize in a competition sponsored by Okinawa Prefecture to celebrate registration as a World Heritage Site

Sexual reproduction of corals for reef restoration project

One of the attractions of Okinawa is its coral reefs, which are not only beautiful but also have many roles to play in the coexistence and lives of living creations. In recent years, capacity of coral reefs has been declining due to rising sea temperatures and crown-of-thorns starfish outbreaks, which have become a problem. Japan Transocean Air (JTA) has formed a council with supporting local businesses to assist in reef restoration through sexual reproduction on Ishigaki and Kume Islands.



Spawning corals photographed off Ishigaki Island

Voice



SAKAE Masayuki
Regional Sales Manager,
Amami

Balancing the protection of the natural environment and nature experience

Preventing roadkill and overuse of wildlife has become an important issue in the Amami and Okinawa region. On Amami-Oshima Island, since last October, it is a rule to optimize the hours of night tours for observing the Amami rabbit and other wildlife. Tour reservations and tour areas are checked by the authorities. The Amami sales office, which serves as the secretary of the World Natural Heritage Promotion Community, works together with local residents to realize sustainable tourism, such as publicizing rules and participating in meetings with member companies.



Photo courtesy of the Ministry of the Environment

Sustainability initiatives	Environment	People	Communities	Governance
Respect for Human Rights	Human Resource Development	Diversity and Inclusion	Workstyle Innovation	Wellness
			Accessibility	Prevention of Infectious Diseases

People

Basic Concept (JAL Group Code of Conduct)

Pursuit of customer satisfaction

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 employee satisfaction (human rights and labor)

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

JAL Group Code of Conduct "Commitment to Society"

[WEB https://www.jal.com/en/sustainability/codeofconduct/](https://www.jal.com/en/sustainability/codeofconduct/)

Challenges to be solved

- ▶ **Respect for Human Rights** pp.83-86
[WEB https://www.jal.com/en/sustainability/human/human_rights/](https://www.jal.com/en/sustainability/human/human_rights/)
- ▶ **Human Resource Development** pp.87-88
[WEB https://www.jal.com/en/sustainability/human/human-resources-management/](https://www.jal.com/en/sustainability/human/human-resources-management/)
- ▶ **Diversity and Inclusion** pp.89-90
[WEB https://www.jal.com/en/sustainability/human/diversity/](https://www.jal.com/en/sustainability/human/diversity/)
- ▶ **Workstyle Innovation** p.91
[WEB https://www.jal.com/en/sustainability/human/work_style/](https://www.jal.com/en/sustainability/human/work_style/)
- ▶ **Wellness** pp.91-92
[WEB https://www.jal.com/en/sustainability/human/health-management/](https://www.jal.com/en/sustainability/human/health-management/)
- ▶ **Accessibility** p.93
[WEB https://www.jal.com/en/sustainability/human/accessibility/](https://www.jal.com/en/sustainability/human/accessibility/)
- ▶ **Prevention of Infectious Diseases** p.94
[WEB https://www.jal.com/en/sustainability/prevent-infection-spread/](https://www.jal.com/en/sustainability/prevent-infection-spread/)

6/22 Respect for Human Rights

Particularly relevant areas: **All areas**

Basic concept

- All officers and employees of the JAL Group fulfill their responsibility to respect the human rights of all people.
- In accordance with the JAL Group Human Rights Policy, we respect all stakeholders including our customers and every employee of the JAL Group. We strictly prohibit discrimination on the basis of gender, age, nationality, race, ethnicity, religion, social status, disability, sexual and gender identity. We strive to prevent physical and emotional stress to our customers when providing goods and services, prevent human trafficking by air transportation and prevent human rights violations in our supply chains.
- To achieve this, we have included human rights due diligence in our business processes, and address issues, disclose information and continuously improve our operations. In addition, JAL Group employees are educated on gender equality, LGBTQ issues and prevention of human trafficking. We also take steps with regard to our supply chains (refer to Responsible Procurement).

For more information on the JAL Group Human Rights Policy, please visit the JAL website.

[WEB https://www.jal.com/en/sustainability/codeofconduct/pdf/human-rights_en1908.pdf](https://www.jal.com/en/sustainability/codeofconduct/pdf/human-rights_en1908.pdf)

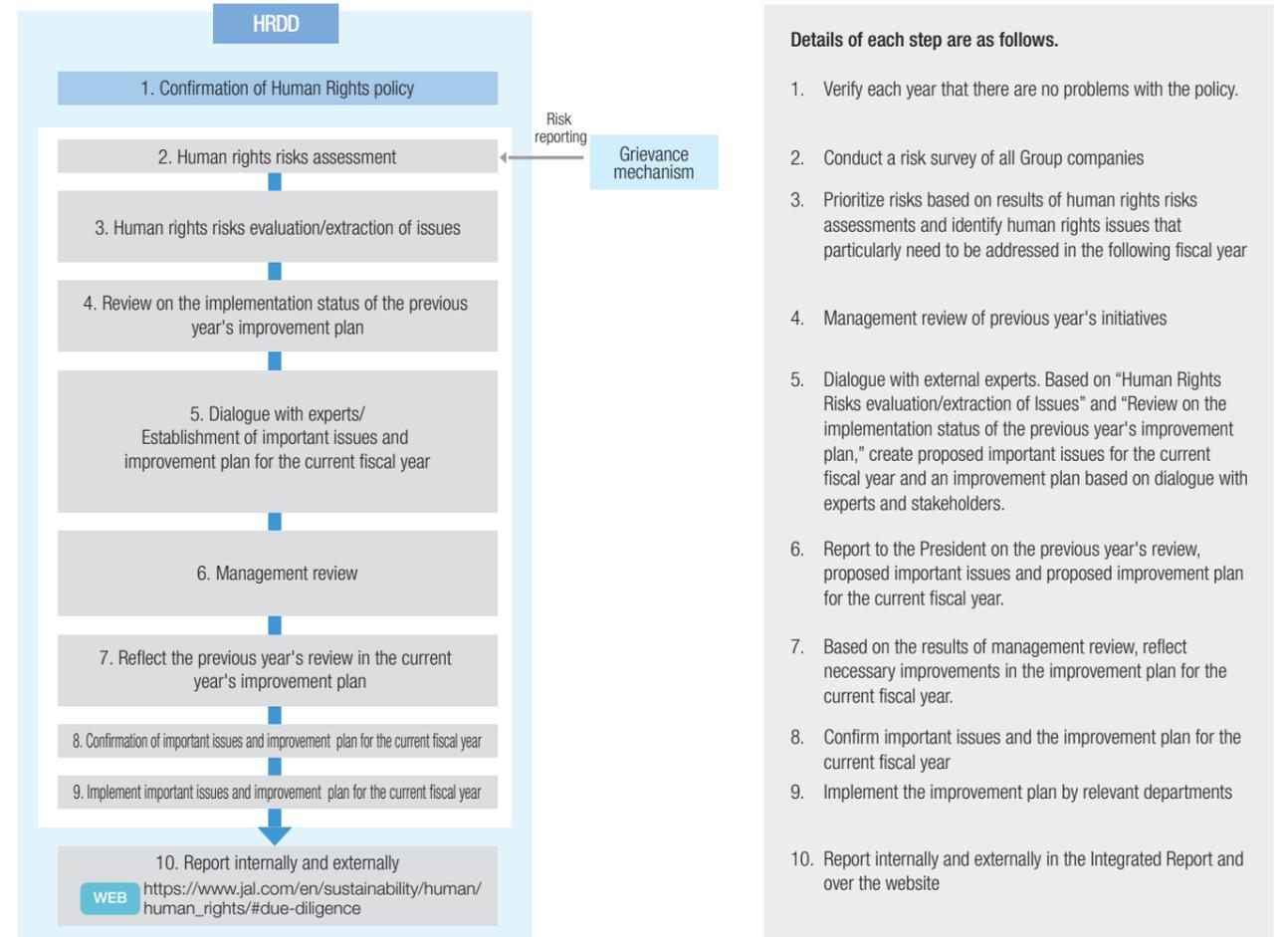
JAL Group Accessibility Service Policy

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.

Framework for respecting human rights

To promote initiatives that respect human rights, in FY2021, the JAL Group established internal regulations governing the structure and operation of human rights due diligence ("HRDD"). In accordance with these regulations, we established key issues for FY2021 from three perspectives: supply chain management, provision of products and services, and improvement of the internal environment. At the end of the fiscal year, we conducted a review and assessment, and will plan next year's activities, taking into account human rights risks surveys and dialogue with experts. As part of our review, we reviewed the HRDD flow and will promote activities in FY2022 based on the new flow.



Flow for HRDD initiatives (Follow this flow every year to promote efforts to respect human rights.)

Dialogue with external experts

As in the previous fiscal year, we invited SHIMOTAYA Takeshi of The Global Alliance for Sustainable Supply Chain (ASSC), a general incorporated association that promotes international respect for human rights, to hold a dialogue with members of the Sustainability Promotion Committee. In the previous dialogue, he pointed out that job security during the pandemic could be seen as a human rights issue and we reflected this in our initiatives. In this year's dialogue, he provided valuable advice on the importance of interacting with suppliers and initiatives to promote understanding of LGBTQ. Based on his advice, we identified important issues in HRDD for the current fiscal year and published them on our website.



Dialogue between ASSC Mr. SHIMOTAYA and officers of relevant divisions

Sustainability initiatives	Environment	People	Communities	Governance		
Respect for Human Rights	Human Resource Development	Diversity and Inclusion	Workstyle Innovation	Wellness	Accessibility	Prevention of Infectious Diseases

Special Feature: JAL Group's efforts to respect human rights

Confirmation of respect for human rights in the supply chain

We strive to build sustainable supply chains that ensure respect for human rights, legal compliance, environmental protection and fair labor practices. Through a self-assessment questionnaire for suppliers, we check the status of human rights considerations through questions on equal treatment of foreign workers, overtime, payment of wages and other matters. As part of this initiative, in FY2022 we set up a hotline that is open to suppliers in Japan and overseas and developed a process for responding to reports.



A garment factory in Vietnam

Procurement of products with consideration for human rights

Since September 2018, we have been progressively replacing service goods in cabins and lounges with certified products that conform with human rights considerations for workers engaged in forestry, agriculture and fishery. As a result, we prevent human rights violations such as poor working conditions, child labor and land rights violations of indigenous peoples.



In-flight meals made with ASC, GAP certified ingredients
(For details on certifications, please refer to Use of Certified Products on page 104.)

Prevention of human trafficking

The JAL Group positions unintended involvement in human trafficking by air transport as an important human rights issue. In FY2021, we cooperated with the "It's a Penalty Tokyo Campaign" hosted by the British non-profit organization, It's a Penalty, and co-hosted by the Japanese non-profit organization Sport For Smile. We also showed a video of an anti-trafficking campaign aboard JAL Group domestic and international flights. Furthermore, all employees are educated on respect for human rights including prevention of human trafficking. In FY2021, 83.8% of all employees took this course.



It's a penalty logo



Assisting customers at the airport

Improvement of accessibility

For customers who feel physical or psychological barriers to travel due to disabilities, we are working to eliminate barriers to create a stress-free environment during travel and at their destination so that they can enjoy travel more freely and easily anytime.

Prevention of infectious diseases

Through the JAL FlySafe initiative, we are heightening our hygiene and cleanliness standards, the basics of infectious disease control. Even during the pandemic, we are providing services at airports and in passenger cabins that deliver peace of mind.



Infectious disease control measures at the airport

Prevention of harassment

We have established Regulations on the Prevention of Harassment in the Workplace, which define and prohibit harassment, and specify violations that will be subject to disciplinary action. In addition to an internal harassment hotline, we have established a 24/7 Group hotline for consultation on compliance in general and a sexual harassment hotline for cabin attendants. In this way, we are taking steps to develop a system to receive consultations directly from our employees and maintain a healthy, harassment-free work environment.

Prevention of long working hours

We are taking steps to curb overtime and holiday work by creating a system to support flexible workstyles, such as changing working hours, introducing a super flexible system where there are no core hours and employees can take paid leave on an hourly basis. We are also working to creating a system to enable employees to take holidays more easily such as workcation, which is working remotely while on vacation, and bleisure, which is taking a vacation during a business trip.



Workcation in Singapore

Employment maintenance

Amid the rapid decline in air travel demand caused by COVID-19, which created an underutilization of staff, we worked to maintain employment and enable our employees to acquire new knowledge. In FY2021, an average of 1,600 employees a month were seconded to external entities in Japan. In addition, the Regional Vitalization Division, which was established during the pandemic, launched the JAL Furusato (hometown) Project to solve regional issues through cross-industry collaboration using the JAL Group's knowledge, experience and technology. As part of this project, cabin attendants selected through in-house recruitment are serving as JAL Furusato Ambassadors and JAL Furusato Cheering Teams to promote the charms of regional areas in Japan and solve regional issues. For employees working outside Japan, we are providing new opportunities to work outside their region through remote work, as it will take time for demand for international flights to recover.

Prevention of COVID-19 to employees

In addition to encouraging remote work throughout the JAL Group especially in business support departments and controlling the number of employees who come to work, we have established rules on coming to work and going home and social distancing when working in the office and have disseminated the rules in a timely manner. In FY2021, we promoted similar initiatives and strived to prevent further infections through workplace vaccinations.



Workplace vaccination

Fair and impartial hiring and promotion

The JAL Group has continuously worked to promote understanding of LGBTQ and was awarded, for the sixth consecutive year, the highest rank of "Gold" in the PRIDE Index* established by the voluntary organization "work with Pride." We were also recognized for internal and external innovations utilizing the diverse perspectives of our employees, and JAL was recognized with the D&I Award in the "Best Workplace" category at D&I Award 2021 sponsored by JobRainbow Inc. We also actively communicate our gender equality initiatives, and participated in a dialogue with Airbus and an online event on International Women's Day in March.

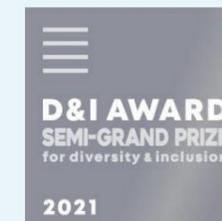
* Evaluation index of sexual minority initiatives such as LGBTQ+ by companies and organizations



Illustration of Airbus LGBTQ



PRIDE indicator 2021 of "work with Pride" "Gold" for six consecutive years since 2016



JobRainbow's D&I Award 2021 D&I Award

7/22 Human Resource Development

Particularly relevant areas: **All areas**

Basic concept

- We develop human resources based on the belief that the personal growth of JAL Group employees will contribute to the growth of the organization and in turn the sustainable growth of the JAL Group.
- We have defined qualities expected of all JAL Group employees and will strive to improve employee engagement (understand and empathize with the company vision, the intention and attitude to think, act and contribute autonomously to its achievement), and increase the number of employees with diverse knowledge and experience.
- To achieve this, we will actively invest in human resource development by expanding internal and external education and training programs and providing opportunities to become autonomous employees.

Priority and strategic measures

Expanding training programs

We have established the qualities expected of all JAL Group employees based on the JAL Philosophy and conduct human exchanges across the boundaries of Group companies and job category.

We also train leaders and safety and service professionals through specialized training in each job category, and conduct education and training suited to each company.

Going forward, we will expand investment in human resources and increase internal and external opportunities to gain business skills and create value, thereby creating human resources who drive business diversification as outlined in the Medium Term Management Plan.

Enhancing work experience through internal and external secondments

We treat the rapid changes in the business environment as an opportunity for growth, and in addition to gaining work experience in other jobs within the Group, we seconded around 1,600 employees a month to approximately 150 external entities including local governments, logistics industries, call centers and educational institutions.

Secondment has provided employees with external insights they could not have gained before the pandemic. Furthermore, increasing opportunities for work experience utilizing the knowledge they gained from secondment has led to personal growth of each employee.

We will continue these initiatives to enhance individual capabilities and increase the number of employees with more diverse knowledge and experience than before, which in turn will contribute to sustainable growth and development in each business area.

Expanding online education and training courses

As part of efforts to provide opportunities to study anytime and anywhere, we are increasing the number of training sessions online.

By creating an environment where employees in Japan and

- < Main Education and Training Programs >
- New Employee Orientation
 - JAL Philosophy Workshop
 - Risk Management Education
 - Training for Managers
 - Business Skills Training
 - Leader's Workshop
 - Safety Education
 - Information Security Training
 - Career Development Training by Age Group and Others



Working at internal and external seconded workplaces



Online training of new employees outside Japan

overseas and employees with disabilities can participate in various education and training programs, the number of participants increased to 18,250 in FY2021, 1.3 times the record high number in FY2020.

Developing autonomous employees

Supporting employees

The JAL Group refers to autonomous thinking and acting as "JAL OODA" and conducts a mindset change education course for managers and various activities to practice JAL OODA.

One of these activities, W-PIT*, is an in-house venture team, where employees challenge co-creation while incorporating "excitement" into new businesses.

We are also nurturing autonomous employees through programs such as the in-house entrepreneur audition called "Sozo no Tsubasa (Wings of Creativity)" to encourage employees to challenge new business areas, and in FY2021 launched "Career Challenge" inviting employees to take up challenges.

* Abbreviation for Wakuwaku (exciting) Platform Innovation Team



Topic Maintenance Kaizen (improvement) activities presentation conference

The maintenance division carefully selects outstanding Kaizen initiatives in each workplace and holds a Kaizen activities presentation conference once a year at the end of the year to encourage challenge and innovation.

Kaizen achieved through trial and error and teamwork, without treating matters that are "difficult to ~ or likely to ~" in the workplace as someone else's problem, has increased solidarity in the organization and developed human resources who drive value creation.

In addition to workplace improvements, the number of SDGs and Kaizen activities at other divisions has increased, and so we are expanding the scope of our activities beyond the maintenance division.



Kaizen activities presentation conference (Left: award presentation ceremony, Right: staff in charge of planning)

Career Design

To encourage employees to develop their careers, we provide opportunities for them to think about their careers, such as providing information on the CAREER intranet webpage and hosting JAL CAREER TALK LIVE, where JAL Group employees discuss their careers.

Furthermore, in FY2022, we will introduce a Self-Career Dock for employees to consult with Japan-certified in-house career consultants about developing their career.

Going forward, we will continue to create an environment for career development and improve employee engagement.



Speakers of JAL CAREER TALK LIVE

Topic External human resource development

The JAL Group is focused on educating university students to pass on knowledge and experience cultivated in the airline business. We would like to develop human resources who can contribute to the development of tourism-related industries and regional economic vitalization and industrial promotion, while vitalizing regional economies and industries, and developing understanding of the airline business.

Furthermore, we are expanding the scope of our education business to the general public, utilizing the know-how cultivated through educational activities such as lectures at universities.



A lecture by a JAL lecturer at a university

8/22 Diversity and Inclusion

Particularly relevant areas: **All areas**

FY2025 Management target | **Ratio of female managers in JAL Group: 30%** (FY2021 result: 21.9%)

Basic concept

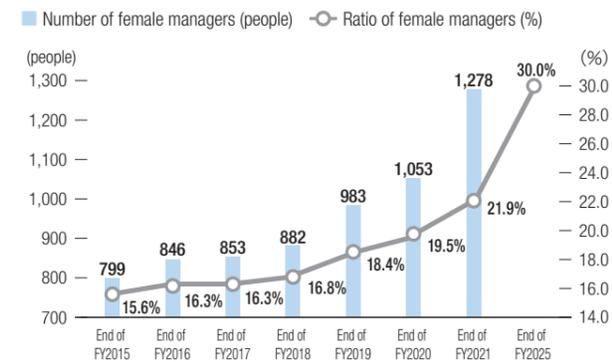
- The JAL Group promotes the values of D&I, workstyle innovation and wellness in order to create workplaces, where employees are treated with respect and are engaged and motivated by their work.
- To create an organization that promotes inclusion of diverse human resources and pursues value creation, we create work environments where everyone can display their talents regardless of gender, age, nationality, race, ethnicity, religion, social status, disability, sexual orientation or gender identity.
- To achieve this, we promote fair and equitable employment of diverse human resources, and placement and advancement to management posts so that every employee including women and global human resources can work energetically under a merit-based system. Furthermore, we will cultivate awareness to promote understanding of D&I.

Priority and strategic measures

Promoting women's advancement in the workplace

As a result of striving to achieve the management target of 30% female managers in the JAL Group, we achieved the result of 21.9% at the end of March 2022, up 2.4 percentage points from the previous year. In particular, with regard to women's advancement to Executive Officer and Vice President-level senior management positions, one female Executive Officer was newly appointed in April 2022. In addition to station managers at hub airports, Haneda, Narita, Osaka and Fukuoka, we have newly appointed female employees as heads of the regional headquarters of Western Japan and Chubu Japan. Through these initiatives, the number of women in senior management in the JAL Group has more than doubled in the last three years, from 37 to 78. Women continue to play an active role at the top leadership level. In addition to encouraging further understanding of the importance of promoting D&I through study sessions for leaders, we hold lectures for female leaders on a regular basis that are delivered by top management in order to nurture their knowledge and skills. Going forward, we aim to develop more women leaders by assigning

them to management posts and nurturing their capabilities. By supporting career development through hierarchical networking and creating a "pipeline list," we will further strengthen development, nurture awareness of more female employees who aspire to become leaders and develop an environment to accomplish this.



experience based on feedback from our global awareness survey and direct dialogue with employees and will continue to develop human resources under a well thought out plan.



Employees assigned to Japan from overseas

Promoting the participation and advancement of employees hired outside Japan

To promote the participation and advancement of employees hired outside Japan, we are placing emphasis on developing human resources toward advancement to management posts through transfers within the area and education and training programs unique to the area. Approximately 40 employees hired outside Japan are working in Japan, and the percentage of employees who hold important overseas positions such as branch managers and district officer managers is approximately 20% as of April 2022. We intend to further increase this number during the period of the Medium Term Management Plan. During the pandemic, we conducted training online while ensuring the safety and security of our employees and their families. Going forward, we will further increase opportunities to broaden work

Recruitment and advancement of employees with external experience

Many of our experienced hires are active in business creation, digital promotion and other fields that require advanced knowledge. They are creating value leveraging diverse knowledge acquired externally. Many of these employees have been promoted to management posts and the number of employees involved in important decision-making has been increasing year by year. We will continue to promote advancement to management posts. To promote value creation utilizing internal and external knowledge, we will further promote fair and equitable advancement, judging individuals for what they are, and promote the active participation of employees hired based on their experience. In recruitment activities that resumed in February 2022, we are on the lookout for recent graduates with work experience and aim to hire employees with diverse knowledge and experience. We also resumed recruitment of people with experience in business planning for the first time in three years. We are hiring alumni* as well. * A hiring method of rehiring retirees from the company

Promoting challenges by employees with disabilities

We are taking on the challenge of expanding areas to assign employees with disabilities where they can use their talents and abilities. In addition to the cafés and other facilities already in place, we opened a manicure room for employees in FY2020. In recognition of this effort, we received a special award in the environmental development category as an outstanding example at the ACE Awards 2021 organized by ACE*. In FY2021, we opened a shoeshine room for employees in order to provide opportunities for employees with disabilities to participate in the workplace and for employees to deepen their understanding of D&I. * General Incorporated Association Corporate Accessibility Consortium



Shoeshine service for employees

Bottom-up activities by employees

JAL D&I Lab, a bottom-up activity in which employees think autonomously and promote D&I, focused on four themes: promote the participation of global human resources, promote women's participation, promote the participation of employees with disabilities and promote life career development. Furthermore, during JAL's Barrier-Free Mindset Week 2021 in December 2021, we held events to learn about the barrier-free mindset and the activities of diverse employees. Going forward, we will continue to promote D&I from both the top-down and bottom-up approach that contributes to value creation.



Presentation of JAL D&I Lab Activities

Voice Communicating the JAL Group's initiatives to the world

A wide range of employees play an active role in the JAL Group regardless of nationality or gender and their accomplishments are disseminated throughout the world. One such employee is Sze Hunn Yap who works in Singapore. She was selected as one of the Women to Watch 2020 by Campaign Asia-Pacific, one of the largest advertising magazines in Asia, in recognition of her past work. On International Women's Day in March 2022, she was invited as a panelist at the Women's Summit held by Equality Leaders, which promotes D&I, to present the JAL Group's D&I initiatives.



Sze Hunn Yap
CX Data Marketing Department
Global Marketing Group

"I participated in this event as a panelist in the hope that I could be of some assistance in advancing gender equality and D&I. The event gave me the opportunity to sit down with various women leaders from around the world and reflect more deeply on what D&I means to me. In addition, to mutually enhance and support each other toward common targets, it is important to create a work environment that respects the individuality and diversity of each person and allows them to freely express their opinions, and each person has a major role to play in creating that work environment."

Sustainability initiatives	Environment	People	Communities	Governance
Respect for Human Rights	Human Resource Development	Diversity and Inclusion	Workstyle Innovation	Wellness
			Accessibility	Prevention of Infectious Diseases

9/22 Workstyle Innovation

Particularly relevant areas: **All areas**

Basic concept

- The JAL Group promotes the values of D&I, workstyle innovation and wellness in order to create workplaces, where employees are treated with respect and are engaged and motivated by their work.
- We will create workplaces where every employee, our greatest strength, can play an active role, including employees with time constraints due to child care and nursing care.
- To achieve this, we will optimize working hours and expand our remote work program. We will also promote workcation and bleisure and contribute to regional revitalization.

Priority and strategic measures

Promoting a workstyle without location constraints

JAL is the first airline to receive the Awards of the Minister of Internal Affairs and Communications in the 2021 Top One Hundred Telework Pioneers organized by the Ministry of Internal Affairs and Communications, in recognition of Group-wide remote work, business process innovation, and promotion of new workstyles such as workcation and bleisure. In December 2021, we set up a workstyle study group aimed at increasing corporate value, vitalizing regions and achieving the SDGs through diffusion and promotion of new workstyles with a focus on workcation. We will carry out various activities centered on workcation with companies and local governments. The JAL Group will continue to promote flexible workstyles to cultivate an environment where diverse human resources can work energetically.



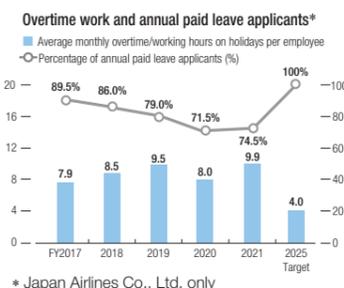
Workstyle workshop

Balancing life events and work

The JAL Group reviewed its evaluation system to ensure that our employees, regardless of gender, can continue to develop their career even after taking a leave of absence due to life events. Furthermore, to raise awareness among male employees and create an environment where both parents can raise their children, from FY2022 in addition to developing paternity leave, we are encouraging employees to take at least two consecutive weeks of paternity leave. By planning childcare leave in advance, we are reviewing team workstyles and changing employee mindsets.

Optimizing working hours

The JAL Group believes that the growth of a company can be achieved by using time generated by working efficiently to external experiences, personal development, and mental and physical refreshment, and returning the experience and value to the company. To achieve this, we are working to ensure proper working hours together with annual paid leave in a planned manner. Despite the increased workload in business support departments caused by COVID-19, we promoted flexible workstyles and achieved a 74.5% improvement in annual paid leave applicants in FY2021 (71.5% in FY2020). On the other hand, since the average monthly overtime hours worked per employee was 9.9 (8.0 in FY2020), we will continue to work to optimize working hours through flexible workstyles.



10/22 Wellness

Particularly relevant areas: **All areas**

Basic concept

- The JAL Group promotes the values of D&I, workstyle innovation and wellness in order to create workplaces, where employees are treated with respect and are engaged and motivated by their work.
- In addition to health and safety management, we will promote the physical and mental health of our employees and their families so that employees can work energetically and in good health. Furthermore, we will strive to contribute to the health of all stakeholders.
- To achieve this, we will promote wellness through the JAL Group health promotion project "JAL Wellness 2025" by raising awareness of health, while helping each other with our health issues. We will also provide products and services that contribute to the health of our customers.

Priority and strategic measures

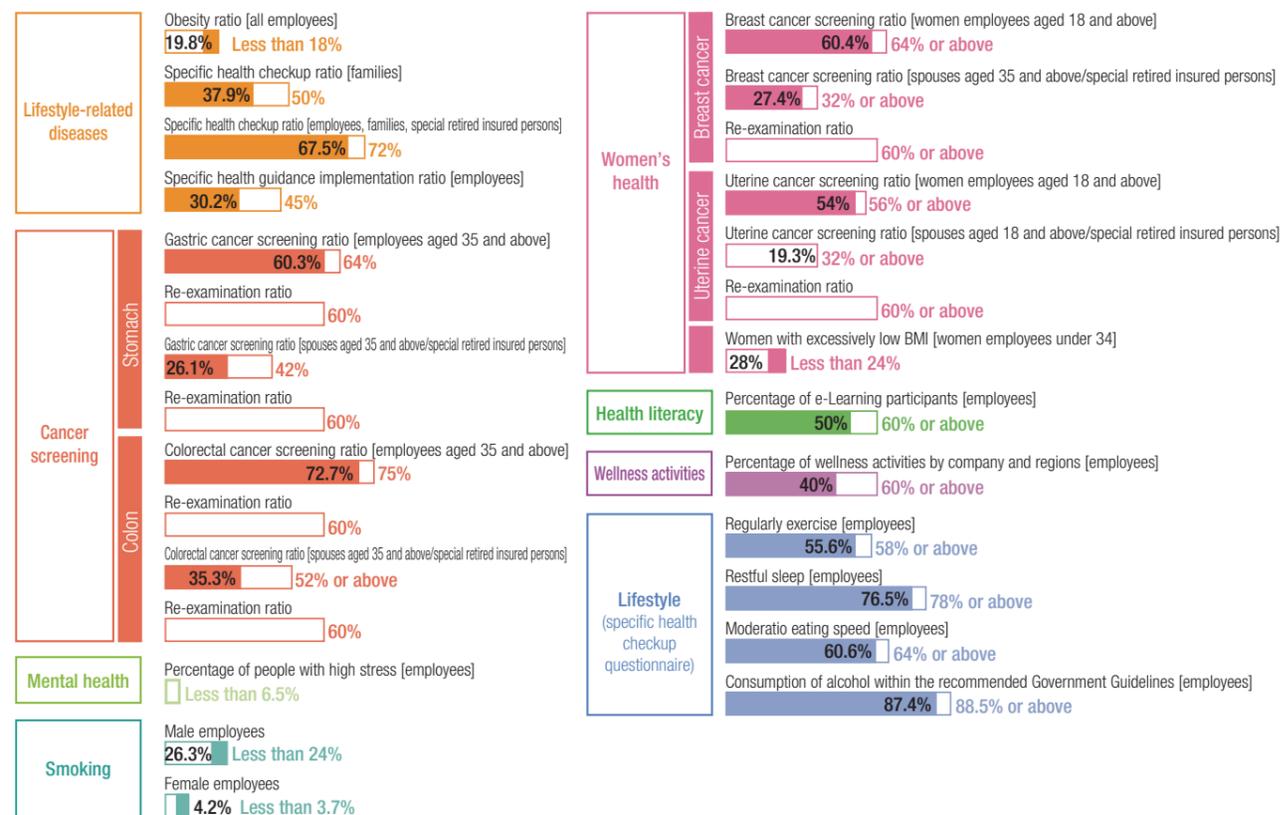
Wellness

The five-year JAL Wellness 2025 plan is based on five key issues: lifestyle diseases, cancer, mental health, tobacco control and women's health. As part of our support for working women, we have launched a joint initiative with Marubeni Corporation, CARADA medica Inc. and MTI Ltd. to address health issues unique to women, such as premenstrual syndrome (PMS) and menopausal symptoms, through workplace awareness surveys, raising awareness of women's health issues and conducting trials of online medical checkups. JAL was recognized as a brand in the Health & Productivity Stock Selection for the fourth time. In addition, 20 Group companies were recognized under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program, an increase of 11 companies from last year. They were highly praised for working actively under the strong leadership of the Chief Wellness Officer (CWO), Wellness Leaders in the workplace and further initiatives to improve women's health, literacy on health through better use of the website, and mental health care during the pandemic.



JAL Wellness 2025 KPIs

*Figures in brackets are actual values for FY20 (blank if no actual value). FY22 target values are shown outside the white frame.



Promoting wellness of our customers

To ensure that our customers enjoy their journey in good health, we plan in-flight meals that give consideration to effects on their health and better nutrition intake, and disclose necessary information. In 2020, we collaborated with Dai Nippon Printing Co., Ltd. and launched "JAL Wellness & Travel," a new mileage service that supports daily health and wellness activities before and during travel. We will combine the strengths of both companies to create services for customers to earn miles and enjoy a healthy life so that they can go on their next trip.

Topic "Fly for it! Let's work out! Tokyo 2020 countdown exercise"

Starting from 100 days to go until the Tokyo 2020 Olympic Games began, athlete-employees and Wellness leaders held a total of four monthly "radio exercises" and "stretching and training" online events for employees in Japan and around the world. Furthermore, every day for 100 days, we uploaded and showed an exercise video that anyone can easily do anytime to pass the baton for better health.



Sustainability initiatives		Environment	People	Communities	Governance
Respect for Human Rights	Human Resource Development	Diversity and Inclusion	Workstyle Innovation	Wellness	Accessibility
					Prevention of Infectious Diseases

11 Accessibility

Particularly relevant areas: **Passengers**

Basic concept

- The JAL Group aims to create a society where everyone can enjoy an enriched life through travel, and is working to improve accessibility to provide unparalleled service to all our customers.
- We have established the JAL Group Accessibility Service Policy to build a society where everyone can enjoy a fulfilling life through travel free of barriers related to aviation and at travel destinations
- To achieve this, we are promoting the “barrier-free mindset” of all employees to be more attentive to each customer so that everyone including people with disabilities who experience mobility barriers can enjoy travel more freely and easily anytime. We will also develop a seamless, safe and secure mobility environment by deepening partnerships with various parties.

Priority and strategic measures

Development of an environment

To provide a stress-free customer experience, we have introduced an In-flight Service Guide (with braille, enlarged letters and voice codes) and are taking steps to improve customer service skills by developing in-house qualifications for cabin attendants.

In addition to domestic check-in counters at Haneda Airport, we have renewed counters at Osaka (Itami) for customers with disabilities in order to make airports easier to use and more comfortable.

We will use our experience in the transport of Paralympic athletes to the Tokyo 2020 Games to support the mobility of athletes with disabilities around the world, and improve hospitality and services to deliver greater peace of mind to customers with developmental impairment.

Provision of information

To erase any concerns before the trip, we post information on boarding assistance and the joy of travel on our website for customers who request assistance. We also offer the Airport Experience Program (online) to experience the entire process from booking to boarding to ease concerns.

Accessible tourism

In FY2021, we launched “3-4 day Accessible Okinawa Tour on a Wheelchair” an individual tour that allows participants to freely choose dates, flights and barrier-free accommodations and activities. An employee who uses a wheelchair participated from the planning stage, joined the tour and demonstrated diverse talents such as carefully selecting

content from the customer’s perspective. We planned and conducted accessible tours that customers can enjoy with peace of mind.



3-4 day Accessible Okinawa Tour on a Wheelchair

External collaboration

It is important to deepen coordination with stakeholders and join hands to promote barrier-free activities from pre-trip preparations to activities at the destination.

To ensure safe and secure travel for all customers, the JAL Group and ANA, with the participation of people with disabilities, created Service Guidelines during the COVID-19 Pandemic, and held meetings to exchange views on promoting the understanding of people with disabilities within the airline industry.

In recognition of efforts beyond company boundaries, JAL received the 15th MLIT Minister’s Award for the Promotion of Barrier-Free Environments.



Presentation of the 15th MLIT Minister’s Award for the Promotion of Barrier-Free Environments

Voice



TAJIMA Yukari
Planning Group

Transporting Paralympic athletes for the Tokyo 2020 Games

At the Tokyo 2020 Games, we welcomed many Paralympic athletes and assisted them in participating in the Games and traveling to their training camps. By assisting them with boarding and disembarking in wheelchairs and carefully loading their equipment in Japan and overseas, they were able to use our flights with peace of mind. In addition, we were able to convey the spirit of Japanese hospitality to customers around the world through close communication.

12 Prevention of Infectious Diseases

Particularly relevant areas: **Passengers** **Cargo and Mail**
Mileage, Lifestyle and Infrastructure

Basic concept

- As the responsibility and mission of social infrastructure, the JAL Group is committed to preventing the spread of infectious diseases and building a society where everyone can live safely and with peace of mind.
- We provide customers with a hygienic and clean environment of the world’s highest level. We will also fulfill our responsibility as an international carrier.
- To achieve this, we will utilize digital technology and coordinate with partners with expertise in the JAL FlySafe initiative, which aims to prevent infectious diseases at all touchpoints. We will also respond to requests from society such as the transportation of vaccines.



Priority and strategic measures

Creating a hygienic and clean environment at touchpoints

Cooperation with the Kao Group

In addition to basic infection control measures such as disinfection and wearing masks, the JAL Group was the only Japanese airline to apply antiviral and antibacterial coatings at all touchpoints, install touchless automatic check-in kiosks and Self Baggage Drop machines and test mobile ordering for guests in lounges using their own smart devices. Furthermore, to further pursue hygiene and cleanliness, this fiscal year we are coordinating with the Kao Group, which provides infectious disease control solutions to medical facilities with their expertise, under the slogan “Taking Cleanliness to a Higher Level.” The Kao Group supervised and improved our cleaning manuals for airports, aircraft and other facilities, and we are managing hygiene based on advice from the department specializing in hygiene.



Introducing new cleaning tools to promote effective and efficient hygiene and cleanliness

Preventing the spread of infectious diseases through the transportation of pharmaceuticals

In addition to transporting vaccines from Belgium and to various parts of Japan including outlying islands, JAL played a role in supporting the transportation of vaccines to Taiwan, Indonesia, Malaysia and other parts of Asia.

Leveraging JAL's strengths cultivated in cargo transport, such as temperature control and monitoring of transport times and cargo conditions, we formed a cold chain system for vaccines enabling appropriate transportation.

Triple award for infectious disease control by external associations

JAL was awarded the world's highest rating by airline rating agencies APEX*1 and SKYTRAX*2*3 in recognition of JAL FlySafe infectious disease control initiatives.

In December 2021, JAL became the only Japanese airline to receive APEX “WORLD CLASS” in recognition of our world-class service quality and sustainability initiatives in addition to infectious disease control.

To build a society where people feel peace of mind even during the pandemic, we will continue JAL FlySafe initiatives, which put safety and peace of mind first.

*1 APEX (Airline Passenger Experience Association): One of the world’s largest airline industry associations based in North America. An NPO consisting of member airlines, airports, and airline suppliers around the world.

*2 SKYTRAX: A global air rating company based in London, U.K.

*3 JAL received APEX’s Diamond in the “Health Safety Powered by SimpliFlying Audit,” SKYTRAX 5-star in the “COVID-19 Airline Safety Rating,” the COVID-19 Excellence Award at World Airline Award 2021, and the three highest ratings in external evaluations of infectious disease control.

Communities

Basic Concept (JAL Group Code of Conduct)

Mission and responsibility as a corporate citizen

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 vitalizing regional economies by expanding flows of people and goods.

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

The JAL Group manages risks as an organization 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 strive to resume air transport services as quickly as possible, cooperate in disaster recovery efforts through air transport, and fulfill our social mission and responsibility as a public transport operator that plays a role as 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, and cooperating with disaster recovery operations, regional exchanges, international cooperation and other activities.

JAL Group Code of Conduct "Commitment to Society"

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

Challenges to be solved

- Route Network Expansion** p.95
WEB <https://www.jal.com/en/sustainability/community/network/>
- Promotion of Inbound Tourism** p.95
WEB <https://www.jal.com/en/sustainability/community/inbound/>
- Regional Revitalization** p.96
WEB https://www.jal.com/en/sustainability/community/regional_revitalization/
- Convenience in Mobility and Daily Life** p.97
WEB <https://www.jal.com/en/sustainability/community/maas/>
- Disaster Restoration Assistance** p.97
WEB <https://www.jal.com/en/sustainability/community/disaster/>
- Community Relations** p.98
WEB https://www.jal.com/en/sustainability/community/community_relations/

13/22 Route Network Expansion

Particularly relevant areas: **Passengers** **Cargo and Mail**
Mileage, Lifestyle and Infrastructure

Basic concept

- To contribute to communities as a social infrastructure, the JAL Group aims to build a future where people and goods move freely between cities and rural areas. Maintaining community lifelines is our social mission.
- To expand route networks, we will work to maintain and develop outlying island routes and regional routes, and increase traffic between cities and rural areas.
- To achieve this, we will adjust routes and use resources of the JAL Group's community-based regional carriers (J-AIR, JAC, HAC, JTA, RAC). In addition, we will provide a system to encourage a hybrid workstyle and lifestyle that "balances life in the city and countryside."

14/22 Promotion of Inbound Tourism

Particularly relevant areas: **Passengers** **Cargo and Mail**
Mileage, Lifestyle and Infrastructure

Basic concept

- To contribute to communities as a social infrastructure, the JAL Group is working to build a future, where the government's target of 60 million international visitors in 2030 travel to rural areas. We will also contribute to regional revitalization by attracting inbound demand to regional areas across Japan.
- We will provide air route networks and create and communicate regional attractiveness.
- To achieve this, we will use route networks and sales networks that connect Japan with the world, which we have established with our partners, as well as JAL Group's regional airlines that provide community-based services. We will continue to provide travel products and fares that are easy to use for visitors to Japan. We also assist overseas airlines entering the Japanese market with consigned services.

15/22 Regional Revitalization

Particularly relevant areas: **Passengers** **Cargo and Mail**
Mileage, Lifestyle and Infrastructure

FY2025 Management target | Domestic passenger*2 and Cargo transport volume +10% vs. FY2019

* Increase in the number of passengers by stimulating tourism demand and creating new flows.

Basic concept

- To contribute as a social infrastructure, the JAL Group will tackle solve issues such as creating sustainable communities and preserving the natural environment to vitalize regions.
- In building sustainable communities, we will utilize our air network to connect rural areas with urban areas and the world and to connect people with people. We will use our know-how to provide solutions, from creating regional attractiveness to building systems, in order to create people flow, commodity flow and logistics flow. We will also promote initiatives that contribute to the preservation of the natural environment.
- To achieve this, we will create objectives and programs to visit communities, develop products, expand sales channels, conduct environmentally-friendly activities and create programs to preserve the natural environment.

Priority and strategic measures

Creating people flow

As a "farm business" that creates people flow to communities (rural, mountain and fishing villages), we held Agricultural Training 2021 last fiscal year. Starting this fiscal year, we will develop it into a JAL Furusato (hometown) Working Holiday to visit mountains under the concept "More than tourism but not to the extent of migration."

We will also contribute to improving the quality of farm stays by establishing the Farm Stay Quality Assessment Support System and increasing facilities that guests can use safely and with peace of mind. This will contribute to the development of local economies and communities.

In addition, by promoting purpose-driven trips under the theme "community tourism," we will work to create a purpose and system for visiting communities, thereby creating people flow.



JAL Agricultural Study 2021 in Hirado, Nagasaki

Creating commodity flow and logistics flow

Product development and branding

Through planning and development by JAL Furusato Ambassadors, who have moved to regional areas to carry out community-based activities, we will uncover excellent local products (primary products, processed goods, and crafts) and create value.

In addition, we made sweets using local ingredients from recipes created by the JAL Furusato Cheering Team, which was branded as "JAL Sweets Box with JAL cabin attendants."

We will not only sell products but also introduce their background and regional culture on the JAL Furusato Nozei (hometown tax payment) site and cross-border EC sites to convey regional attractiveness through local products and attract visitors to the region.



The first JAL Sweets Box

Environmental initiatives

In registered World Natural Heritage Sites, we will continue to conduct nature-friendly activities that do not lead to over tourism, while creating tours, using zero-CO₂ emission EV buses, and learning about nature conservation.

In addition, we will create objectives and programs to think about communities and the natural environment, such as expanding services using J-Credit as a carbon offset program and workcation to plant trees while working remotely. In addition, we will accelerate various initiatives, such as food loss measures and agricultural diversification of nonstandard products.



Yanbaru Forest Nature Tour with Guide

Sustainability initiatives	Environment	People	Communities	Governance	
Route Network Expansion	Promotion of Inbound Tourism	Regional Revitalization	Convenience in Mobility and Daily Life	Disaster Assistance Restoration	Community Relations

16/22 Convenience in Mobility and Daily Life

Particularly relevant areas: Mileage, Lifestyle and Infrastructure

Basic concept

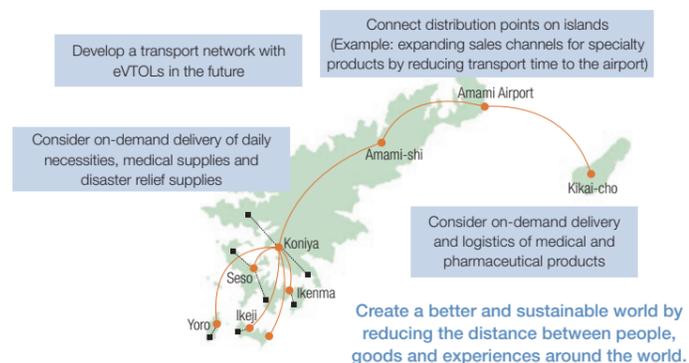
- In order to contribute to communities as a social infrastructure, the JAL Group will tackle social issues and respond to changing customer needs and improve mobility and convenience in everyday life.
- Combining our know-how, human skills and customer base with new technologies, we will develop products and services that make everyday life and life stages even better.
- To achieve this, we will introduce a MaaS* platform that supports search and arrangement of transportation from airports. In air mobility, we will utilize our expertise in flight safety technology and operations control to achieve seamless transportation.

* Mobility as a Service. A new mobility concept of treating all transport modes as one service and providing seamless transportation.

Priority and strategic measures

Seamless transportation

We launched a new initiative, JAL MaaS, to provide one-stop information on mobility and solve local transportation problems. On the theme of solving problems in regional logistics that support life in remote islands using drones, we conducted Proof of Concept test flights in the Amami Islands of assisting the residents with shopping and delivering pharmaceuticals. Aiming to be a regional logistics infrastructure, we would like to turn this project into a business in FY2023. Going forward, we aim to expand the network to airports and contribute to expanding sales channels for local specialized goods to markets outside prefectures such as metropolitan areas and overseas.



17/22 Disaster Restoration Assistance

Particularly relevant areas: All areas

Basic concept

- The JAL Group will support the reconstruction of areas affected by disasters to contribute to communities as a social infrastructure.
- We will cooperate in providing air transport to maintain and restore transportation networks in the event of a disaster and providing other assistance for reconstruction.
- To achieve this, we will secure air transport in the event of a disaster by operating temporary flights and maintaining a transport system for relief supplies and relief personnel in collaboration with the government, local governments, NGOs and NPOs. We will also work with local governments to promote industries and generate tourism demand.

Priority and strategic measures

Securing air transportation and supporting affected areas

In response to the earthquake off the coast of Fukushima Prefecture in March 2022, from the day after the earthquake we increased scheduled flights to and from the Tohoku region, assigned larger aircraft and operated extra flights (March to April: 672 flights) to maintain and secure air transport for the people in the Tohoku region. In addition, we conducted the following activities to provide assistance for natural disasters that occurred in Japan and overseas.

- August 2021: Provided relief supplies to areas affected by heavy rain
- Employee fundraising for massive volcanic eruption and tsunami off the coast of Tonga

FY2021 assistance results

	Fundraising by employees
Massive volcanic eruption and tsunami off the coast of Tonga	309,271yen

18/22 Community Relations

Particularly relevant areas: All areas

Basic concept

- As a good corporate citizen, the JAL Group aims to build better relationships with stakeholders and contribute to the development of society.
- As part of our corporate citizenship activities, we will use our know-how as an airline company to create opportunities to think about the future of the environment and society, foster the next generation, support culture and sports, and work with various stakeholders. We also support volunteer activities by our employees.

Priority and strategic measures

JAL SORAIKU®

JAL SORAIKU® aims to provide students with the opportunity to think about their future and the future of the global environment by exploring the wonders of the sky and the joy of flying. It is offering online classes, SORA-ECO classes, origami plane classes and virtual JAL Factory Tours as activities that can be done during COVID-19. Taking the advantage of being able to participate from everywhere, we offered online courses to Japanese schools overseas. We are also conducting joint initiatives with local governments.

Number of JAL SORAIKU® participants (past three years)

Fiscal year	FY2019	FY2020	FY2021
Number of people	191,840	20,435	50,147



An online class on the job of cabin attendants

Distribution of educational content

We offer JAL STEAM SCHOOL, a class in which pilots explain the world of aircraft and aviation from the perspectives of STEAM*1. In addition, JAL STEAM SCHOOL Portable, an interactive program that summarizes the contents of the class in an easy-to-understand manner, is exhibited in science museums and other venues throughout Japan to provide opportunities for more people to develop their creative thinking skills.

Furthermore, in collaboration with DOCOMO gacco, we introduced "People who Work in Airline Industry"*2 presented by JAL Group employees in gacco®, a video learning service.



Children experiencing JAL STEAM SCHOOL Portable

Supporting culture and sports

The JAL Foundation holds the World Children's Haiku Contest for children around the world to provide them with an opportunity to deepen their understanding of Japanese culture and cultivate their sensitivity.

In addition, in support of a D&I society that recognizes individual differences and promotes active participation, we cosponsor "Challenge for Tomorrow"*3. From FY2022, we have been supporting "Challenge for Tomorrow"*4 and are working to further promote a barrier-free mindset through parasports so that everyone can feel the importance of challenging themselves to something new.



An elementary school student trying out wheelchair basketball (Provided by the Nippon Foundation Parasports Support Center)

Results (past 3 years)

Fiscal year	FY2019	FY2020	FY2021
Participating schools	287 schools	129 schools	277 schools
Number of people	(41,889 persons)	(12,559 persons)	(23,960 persons)

*1 A universal teaching method that combines the comprehensive study of Science, Technology, Engineering, Art and Mathematics. It is an educational philosophy that adds creativity education to science and mathematics education, aimed at cross-disciplinary learning to create a cycle of learning (seeking) and making (creating).

*2 Already closed.

*3 A hands-on para-sports class for elementary, junior high and high schools hosted by the Nippon Foundation Parasports Center

*4 Education and training programs by para-athlete instructors for students and all generations across Japan, including companies and local governments

Voice



MOHD ANUAR NURZULAIKHA
Kuala Lumpur Cargo Office

World Cleanup with JAL Group employees worldwide

The Kuala Lumpur branch is working to reduce the use of plastic. We felt it necessary to show more of our commitment to protecting the planet and the children of the future through our daily activities, so we volunteered to participate in World Cleanup Day, a global citizens movement to clean up streets.

The participation of more than 300 employees and their families not only from the Kuala Lumpur branch but also from other branches all over the world raised awareness of our contribution to society and the achievement of the SDGs.

Sustainability initiatives	Environment	People	Communities	Governance
Robust Risk Management (strengthening BCM)	Fair Business Practices (compliance)	Disclosure	Responsible Procurement	

Governance

Basic Concept (JAL Group Code of Conduct)

Trust with stakeholders

The JAL Group ensures fair disclosure while maintaining a constructive dialogue with a broad range of stakeholders in order to achieve sustainable growth and increase corporate value.

- (1) Disclosure and dialogue
- (2) Prohibition of insider trading

Fair Business Practices (compliance)

We comply with laws and rules and conduct ourselves with honesty and integrity as a member of a company that is genuinely trusted by society.

- (1) Reinforcement of compliance
- (2) Prevention of corruption
- (3) Fair business relations with business partners
- (4) Free and fair competition
- (5) Management of personal information and intellectual property
- (6) Elimination of antisocial forces

JAL Group Code of Conduct "Commitment to Society"

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

Challenges to be solved

- Robust Risk Management (Promotion of BCM)**
pp.99-101
WEB <https://www.jal.com/en/sustainability/governance/riskmanagement/>
- Fair Business Practices (compliance)**
pp.101-102
WEB <https://www.jal.com/en/sustainability/governance/fair-business-practices/>
- Disclosure**
p.102
WEB <https://www.jal.com/en/sustainability/governance/information-disclosure/>
- Responsible Procurement**
pp.103-104
WEB <https://www.jal.com/en/sustainability/csr-procurement/>

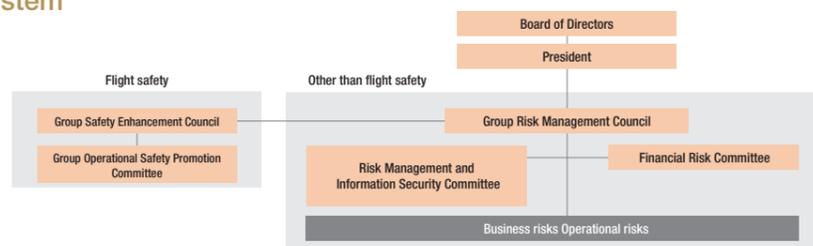
19/22 Robust Risk Management (Promotion of BCM)

Particularly relevant areas: **All areas**

Basic concept

- To keep trustworthy, the JAL Group comprehensively manages risks in its business activities.
- We will strengthen robust risk management including BCM and improve information security measures including cybersecurity.
- To achieve this, we have established a Group-wide risk management system to identify and respond to prioritized risks, and are developing a system to respond promptly when risks emerge. We will also strengthen business continuity management (BCM) for unknown viral infections, large-scale IT failures and an earthquake that strikes the Tokyo metropolitan area. Information security measures include the establishment of a management system and a threat monitoring system, and security for all employees.

Promotion system



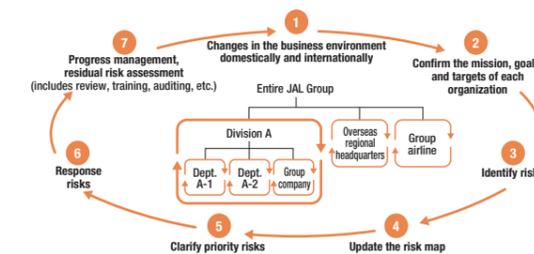
To proactively control JAL Group's risks, we have established the Group Risk Management Council chaired by the President and composed of Senior Vice Presidents of each business area. For prioritized risks identified through screening by risk surveys, we review the status of risk controls against them semiannually and decide on further improvements, as needed. A subcommittee has been established to deal with financial risks and information security risks in more detailed and more frequently. Responses to prioritized risks assessed and decided by the subcommittee are reported to the Board of Directors, where further measures are discussed as necessary, creating a multi-layered risk governance structure for the interests of our stakeholders.

Priority and strategic measures

Implementation of the risk management cycle

The JAL Group defines risk as "an event or action that threatens the achievement of the mission, purpose or target of an individual or an organization," mandating all organization leaders to manage with their own risks as the risk officer. In implementing preventive risk management, risk officers conduct risk assessments twice a year to identify prioritized risks and take risk measures. CSA, i.e., (Risk) Control Self Assessment, is provided the organization at stake to reassess and improve and improves risk responses through a workshop-style self-assessment and provides risk consulting, as needed.

We implement the risk management cycle regularly so that each organization can achieve their targets.



capabilities have been highly evaluated by rating agencies.



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

Development of BCP (Business Continuity Plan) and training

To fulfill our mission as a public transportation operator that plays the role of a social infrastructure, we have established individual BCPs for unknown viral infections, large-scale IT disruptions, and an earthquake that strikes Tokyo, while promoting universalizing business continuity management which doesn't depend on a cause of incident. In response to COVID-19, we activated the BCP for unknown viral infections in January 2020. As for an earthquake hitting the Tokyo metropolitan area, as JAL Head Office's central functions are concentrated in Tokyo, we set up the Operations Control Center, Osaka branch. We are also improving the BCP and conducting training using the knowledge of external experts so as to continuously improve BCP effectiveness. The JAL Group's business continuity

Development of a crisis management system

The JAL Group has established a system for the responsible person to quickly determine the level of crisis management (Levels I to III) according to the situation and to take immediate action in the event we detect or confirm the occurrence, or threat of, a risk impeding flight safety and security, a natural disaster, pandemic, and other risks to air transport. In recent years, in response to BCP activation on the outbreak and spread of COVID-19 and on safety and security risks in certain regions and airspace due to the Ukraine-Russian situation, we have established a task force to gather and analyze information and take appropriate action. We also conduct drills regularly and enrich education and training to raise staff awareness of crisis management.

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

Voice



HAKAGAWA Karin
Passenger Service, Kochi Airport

Kochi Airport's response to the Nankai trough earthquake: Collaboration with Keio University

I participated in an earthquake and tsunami disaster prevention exercise at Kochi Airport conducted as a joint industry-university research project with Keio University. Under the scenario supervised by Associate Professor OKI Satoko, Faculty of Environment and Information Studies Graduate School of Media and Governance, we were absorbed in responding to situations that were far beyond our expectations. Through the exercise, I realized how important it is to "think and act for yourself" to protect your life. I was reminded of the importance of greetings and gratitude, and building trust among staff. To protect as many lives as possible, I believe that awareness of our behavior and mission will change the entire outcome. I will perform my duties to prepare for that day.

Sustainability initiatives	Environment	People	Communities	Governance
Robust Risk Management (strengthening BCM)	Fair Business Practices (compliance)	Disclosure	Responsible Procurement	

Information Security Measures

Basic policy

In view of the importance of information security and personal data protection in a sophisticated information and telecommunications society, we have established the JAL Group Fundamental Policy on Information Security and are working to properly manage and protect important information held by the company, such as personal data of customers entrusted to use in the course of business, by disclosing on our website, information on compliance with laws and internal rules, our management system, safety measures, education, awareness-raising activities, cooperation with subcontractors, accident handling measures and our help desk.

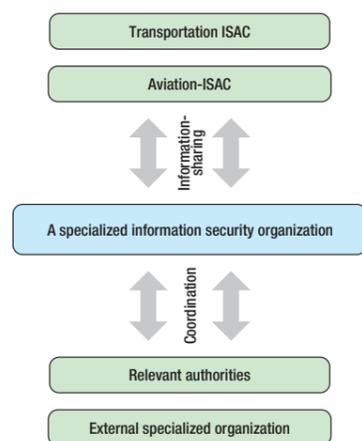
Management system

The Risk Management and Information Security Committee (p.99) oversees the handling of personal data and management and promotion of information security. We will enhance information security against increasingly sophisticated and complex external attacks and mitigate business risks. Furthermore, under the Senior Vice President of IT Planning, who is the CISO (Chief Information Security Officer), an organization dedicated to information security participates in Transportation ISAC*1 and AVIATION ISAC*2. Measures necessary to strengthen information security are implemented.

Information security

As an important infrastructure operator responsible for public transportation, we implement measures against cyberattacks such as data leaks and unauthorized access, in accordance with guidelines established by the Ministry of Land, Infrastructure, Transport and Tourism*3. In addition, we provided regular e-learning to all employees (participation rate of over 90%) and monitor threats 24/7

Information-sharing in information security and collaboration with relevant authorities



in collaboration with an external specialized organization. In the event of an incident, we have established the CSIRT (Computer Security Incident Response Team) in accordance with the Risk Management Manual to respond to incidents and prevent recurrence. Furthermore, an annual audit is conducted by an external specialized organization, and we have recently introduced secure terminals for remote work and fully encrypt and constantly monitor communications of our terminals even outside the company.

*1 An organization that promotes activities contributing to the improvement of collective defense capabilities of businesses in the transportation sector
 *2 A global information-sharing organization composed of airlines, aircraft manufacturers, etc.
 *3 Safety guidelines to ensure information security in the aviation sector

20/22 Fair Business Practices (Compliance)

For details on corporate governance, please refer to page 25 onwards.

Particularly relevant areas: **All areas**

Basic concept

- The JAL Group will conduct its business in a fair manner to continue to be a company trusted by society.
- To achieve fair business practices, we strive to ensure compliance, prevent corruption, engage in free and fair competition, manage personal data and intellectual property, and eliminate relations with antisocial forces.
- To achieve this, we will raise awareness of all employees on behavior and compliance based on the Code of Conduct through education. Additionally, we will develop a consultation desk to ensure early detection of misconduct.

Priority and strategic measures

Develop an environment for promoting compliance

To reinforce compliance throughout the JAL Group, we have established the JAL Group Compliance Network, consisting of officers from each JAL Group company, to clarify responsibilities, share information promptly and implement measures.

Enhance employee education

To realize ethical behavior by JAL Group employees, we conduct education on compliance including anti-corruption (twice a year) for all employees, seminars for officers and grade-based education to improve education.

Establish consultation services

We have established reporting and consultation desks inside and outside the company that can be used by anyone working in the JAL Group (24/7, available in Japanese and English languages).

In addition, individual consultation desks have been set up in at each Group company to detect and correct misconduct throughout the JAL Group. In FY2021, there were 110 whistleblowing incidents. We also conducted in-house training on the revised Whistleblower Protection Act.

Anti-corruption efforts

In the JAL Group Code of Conduct "Commitment to Society," we declared to prevent corruption and money laundering to pursue profits in a fair and just manner.

In addition, as we expand our business globally, we will comply with applicable laws and regulations and international conventions in each country and region. To achieve this, we are developing an organizational structure through education for Vice President-level employees and periodically reviewing the anti-corruption system.

Number of breaches of Code of Conduct in FY2021

The number of fines and sanctions imposed on JAL and subsidiaries for violation of laws and regulations is zero.

Item (Relevant Code of contact items in parentheses)	FY2021
Bribery (Preventing corruption)	0
Antitrust violations (Free and fair competition)	0
Information leakage (Management of personal information and intellectual property)	0

Item (Relevant Code of contact items in parentheses)	FY2021
Human rights abuse (Respecting human rights and diversity)	0
Insider Trading (Prohibition of Insider Trading)	0

21/22 Disclosure

Particularly relevant areas: **All areas**

Basic concept

- In order to remain a company trusted by society, the JAL Group strives to enhance and improve the quality of disclosures to achieve transparency and better dialogue with a wide range of stakeholders.
- When making disclosures, we strive to provide complete information and engage in constructive dialogue with shareholders, investors and other stakeholders.
- For this purpose, in order to make the JAL Group's corporate stance easily accessible, various information is available on the JAL website, including JAL REPORT, an integrated report on finance and ESG, JAL Group Safety Report, which summarizes JAL Group's stance and initiatives on safety, and information on the corporate philosophy, company profile, safety and quality, sustainability and investor relations. We also make disclosures about our business plans and financial results in a timely, fair and appropriate manner.

Priority and strategic measures

Appropriate disclosure

In order for our stakeholders to comprehensively understand our latest situation, the JAL Group works to increase the quality of disclosed information as well as focus on two-way communication. Our stance was highly evaluated, thus we received 1st place for the transport sector's "2021 Award for Excellence in Corporate Disclosure" from The Securities Analysts Association of Japan, for the third time in the last four years.

Due to the uncertain nature of demand recovery in FY2021, the consolidated financial forecast was undecided. In this situation, the "break-even matrix" was disclosed to provide our investors and analysts with a better image of the conditions required for a positive EBIT and EBITDA. This method of creatively meeting the needs of our investors was highly evaluated, and thus we were awarded the "IR Good Visual Award" from the Japan Investor Relations Association for two years in a row.



The "break-even matrix" that received the "IR Good Visual Award"

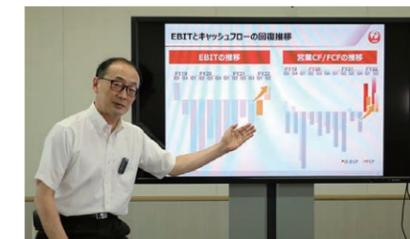
Integrated report, "JAL REPORT 2021" was highly evaluated and was awarded an award for excellence by "Nikkei Integrated Report Award 2021" hosted by Nikkei Inc., for its level of disclosed information.

Communication with shareholders

In addition to posting information on the corporate philosophy, management strategies and plans on our website for easy viewing of our corporate stance, we also provide various opportunities for dialogue. In FY2021, as part of our efforts to strengthen communications, we began livestreaming of our shareholders' meetings and accepting questions in advance, opening a website dedicated to shareholders and launching the "IR Mail" service, which delivers IR-related information in a timely manner. In addition to resuming JAL Factory Tours, we held online briefings on our environmental initiatives to facilitate participation by shareholders living far away to deepen their understanding of the JAL Group. Going forward, we will continue to enhance and improve the quality of Disclosure to achieve better dialogue with shareholders and investors.

Timely and easy-to-understand information to employees

For employees to correctly understand the company's situation when a Medium Term Management Plan or quarterly financial results are announced, we not only distribute in-house newsletters immediately but also produce easy-to-understand commentary videos, which can be viewed on demand by employees around the world.



A video of financial results for employees presented by the Senior Vice President of Finance and Accounting

Sustainability initiatives	Environment	People	Communities	Governance
Robust Risk Management (strengthening BCM)		Fair Business Practices (compliance)	Disclosure	Responsible Procurement

22 Responsible Procurement

Particularly relevant areas: All areas

Basic concept

- In order to remain a company trusted by society, the JAL Group respects its business partners, strives to develop sound businesses and conduct responsible procurement.
- Recognizing that our daily aircraft operations and products and services are based on good partnerships with our business partners, we will maintain fair and impartial procurement, and build sustainable supply chains by communicating and complying with the JAL Group Supplier Code of Conduct.
- To achieve this, we will respond sincerely to our business partners and identify and solve problems from the perspectives of legal compliance, global environmental protection, respect for human rights, proper labor practices and fair business practices.

Strengthening cooperation with business partners

Priority and strategic measures

Identify primary suppliers

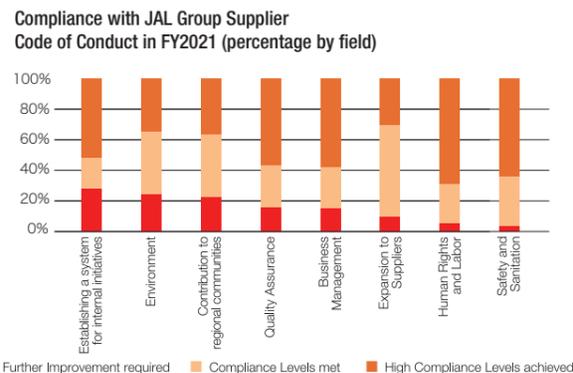
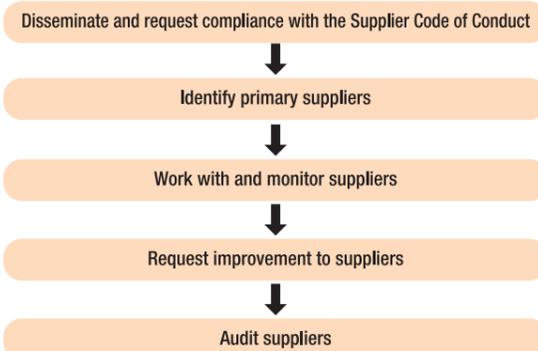
Considering the amount and volume of procurement and the importance and non-substitutability of products, we have designated approximately 470 domestic and overseas suppliers as primary suppliers and are working to check the soundness of supply chains in the order of high risk products.

Cooperate with business partners and request improvement

We disseminate the JAL Group Supplier Code of Conduct widely to our business partners and ask them to comply with it. For primary suppliers we check compliance status through the Sedex*1 SAQ*2 and a JAL questionnaire. When we received replies that do not meet the standards required by JAL, we communicated with the company and asked them to make improvements such as establishing environmental targets and developing a CSR promotion system. Going forward, we will make it a requirement to make improvements to meet the standards by a specified deadline or submit an improvement plan in order to continue transactions.

*1 An NPO that provides a platform for managing and sharing ethical supply chain data with the aim of achieving responsible business practices in the supply chain. Established in the U.K. in 2004.
*2 Abbreviation for self-assessment questionnaire

Supplier assessment flow



JAL Supplier Hotline

In FY2022, we opened in April the JAL Supplier Hotline to provide consultation to business partners and their employees. Going forward, we will periodically review the system to improve its effectiveness. In addition to quality, price, and delivery, we will continue evaluations from the perspective of sustainability through self-assessment questionnaires to promote responsible procurement and ultimately achieve the SDGs.

Key Performance Indicators (KPI)

Key Performance Indicators (KPI)	Period	By	Target	Achievement
Monitoring completion rate of primary suppliers	FY2019-FY2023	FY2023	100%	62%
Soundness confirmation rate of primary suppliers	FY2019-FY2023	FY2023	100%	62%
Auditing rate of suppliers requiring audit	FY2019-FY2023	Each year	100%	N/A
Consultation response rate	Each year	Each year	100%	FY2022~
Training rate of procurement staff	Each year	Each year	100%	100%

Use of certified products

Priority and strategic measures

Seafood

The prawns used in this menu are produced under responsible aquaculture management and certified by a third party according to ASC (Aquaculture Stewardship Council) standards, and received ASC's Group Distribution Certification (CoC).

WEB [https://www.asc-aqua.org/\(ASC-C-02732\)](https://www.asc-aqua.org/(ASC-C-02732))

Vegetables

ASIAGAP is GFSI (Global Food Safety Initiative), a certification of farms committed to food safety and environmental preservation and is a standard for global farm management. There are many standards for food safety, environmental protection, occupational safety, human rights, and welfare, including the management of pesticides and fertilizers. JAL Agriport has also obtained this certification for its farms.

ASC: Whiteleg shrimp

ASIAGAP: Salad

Forest management certification: Menu card

Forest Stewardship Council (FSC) Forest Management Certification

Forest Management Certification is a system in which an independent third party evaluates and certifies forest management according to certain standards. It was established in Europe and the U.S. in the 1990s to prevent forest degradation and depletion from global illegal logging and to achieve sustainable forest management.



Relaxation wear

Global Organic Textile Standard (GOTS) Certification

GOTS is an international organic fiber standard for producing products in environmentally and socially conscious ways, consisting of certified raw materials and their traceability, provisions for prohibitions and restrictions on the use of chemicals, separation and identification, environmental management, residue limits, social norms (development of working conditions and conditions, prohibition of child labor, and workers' rights).



Rainforest Alliance Certification

Rainforest's new certification logo lays out a vision for a path to sustainability based on continuous improvement, transparency and shared responsibility between producers and companies to achieve our mission of building a better future for people and nature by making responsible business the new normal.

Topic

Delicious sustainable coffee



KAWASHIMA José Yoshiaki
Coffee hunter
President, Mi Cafeto Co., Ltd.

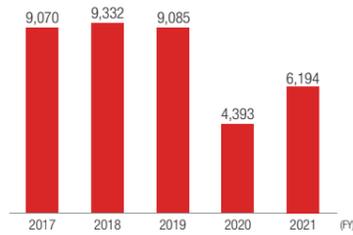
Mi Cafeto's mission is to create and maintain a market by supporting producers who strive to make delicious coffee while protecting the natural environment and human rights, and by directly importing coffee at a price commensurate with its quality without going through a middleman. Our company agrees with JAL's efforts and collaborates to help solve social problems by serving delicious, sustainable coffee in cabins and lounges.

1. Data Highlights

ESG

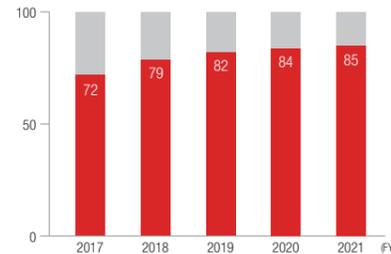
CO₂ emission reduction

■ CO₂ emissions from aircraft (1000 tons)



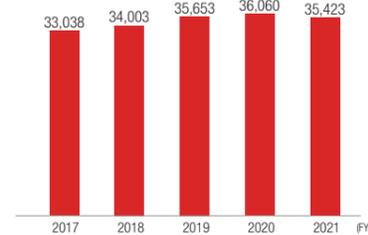
Percentage of fuel-efficient aircraft

■ Non-fuel-efficient aircraft (%)
■ Fuel-efficient aircraft (%)



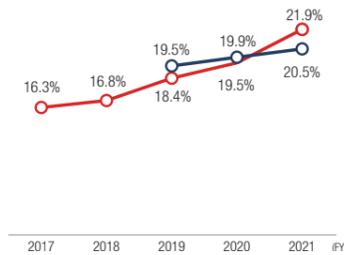
Employees

■ Number of employees (people)



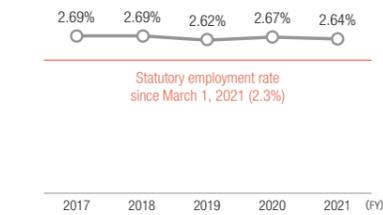
Ratio of female managers/Ratio of non-Japanese managers^{*1}

○ Ratio of female managers (%)
○ Ratio of non-Japanese managers (%)



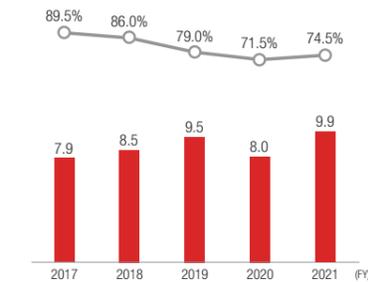
Employment rate of people with disabilities^{*2}

○ Employment rate of people with disabilities (%)



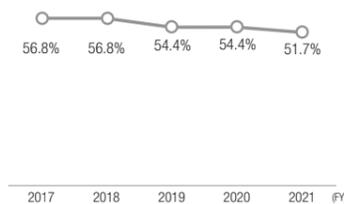
Average monthly overtime hours per month and rate of paid leave usage ratio^{*3}

■ Average monthly overtime hours worked per person (hours)
○ Annual paid leave usage ratio (%)



Percentage of highly satisfied employees^{*4}

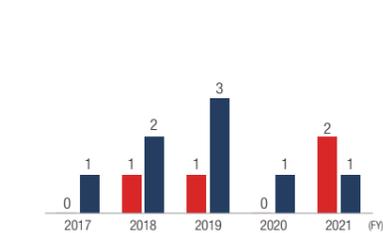
○ Percentage of highly satisfied employees (%)



Business

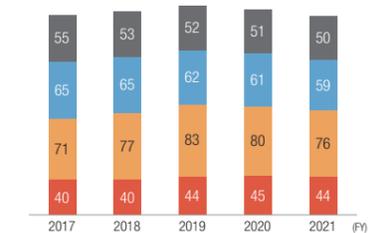
Aircraft accident/Serious incident

■ Aircraft accident
■ Serious incident



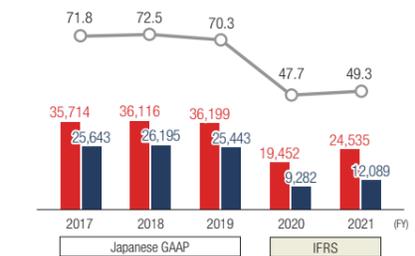
Number of aircraft

■ Large
■ Medium
■ Small
■ Regional jets



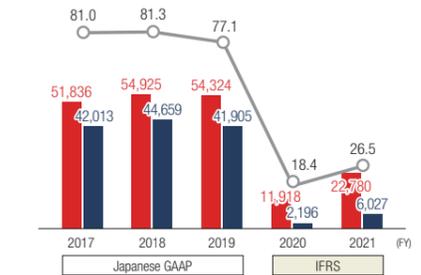
Revenue Passenger Kilometers / Available Seat Kilometers (domestic flights)

■ Available Seat Kilometers (1 million seat-km)
■ Revenue Passenger Kilometers (1 million passenger-km/km)
○ Passenger Load Factor (= Revenue Passenger Kilometers (RPK)/Available Seat Kilometers (ASK)) (%)



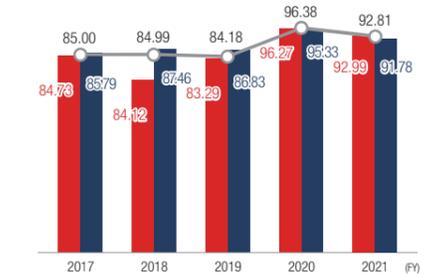
Revenue Passenger Kilometers / Available Seat Kilometers^{*9} (international flights)

■ Available Seat Kilometers (1 million seat-km)
■ Revenue Passenger Kilometers (1 million passenger-km/km)
○ Passenger Load Factor (= Revenue Passenger Kilometers (RPK)/Available Seat Kilometers (ASK)) (%)



On-time arrival rate

■ Domestic (%)
○ Total (%)
■ International (%)



NPS (Net Promoter Score)^{*6}

○ Domestic (points)
○ International (points)



Finance^{*7}

EBIT^{*8}/Net profit/loss^{*9}/EBIT margin^{*16}

■ Operating profit (billion yen)
■ Net profit/loss (billion yen)
○ Operating profit margin (%)
○ EBIT margin (%)



EBITDA^{*10}/EBITDA margin^{*11} ^{*16}

■ EBITDA (billion yen)
○ EBITDA margin (%)



Shareholders' equity ratio

■ Shareholders' equity (billion yen)
○ Shareholders' equity ratio (%)
○ Shareholder's equity ratio based on credit rating evaluation^{*12} (%)



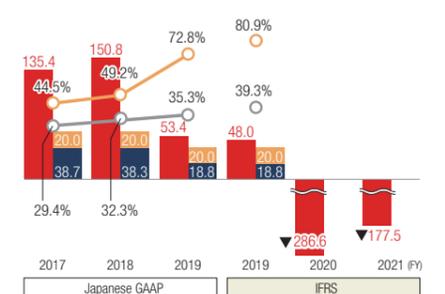
Dividend payout ratio^{*13} ^{*16}

○ Dividend payout ratio (%)



Total return ratio^{*14} ^{*16}

■ Net profit/loss (billion yen)
■ Total dividends (billion yen)
■ Repurchase amount (billion yen)
○ Dividend payout ratio (%)
○ Total return ratio (%)



*1 In Japan Airlines Co., Ltd. (Locally hired managers overseas + Non-Japanese managers hired in Japan in business planning and maintenance engineering jobs)/Total managers
*2 Sum of Japan Airlines Co., Ltd. and JAL Sunlight Co., Ltd. a special subsidiary, as of June 1 of the following fiscal year
*3 Japan Airlines Co., Ltd. only
*4 The percentage of employees who chose 4 or 5 out of a 5-point scale in a biennial survey conducted in FY2017 and FY2019. FY2018 and FY2020 show results for the previous year
*5 Figures for Revenue Passengers Carried, Revenue Passenger Kilometers (RPK), Available Seat Kilometers (ASK) and Load Factor for international flights have been calculated since FY2015 including the portion of JAL flights sold to other airlines by code-share.
*6 Compared to results in early FY2017
*7 IFRS is adopted from FY2020. Accordingly, figures for FY2019 are also calculated under IFRS for comparison.
*8 EBIT = Profit or Loss before Financing and Income tax (Profit/Loss before Tax - Finance Income /Expenses)

*9 Profit/loss attributable to owners of parent
*10 [Japanese GAAP] EBITDA = Operating profit + Depreciation [IFRS] EBITDA = EBIT + Depreciation
*11 [Japanese GAAP] EBITDA Margin = EBITDA / Operating Revenue [IFRS] EBITDA Margin = EBITDA / Revenue
*12 Shareholder's Equity Ratio based on credit rating evaluation considering Hybrid Finance
*13 Payout Ratio = Total Dividends / Profit or Loss^{*15}
*14 Total Return Ratio = (Total Dividends + Share Repurchases) / Profit or Loss^{*15}
*15 Profit attributable to owners of parent for FY2017-2018 excludes the effects of income taxes deferred
*16 EBIT Margin and EBITDA Margin for FY2020 and FY2021 are not shown as they are negative figures. Payout Ratio and Total Return Ratio for FY2020 and FY2021 are not shown as no dividend has been provided.

2. ESG Data

Environment (E)

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Greenhouse gas emissions (GHG)						
GHG Scope 1						
Total emissions	1,000 ton-CO ₂	9,083	9,345	9,121	4,421 4,405 ^{*1}	6,214 6,196 ^{*1}
CO ₂ emissions from aircraft	1,000 ton-CO ₂	9,070	9,332	9,085	4,393	6,194
Ratio of GHG Scope 1 of CO ₂ emissions from aircraft	%	99.9	99.9	99.6	99.3	99.5
CO ₂ emissions from ground equipment ^{*2}	1,000 ton-CO ₂	13	13	15	14	14
CO ₂ emissions from vehicles	1000 ton	—	—	21	15	17
CO ₂ emissions per Revenue Ton Kilometer (RTK)	kg-CO ₂ /RTK	—	1.0323	1.0648	1.3763	1.2751
GHG Scope 2 ^{*3}	1,000 ton-CO ₂	54	39 ^{*3}	39 ^{*3}	34 ³	35 ^{*3}
GHG Scope 3						
Total emissions	1,000 ton-CO ₂	460.2	478.5	1,402.7 (2,176.9) ^{*4}	1,046.2	1534.6
Category 1: Purchased goods and services	1,000 ton-CO ₂	—	—	215	166	198
Category 2: Capital goods	1,000 ton-CO ₂	—	—	721	264	481
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	1,000 ton-CO ₂	450	468 465 ^{*3}	455(1,227) ^{*4} 453 ^{*3} (1,221) ^{*4}	603 596 ^{*3}	842 835 ^{*3}
Category 5: Waste	1,000 ton-CO ₂	—	—	1.0	0.8	1.3
Category 6: Business travel	1,000 ton-CO ₂	4.3	4.4	4.6	4.7	4.6
Category 7: Employee commuting	1,000 ton-CO ₂	5.9	6.1	6.1 (8.3) ^{*4}	7.7	7.7
GHG Scope 1+2	1,000 ton-CO ₂	9,137.0	9,395.0	9,178.0	4,472.0	6,267.0
GHG Scope 1+2+3	1,000 ton-CO ₂	9,597.2	9,873.5	10,580.7	5,518.2	7,801.6
Basic fuel consumption unit						
Specific Fuel Consumption for Passenger Transport	L/100PK	3.192	3.132	3.225	4.195	3.816
Specific Fuel Consumption for Cargo Transport	L/TKT	0.355	0.348	0.358	0.466	0.424
Energy consumption (ground)^{*5}						
Kerosene	1,000 GJ	0.3	0.3	0.3	1.2	1.2
Heavy fuel oil A	1,000 GJ	8.6	2.5	2.0	2.7	2.2
Town gas, LPG	1,000 GJ	260	267	257	245	241
Electricity	1,000 MWh	110	102	98	89	92
Steam, heat, cooling	1,000 GJ	332	340	332	317	337
Crude oil equivalent	kl	43,512	41,717	40,153	35,439	39,148
Energy consumption (aircraft)						
Jet fuel	1,000 kl	3,678	3,784	3,684	1,781	2,507
Crude oil equivalent	1,000 kl	3,483	3,583	3,488	1,687	2,357
Electricity equivalent						
Energy consumption (fuel)	1,000 MWh	37,572	38,651	37,630	18,229	25,633
Energy consumption (steam, heat, cooling)	1,000 MWh	95	96	92	88	94
Energy consumption (total)	1,000 MWh	—	38,849	37,820	18,406	25,819
NOx emissions						
NOx (nitrogen oxide) emissions in LTO cycle ^{*6}	1,000 ton-NOx	5.02	5.10	5.54	2.43	3.06
Specific NOx emissions from passenger transport	g/PKT	0.047	0.046	0.053	0.065	0.049
Specific NOx emissions from cargo transport	g/TKT	0.527	0.511	0.589	0.724	0.544
Other emissions						
HC (hydrocarbon) emissions in LTO cycle ^{*6}	1,000 ton-HC	0.63	0.63	0.66	0.13	0.15
CO (carbon monoxide) emissions in LTO cycle ^{*6}	1,000 ton-CO	3.87	3.95	4.35	1.71	2.40
VOC emissions						
Total	ton	24.5	26.3	27.7	23.7	24.3
CFC substitute (aircraft)						
Total	kg	6.62	7.40	3.94	1.96	14.27

ESG data is also available on the JAL website.

[WEB https://www.jal.com/en/sustainability/esg/pdf/esg.pdf](https://www.jal.com/en/sustainability/esg/pdf/esg.pdf)

Environment (E)

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Water consumption						
Withdrawal						
Tap water consumption	1,000 m ³	435	485	447	335	316
Groundwater, Sea, River, Lake, Industrial water consumption	1,000 m ³	0	0	0	0	0
Total consumption	1,000 m ³	435	485	447	335	316
Industrial waste						
Total waste generated	ton	3,266	3,912	3,330	2,834	3,998
Total waste used/recycled/sold	ton	3,233	3,873	3,320	2,817	3,985
Total waste disposed	ton	33	39	10	17	13
PCB waste	ton	3	0.07	0	0	0
Final disposal rate	%	1.0	1.0	0.3	0.6	0.3
Fuel-efficient aircraft						
Airbus A350	aircraft	—	—	5	8	15
Boeing 787	aircraft	36	42	49	49	51
Boeing 777	aircraft	40	40	39	37	18
Boeing 737-800	aircraft	57	62	62	61	64
Embraer 170	aircraft	17	18	18	18	18
Embraer 190	aircraft	12	14	14	14	14
ATR42-600	aircraft	4	6	8	9	11
ATR72-600	aircraft	—	1	2	2	2
Number of fuel-efficient aircraft (Total)	aircraft	166	183	197	198	193
Ratio of fuel-efficient aircraft	%	72	79	82	84	85
Low-noise aircraft						
Ratio of ICAO Chapter compliant aircraft	%	—	—	100	100	100
Ratio of ICAO Chapter 14 compliant aircraft	%	—	—	45	40	41
Vehicles						
Motor vehicle	vehicle	—	—	3,609	3,604	3,537
Gasoline consumption	kl	—	—	691	495	539
Diesel consumption	kl	—	—	7,430	5,125	5,964
Environmental investments						
Investments (aircraft costs)	billion yen	168.2	175.4	181.3	55.3	132.0
Environmental violations						
Number of violations of legal obligations/regulations	case	0	0	0	0	0
Amount of fines/penalties related to above violations	yen	0	0	0	0	0
Food loss & waste						
Food loss & waste in JAL Royal Catering Narita and Haneda offices	ton	137.2	151.4	153.5	22.5	34.3
Total weight of compost from food loss & waste above	ton	0	0	11.8	6.3	11.7
Percentage of passengers boarding from Narita and Haneda of all international passengers	%	46.0	45.4	47.4	47.4	45.0
Wood/Paper/Fiber containers						
Percentage of total weight of recycled and/or certified raw materials	%	—	—	—	99.5	99.7
Metal (aluminum, steel, etc.) container						
Percentage of total weight of recycled and/or certified raw materials	%	—	—	—	97.9	97.9
Glass container						
Percentage total weight of recycled and/or certified raw materials	%	—	—	—	75.3	75.3
Plastic						
Reduction rate of new petroleum-derived products in cabins and lounges	%	—	—	2.5	10.4	25.0
Percentage of environmentally-friendly materials used in single-use plastics for checked baggage at airports	%	—	—	—	87.6	90.0
Percentage of plastic containers and packaging that can be recycled (percentage of total weight of all plastic containers and packaging)	%	11.5	11.4	11.8	11.6	14.9
Percentage of recycled materials in plastic containers and packaging (percentage of total weight of all plastic containers and packaging)	%	0.0	0.0	0.0	0.0	0.7

*1 Excludes in-flight catering facilities in Japan

*2 In-flight catering facilities have been added to Head Office, Airport, Maintenance Center and Branch Offices from FY2019.

*3 10 hub airports of JAL Group in Japan

*4 Basic unit from FY2020 is used in FY2019 ().

*5 Head Office, Airport, Maintenance Center, and Branch Offices

*6 ICAO standard of counting take-off and landing as "one"

ESG data is also available on the JAL website.

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

Social (S) Human Resources*1

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Employees						
Number of employees (consolidated)	people	33,038	34,003	35,653	36,060	35,423
Number of ground staff	people	23,828	24,295	25,278	25,244	25,191
Number of cockpit crew	people	2,629	2,690	2,766	2,876	3,082
Number of cabin crew	people	6,581	7,018	7,609	7,940	7,150
Ratio of managers	%	15.8	15.5	14.8	15.0	15.9
Ratio of general staff	%	84.2	84.5	85.1	85.0	84.1
Ratio of male employees	%	51.6	50.2	49.4	48.3	49.9
Ratio of female employees	%	48.4	49.8	50.6	51.7	50.1
Ratio of female managers	%	16.3	16.8	18.4	19.5	21.9
Ratio of non-Japanese managers*2 *3	%	—	—	19.9	19.5	20.5
Number of managers hired overseas*3	people	200	218	216	218	226
Ratio of locally hired staff in overseas offices*3	%	88.4	89.8	88.4	84.0	90.1
Ratio of locally hired managers in overseas offices*3	%	58.4	64.0	56.3	53.0	57.4
Number of mid-career employees hired (business planning staff hired in Japan)*3	people	20	14	50	6	0
Ratio of employees with disabilities*4	%	2.69	2.69	2.62	2.67	2.64
Employment, turnover						
Number of new employees (new employee hire rates)	people (%)	2,340(7.1%)	2,422(7.1%)	3,711(10.4%)	2,352(6.5%)	718(2.0%)
Average cost of hiring full-time employees*3	ten thousand yen	—	—	8.1	15.9	20.6
Voluntary turnover rate*3	%	2.6	2.0	1.9	1.1	1.6
Total turnover rate (male)*3	%	—	—	—	—	2.2
Total turnover rate (female)*3	%	—	—	—	—	1.5
Age						
Average age	year	38.6	39.1	39.4	38.6	39.4
Average age of ground staff	year	38.9	39.5	40.2	39.1	40.0
Average age of cockpit crew	year	44.1	44.0	43.8	44.0	43.8
Average age of cabin crew	year	35.6	35.4	35.0	35.0	35.8
Years worked						
Average years worked	year	14.5	14.7	14.4	14.4	14.8
Average years worked (male)*3	year	—	—	—	21.4	21.4
Average years worked (female)*3	year	—	—	—	10.5	11.7
Training						
Training hours per person	hour	64.7	70.8	72.3	277.1	162.3
Training cost per person*5	yen	422,187	470,698	449,480	109,321	84,469
Qualifications						
Cockpit crew	people	2,448	2,447	2,519	2,620	2,632
Maintenance engineer	people	1,809	1,827	1,859	1,856	1,867
Annual remuneration						
Average annual remuneration (all employees)	1,000 yen	7,021	7,126	6,684	5,638	5,521
(Male) manager*3	1,000 yen	—	—	—	7,742	7,173
(Female) manager*3	1,000 yen	—	—	—	7,671	6,975
(Male) general staff*3	1,000 yen	—	—	—	5,293	5,081
(Female) General Service*3	1,000 yen	—	—	—	4,472	4,221

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Workstyle						
Paid leave usage ratio*3	%	89.5	86.0	79.0	71.5	74.5
Average monthly overtime hours worked per person*3	hour	7.9	8.5	9.5	8.0	9.9
Industrial accidents*3	case	69	54	28	13	11
Childcare leave applicants*3	people	843	789	743	946	934
Paternal leave usage ratio*6	%	—	79.9	81.8	106.3	99.3
Nursing care leave applicants*3	people	89	68	53	40	20
Percentage of highly satisfied employees*7	%	56.8	56.8	54.4	54.4	51.7
Participants in voluntary activities	people	6,826	8,140	7,745	9,772	6,125
Total hours of voluntary activities	hour	59,551	68,288	51,734	33,600	27,952
Wellness*8						
Obesity ratio (BMI 25 or higher)	%	—	—	—	—	19.1
Appropriate weight maintenance ratio	%	68.8	68.8	68.3	67.1	—
Percentage of people with high stress	%	—	—	—	—	8.7
Stress check ratio	%	90.4	91.6	94.4	96.1	—
Smoking ratio (male)	%	30.4	28.9	27.9	26.3	25.9
Smoking ratio (female)	%	6.0	5.5	5.0	4.2	4.2
Breast cancer check-up ratio(female employees age 18 and above)	%	26.0	25.4	43.4	60.4	58.9

Social (S) Communities

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Domestic passenger traffic	% (vs. FY2019)	—	—	—	▼74.2	▼59.0
Domestic cargo traffic	% (vs. FY2019)	—	—	—	▼30.0	▼34.0
Number of overseas carriers' flights handled out of total passenger and cargo flights*9	flight	—	88,000	87,000	9,000	17,000
Collaboration						
Number of schools partnership*3	school	12	20	25	30	32
Number of cities partnership*10	city	11	18	20	25	41

Governance (G)

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Corporate governance						
Compliance rate of Corporate Governance Code	%	—	—	100	100	100
Number of Directors on the Board*3	people	10	10	10	10	9
Ratio of Outside Directors*3	%	30	30	30	30	33
Number of female Directors*3	people	1	1	1	1	1
Number of female officers (Director, Executive Officer)*3	people	4	4	5	5	5
Ratio of female officers (Director, Executive Officer)*3	%	—	—	—	13.2	13.9
Board meeting attendance rate of Outside Directors and Auditors*3	%	—	—	98.3	100	100
Risk management						
Number of data breaches	case	0	0	0	2	0
Number of corruption and bribery cases	case	0	0	0	0	0
Secondary usage ratio of personal data	%	0.0	0.0	0.0	0.0	0.0
Number of substantiated complaints received from outside parties regarding privacy protection	case	0	0	0	0	0
Number of whistleblowing cases		56	96	84	71	110

*1 Japan Airlines Co., Ltd. and 59 consolidated subsidiaries

*2 (Locally hired managers overseas + Non-Japanese managers hired in Japan in business planning and maintenance engineering positions/Total managers)

*3 Japan Airlines Co., Ltd. only

*4 Sum of Japan Airlines Co., Ltd. and JAL Sunlight Co., Ltd. a special subsidiary, as of June 1 of the following fiscal year

*5 Subject to external training

*6 Total number of childcare leave applicants/Number of male employees with newborn baby

*7 The percentage of employees who chose 4 or 5 out of a 5-point scale in a biennial survey conducted in FY2017 and FY2019. FY2018 and FY2020 show results for the previous year

*8 Calculation based on data of Japan Airlines Health Insurance Association

*9 Result of airport contracted services (passenger and ramp handling)

*10 Some include partnership agreements with councils rather than municipalities.

3. Business Data

Safety

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Aircraft accident	case	0	1	1	0	2
Serious incident	case	1	2	3	1	1
Irregular operations* ¹	case	51	48	34	42	47
Safety event* ²						
System problem (engine)	case	14	19	9	6	6
Parts Departing from Aircraft	case	2	4	4	1	1

*1 A situation in which partial malfunction of multiple aircraft systems occur, for example, and the pilots respond according to the manual and return to the airport to ensure safety, resulting in a schedule change including the destination (excluding bird strike, lightning strike, etc.). In general, it is not a situation that immediately affects safety of operations.

*2 Article 111-4 of the Civil Aeronautics Act and Article 221-2-3 and 4 of the Ordinance for Enforcement of the Civil Aeronautics Act mandate reporting to the MLIT, and the following situations are applicable. Accidents specified in each item of Article 76 (1) of the Civil Aeronautics Act and situations (serious incident) in Article 76 (2) of the Act do not fall under this category. Generally speaking, they do not immediately lead to an aircraft accident.

For more safety data, please visit the JAL website for our Safety Report.

[WEB https://www.jal.com/en/flight/report/](https://www.jal.com/en/flight/report/)

Aircraft

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Airbus A350-900	aircraft	0	0	5	8	15
Boeing 777-300ER	aircraft	13	13	13	13	13
Boeing 777-300	aircraft	4	4	4	4	4
Boeing 777-200ER	aircraft	11	11	11	11	8
Boeing 777-200	aircraft	12	12	11	9	4
Boeing 787-9	aircraft	11	17	20	20	22
Boeing 787-8	aircraft	25	25	29	29	29
Boeing 767-300ER	aircraft	29	29	29	29	29
Boeing 767-300	aircraft	6	6	5	2	0
Boeing 737-800	aircraft	57	62	62	61	65
Boeing 737-400	aircraft	8	3	0	0	0
Embraer 170/Embraer 190	aircraft	29	32	32	32	32
ATR42-600/ATR72-600	aircraft	4	7	10	11	13
De Havilland DHC-8-400CC	aircraft	5	5	5	5	5
De Havilland DHC-8-400	aircraft	6	1	0	0	0
De Havilland DHC-8-300	aircraft	1	0	0	0	0
SAAB340B	aircraft	10	8	5	3	0

Flight Data

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of cities served						
Domestic flights	destination	59	60	62	61	61
International flights	destination	284	348	378	368	380
Number of flights						
Domestic flights	flight	235,246	244,467	242,603	134,325	224,022
International flights	flight	53,295	54,747	51,129	8,138	17,127
Total	flight	288,541	299,214	293,732	142,463	241,149
Percentage of flights operated						
Domestic flights	%	98.38	98.12	98.12	97.12	98.06
International flights	%	99.88	99.54	99.36	99.04	99.24
On-time departure rate						
Domestic flights	%	84.72	88.33	86.71	96.74	94.15
International flights	%	87.80	87.47	86.35	93.17	88.98
Total	%	88.61	88.10	86.62	96.02	93.38
On-time arrival rate						
Domestic flights	%	84.73	84.12	83.29	96.27	92.99
International flights	%	85.79	87.46	86.83	95.33	91.78
Total	%	85.00	84.99	84.18	96.38	92.81

Traffic Data

	Unit	Japanese GAAP		IFRS ⁵		
		FY2017	FY2018	FY2019	FY2020	FY2021
Domestic flights						
Total passengers	people	34,033,475	34,859,576	33,783,710	12,212,131	16,238,833
Revenue Passenger Kilometers ¹	1,000 passenger-km	25,643,092	26,195,658	25,443,520	9,282,122	12,089,054
Available Seat Kilometers ²	1,000 seat-km	35,714,021	36,116,930	36,199,539	19,452,985	24,535,597
Passenger Load Factor	%	71.8	72.5	70.3	47.7	49.3
International flights (Full Service Carrier (FSC))						
Total passengers ³	people	8,585,399	9,128,236	8,277,987	357,519	892,471
Revenue Passenger Kilometers ¹ * ³	1,000 passenger-km	42,013,111	44,659,463	41,905,628	2,196,423	6,027,871
Available Seat Kilometers ² * ³	1,000 seat-km	51,836,491	54,925,904	54,324,546	11,918,047	22,780,657
Passenger Load Factor ³	%	81.0	81.3	77.1	18.4	26.5
Cargo and Mail						
Domestic revenue cargo ton-km	1,000 ton-km	364,089	343,529	328,182	237,874	231,515
International revenue cargo ton-km	1,000 ton-km	2,233,387	2,429,268	2,407,691	1,948,205	3,113,671

Customer Satisfaction

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
NPS (Net Promoter Score)⁴						
Domestic flights	point	+1.4	+1.3	+7.6	+23.0	+7.1
International flights	point	+2.1	+2.2	+8.2	+30.0	+7.4

*1 Revenue Passenger Kilometers: The total distance flown by revenue paying passengers. Number of revenue passengers x distance flown (kilometers)

*2 Available Seat Kilometers: Measures passenger carrying capacity. Total seats x Distance flown (kilometers)

*3 Since FY2015, calculation of figures for Revenue Passengers Carried, Revenue Passenger Kilometers, Available Seat Kilometers, and Load Factor for international flights include codesharing of JAL-operated flights sold by other airlines.

*4 Compared to results in early FY2017

*5 International Financial Reporting Standards (IFRS) have been applied since FY2020.

Collaboration with External Parties

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of partner airlines						
Domestic flights ⁵	Company	3	3	3	3	3
International flights	Company	26	30	36	35	35
Number of Lab Alliances	Company	—	7	11	12	12

* Partnership with Jetstar Japan on international connection routes only

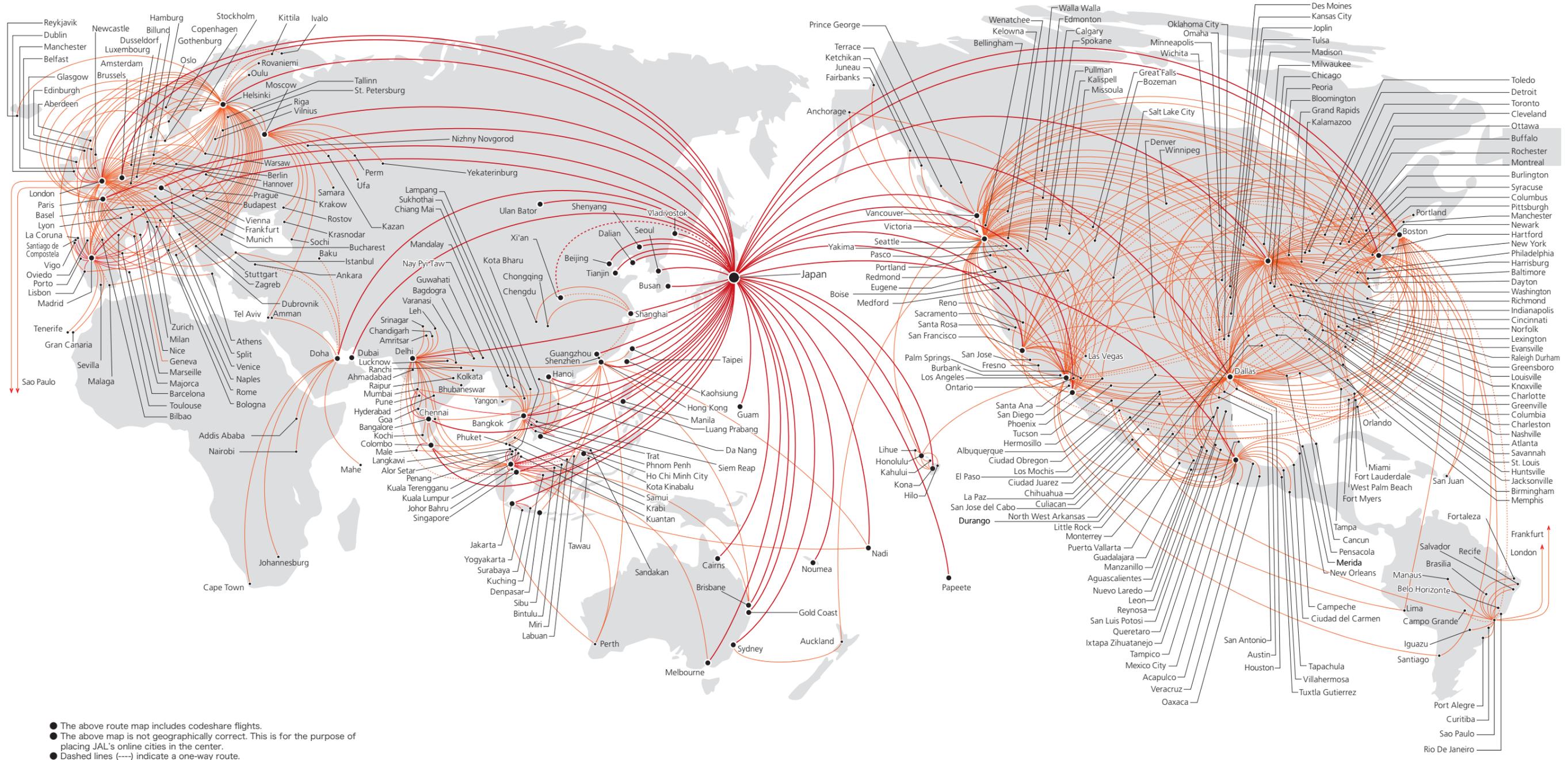
Results of Major Subsidiaries*

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
JALPAK Co., Ltd.						
Operating revenue	billion yen	1,751	1,820	1,696	—	—
Sales revenue	billion yen	—	—	1,701	555	458
JAL CARD, INC.						
Operating revenue	billion yen	183	194	201	—	—
Sales revenue	billion yen	—	—	196	186	185

* Each figure is for before elimination of consolidated transactions. In addition, the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued on March 31, 2020) and the Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, issued on March 31, 2020) since FY2020. Accordingly, sales revenue figures for FY2019 are the figures after retroactive application of the accounting standard.

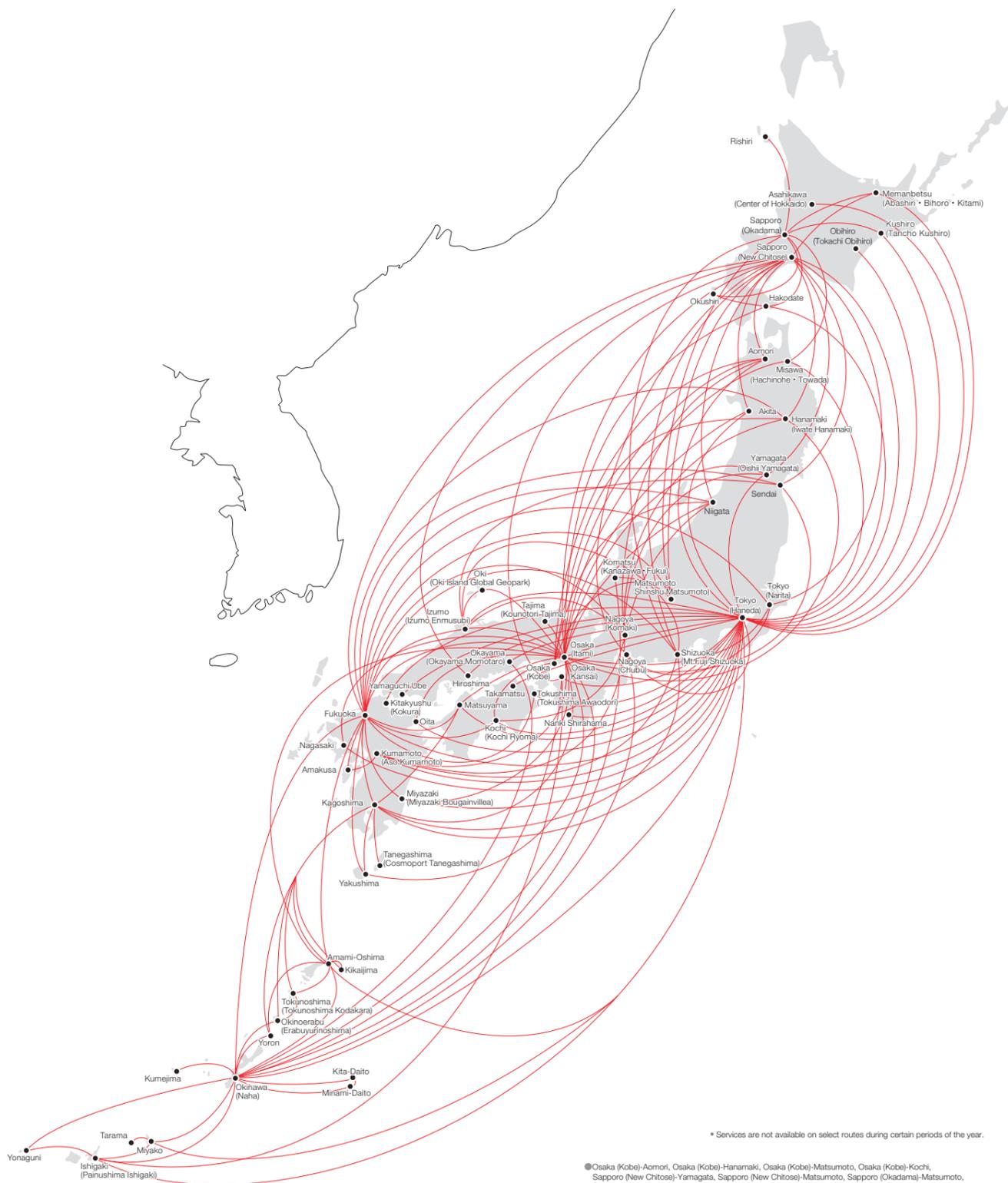
International Route Map

(as of May 31, 2022)



Domestic Route Map

(as of April 22, 2022)



* Services are not available on select routes during certain periods of the year.

● Osaka (Kobe)-Aomori, Osaka (Kobe)-Hanamaki, Osaka (Kobe)-Matsumoto, Osaka (Kobe)-Kochi, Sapporo (New Chitose)-Yamagata, Sapporo (New Chitose)-Matsumoto, Sapporo (Okadama)-Matsumoto, Sapporo (Okadama)-Shizuoka, Yamagata-Nagoya (Kamakura), Sendai-Izumo, Niigata-Fukuoka, Shizuoka-Izumo, Shizuoka-Fukuoka, Shizuoka-Kagoshima, Nagoya (Kamakura)-Izumo, Nagoya (Kamakura)-Kochi, Nagoya (Kamakura)-Fukuoka, Nagoya (Kamakura)-Kumamoto sectors are codeshare flights with Fuji Dream Airlines (FDA). They are operated by FDA aircraft and crew.
● Fukuoka-Amakusa, Kumamoto-Amakusa sectors are codeshare flights with Amakusa Airlines (AMK). They are operated by AMZ aircraft and crew.

* Some flights between Osaka (Itami) and Kumamoto are also codeshare flights with AMK.

Consolidated Subsidiaries

(as of March 31, 2022)

Corporate Name	Paid-in Capital (Millions of yen)	Ratio of Voting Rights		
		Direct (%)	Indirect (%)	Total (%)
Air Transport Business Segment				
Air Transport Business				
Full service carrier				
JAPAN TRANSOCEAN AIR CO., LTD.	4,537	72.8	—	72.8
JAPAN AIR COMMUTER CO., LTD.	300	60.0	—	60.0
J-AIR CO., LTD.	100	100.0	—	100.0
HOKKAIDO AIR SYSTEM CO., LTD.	490	57.3	—	57.3
RYUKYU AIR COMMUTER CO., LTD.	396	—	74.5	74.5
Low Cost Carrier				
ZIPAIR Tokyo Inc.	100	100.0	—	100.0
SPRING JAPAN CO., LTD.	100	66.7	—	66.7
Airport Passenger Handling				
JAL SKY CO., LTD.	100	100.0	—	100.0
JAL SKY AIRPORT OKINAWA COMPANY, LTD.	33	66.7	33.3	100.0
JALSKY OSAKA CO., LTD.	30	100.0	—	100.0
JALSKY KYUSHU CO., LTD.	30	100.0	—	100.0
JALSKY SAPPORO CO., LTD.	30	100.0	—	100.0
JALSKY KANAZAWA CO., LTD.	10	100.0	—	100.0
JALSKY SENDAI CO., LTD.	10	100.0	—	100.0
Ground Handling				
JAL GROUND SERVICE CO., LTD.	100	99.8	0.2	100.0
JAL GROUND SERVICE OSAKA CO., LTD.	10	—	100.0	100.0
JAL GROUND SERVICE KYUSHU CO., LTD.	10	—	100.0	100.0
JAL GROUND SERVICE SAPPORO CO., LTD.	10	—	97.7	97.7
Maintenance				
JAL ENGINEERING CO., LTD.	80	100.0	—	100.0
JAL MAINTENANCE SERVICE CO., LTD.	10	100.0	—	100.0
Cargo				
JAL KANSAI AIRCARGO SYSTEM CO., LTD.	100	69.2	—	69.2
JAL CARGO SERVICE CO., LTD.	50	100.0	—	100.0
JAL CARGO HANDLING CO., LTD.	50	—	100.0	100.0
JAL CARGO SERVICE KYUSHU CO., LTD.	20	40.0	40.0	80.0
Passenger Sales				
JAL SALES CO., LTD.	100	100.0	—	100.0
JAL NAVIA CO., LTD.	50	100.0	—	100.0
MILEAGE				
JAL MILEAGE BANK CO., LTD.	40	100.0	—	100.0
Airport-Related Business				
JAL ROYAL CATERING CO., LTD.	2,700	51.0	—	51.0

Corporate Name	Paid-in Capital (Millions of yen)	Ratio of Voting Rights		
		Direct (%)	Indirect (%)	Total (%)
Other Segments				
Other Segments				
JAL AIRTECH CO., LTD.	100	66.6	3.4	70.0
Cargo				
JUPITER GLOBAL, LTD.	HKD1,000,196	46.4	4.6	51.0
Passenger Sales				
JALPAK CO., LTD.	80	96.7	1.1	97.8
JAL JTA SALES CO., LTD.	30	16.7	83.3	100.0
JALPAK INTERNATIONAL HAWAII, INC.	USD 1,000,000	—	100.0	100.0
JALPAK INTERNATIONAL (EUROPE) B.V.	EUR 1,600,000	—	100.0	100.0
JALPAK INTERNATIONAL (FRANCE) S.A.S.	EUR 1,000,160	—	100.0	100.0
EURO-CREATIVE TOURS (U.K.) LTD.	GBP 1,000,100	—	100.0	100.0
JAL SATELLITE TRAVEL CO., LTD.	HKD 1,000,750	—	100.0	100.0
PT. TAURINA TRAVEL DJAYA*	IDR 1,000,500,000	—	49.0	49.0
Airport-Related Business				
JAL ABC, INC.	100	51.0	—	51.0
Others				
JALUX INC.	2,558	21.6	38.7	60.3
JAL INFORMATION TECHNOLOGY CO., LTD.	702	100.0	—	100.0
JAL DIGITAL EXPERIENCE CO., LTD.	475	51.0	—	51.0
JAL PAYMENT PORT CO., LTD.	390	16.5	68.5	84.9
JAL CARD, INC.	360	50.6	—	50.6
JAL-DFS CO., LTD.	300	—	60.0	60.0
JAL FACILITIES CO., LTD.	180	85.0	6.0	91.0
AXESS INTERNATIONAL NETWORK, INC.	100	100.0	—	100.0
SJ Future Holdings Corporation	100	50.5	—	50.5
JAL AGRIPORT CO., LTD.*	100	49.0	—	49.0
JAL HONGYUAN CO., LTD.	100	51.0	—	51.0
JAL BUSINESS AVIATION CO., LTD.	100	51.0	—	51.0
JAL BRAND COMMUNICATIONS CO., LTD.	100	100.0	—	100.0
JTA INFORMATION & COMMUNICATION CO., LTD.	50	—	100.0	100.0
JAL SBI FINTECH CO., LTD.	45	51.0	—	51.0
JAL SUNLIGHT CO., LTD.	20	100.0	—	100.0
JALUX AIRPORT INC.	15	—	100.0	100.0
OFFICIAL FILING CO., LTD.	10	50.0	40.0	90.0
JPRO CO., LTD.	10	—	100.0	100.0
JLC INSURANCE COMPANY LIMITED	USD 1,000,2,000	100.0	—	100.0

* Although JAL's ownership is 50% or less, it is considered a subsidiary because JAL has substantial control.

4. Financial Data

Japanese GAAP	(Billions of yen)						
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Years ended March 31							
Operating revenue	1,309.3	1,344.7	1,336.6	1,288.9	1,383.2	1,487.2	1,411.2
Operating expenses	1,142.5	1,165.0	1,127.4	1,118.6	1,208.6	1,311.1	1,310.5
Operating income	166.7	179.6	209.1	170.3	174.5	176.1	100.6
Ordinary income	157.6	175.2	209.2	165.0	163.1	165.3	102.5
Profit attributable to owners of parent	166.2	149.0	174.4	164.1	135.4	150.8	53.4
Cash flow from operating activities	247.9	261.1	312.3	253.1	281.5	296.7	60.0
Cash flow from investing activities	▼ 166.7	▼ 199.2	▼ 207.2	▼ 215.5	▼ 180.1	▼ 186.3	▼ 221.5
Cash flow from financing activities	▼ 61.9	▼ 67.3	▼ 49.6	▼ 53.5	▼ 55.8	▼ 37.0	▼ 30.1
Free cash flow ³	81.2	61.8	105.1	37.5	101.3	110.3	▼ 161.5
Depreciation and amortization	82.7	85.8	88.5	95.7	110.8	124.1	138.0
EBITDA ⁴	249.5	265.5	297.7	266.1	285.4	300.2	238.6
EBITDAR ⁵	281.0	292.7	321.1	286.2	305.4	320.1	260.2
Capital investment (Purchase of non-current assets)	164.5	198.6	210.6	233.1	208.0	222.1	239.6
As of fiscal year-end							
Total assets	1,340.1	1,473.3	1,578.9	1,728.7	1,853.9	2,030.3	1,859.3
Net assets	711.0	800.7	870.5	1,003.3	1,094.1	1,200.1	1,131.8
Interest-bearing debt	134.2	100.5	92.6	116.0	125.7	142.3	191.7
Shareholders' equity	690.2	776.4	843.0	972.0	1,060.3	1,165.1	1,094.8
Stock							
Number of shareholders	89,411	94,289	105,163	127,583	123,474	144,308	236,234
Outstanding Shares Issued	181,352,000	362,704,000	362,704,000	353,715,800	353,715,800	349,028,700	337,143,500
Per share data (yen, U.S. dollars) ¹⁵							
Profit attributable to owners of parent	458.45	411.06	481.29	456.56	383.23	432.10	155.66
Net assets	1,903.53	2,142.00	2,325.79	2,749.71	3,019.52	3,340.15	3,249.27
Dividends	80.00	104.00	120.00	94.00	110.00	110.00	55.00
Average number of shares during the fiscal year (thousands of shares)	362,639	362,584	362,500	359,594	353,334	349,006	343,101
Key Performance Indices							
Operating margin (%)	12.7	13.4	15.7	13.2	12.6	11.8	7.1
ROE (%)	26.5	20.3	21.5	18.1	13.3	13.6	4.7
ROA (%)	13.0	12.8	13.7	10.3	9.7	9.1	5.2
Shareholders' equity ratio (%)	51.5	52.7	53.4	56.2	57.2	57.4	58.9
D/E ratio (Times)	0.2x	0.1x	0.1x	0.1x	0.1x	0.1x	0.2x
EBITDA margin(%) ⁸	19.1	19.8	22.3	20.6	20.6	20.2	16.9
EBITDAR margin(%) ⁹	21.5	21.8	24.0	22.2	22.1	21.5	18.4
Unit cost (yen) ¹⁰	8.6	8.7	9.1	9.4	10.1	10.4	10.6
Unit cost (yen) (Including fuel cost)	12.2	12.3	11.7	11.7	12.5	13.1	13.2
Dividend payout ratio (%)	17.5	25.3	24.9	20.6	28.7	25.5	35.3
Business Data							
International passenger operations							
Passenger revenues	437.5	454.8	448.7	415.2	462.9	530.6	476.2
ASK (million seat kms) ¹¹ *13	46,235	47,696	50,563	50,621	51,836	54,925	54,324
RPK (million passenger kms) ¹² *13	35,390	36,109	40,305	40,633	42,013	44,659	41,905
Revenue passengers carried (1,000) ¹³	7,723	7,793	8,460	8,394	8,585	9,128	8,277
Revenue passenger load factor (%) ¹³	76.5	75.7	79.7	80.3	81.0	81.3	77.1
Yield (yen) ¹³	12.4	12.6	11.1	10.2	11.0	11.9	11.4
Unit revenue (yen) ¹³	9.5	9.5	8.9	8.2	8.9	9.7	8.8
Domestic passenger operations							
Passenger revenues	487.4	487.5	501.2	498.6	518.2	528.0	514.6
ASK (million seat kms) ¹¹	37,084	36,306	35,869	35,423	35,714	36,116	36,199
RPK (million passenger kms) ¹²	23,745	23,993	24,341	24,550	25,643	26,195	25,443
Revenue passengers carried (1,000)	31,218	31,644	32,114	32,570	34,033	34,859	33,783
Revenue passenger load factor (%)	64.0	66.1	67.9	69.3	71.8	72.5	70.3
Yield (yen)	20.5	20.3	20.6	20.3	20.2	20.2	20.2
Unit revenue (yen)	13.1	13.4	14.0	14.1	14.5	14.6	14.2
International cargo operations							
Cargo revenue	54.2	60.3	54.2	43.3	56.0	65.4	59.7
Revenue cargo ton-km (million ton kms)	1,512	1,754	1,724	1,887	2,233	2,429	2,407
Domestic cargo operations							
Cargo revenue	25.4	24.2	23.3	22.2	22.4	21.8	20.7
Revenue cargo ton-km (million ton kms)	366	356	363	357	364	343	328

IFRS ¹	(Billions of yen) Thousands of U.S. dollars ²			
	FY2019	FY2020	FY2021	FY2021
Years ended March 31				
Revenue	1,385.9	481.2	682.7	5,578,176
Operating Expense	1,308.8	885.0	940.2	7,682,212
EBIT	88.8	▼ 398.3	▼ 239.4	▼ 1,956,842
Profit before tax	88.1	▼ 404.0	▼ 246.6	▼ 2,015,009
Profit attributable to owners of parent	48.0	▼ 286.6	▼ 177.5	▼ 1,450,698
Cash flow from operating activities	80.8	▼ 219.5	▼ 103.5	▼ 846,025
Cash flow from investing activities	▼ 233.7	▼ 91.0	▼ 173.7	▼ 1,419,797
Cash flow from financing activities	▼ 38.8	388.6	359.2	2,935,533
Free cash flow ³	▼ 152.8	▼ 310.5	▼ 277.3	▼ 2,265,822
Depreciation and amortization	162.4	182.4	178.4	1,458,370
EBITDA ⁴	251.2	▼ 215.8	▼ 61.0	▼ 498,472
Capital investment (Purchase of non-current assets)	239.6	89.6	161.3	1,317,967
As of fiscal year-end				
Total assets	1,982.2	2,107.2	2,371.6	19,377,874
Total equity	1,049.6	981.5	844.1	6,897,140
Interest-bearing debt	277.4	515.1	928.4	7,586,100
Shareholders' equity	1,014.2	947.4	799.7	6,534,324
Stock				
Number of shareholders	236,234	389,848	481,161	481,161
Outstanding Shares Issued	337,143,500	437,143,500	437,143,500	437,143,500
Per share data (yen, U.S. dollars)				
Profit attributable to owners of parent	140.04	▼ 764.99	▼ 406.29	▼ 3.31
Shareholders' equity ratio	3,009.71	2,168.06	1,830.03	14.95
Dividends	55.00	0.00	0.00	0.00
Average number of shares during the fiscal year (thousands of shares)	343,167	374,766	437,007	—
Key Performance Indices				
EBIT margin (%)	6.4	—	—	—
ROE (%)	4.6	—	—	—
ROA (%)	4.3	—	—	—
ROIC (%)	4.7	—	—	—
Shareholders' equity ratio (%)	51.2	45.0	33.7	—
Shareholders' equity ratio based on credit rating ⁷	—	—	41.1	—
D/E ratio (Times)	0.3x	0.5x	1.2x	—
EBITDA margin ⁶	18.1	—	—	—
Dividend payout ratio (%)	39.3	—	—	—
Business Data(Full Service Carrier)				
International passenger operations ¹⁴				
Passenger revenues	486.2	27.9	68.7	562,014
ASK (million seat kms) ¹¹ *13	53,910	11,918	22,780	—
RPK (million passenger kms) ¹² *13	45,551	2,196	6,027	—
Revenue passengers carried (1,000) ¹³	8,958	357	892	—
Revenue passenger load factor (%) ¹³	84.5	18.4	26.5	—
Yield (yen) ¹³	10.7	12.7	11.4	—
Unit revenue (yen) ¹³	9.0	2.3	3.0	—
Domestic passenger operations				
Passenger revenues	529.7	174.0	235.1	1,920,908
ASK (million seat kms) ¹¹	36,199	19,452	24,535	—
RPK (million passenger kms) ¹²	27,496	9,282	12,089	—
Revenue passengers carried (1,000)	36,411	12,212	16,238	—
Revenue passenger load factor (%)	76.0	47.7	49.3	—
Yield (yen)	19.3	18.7	19.4	—
Unit revenue (yen)	14.6	8.9	9.6	—
International cargo operations				
Cargo revenue	59.7	96.5	182.8	1,494,215
Revenue cargo ton-km (million ton kms)	2,407	1,948	3,113	—
Domestic cargo operations				
Cargo revenue	20.7	21.7	20.7	169,548
Revenue cargo ton-km (million ton kms)	328	237	231	—

- *1 IFRS is adopted from FY2020. Accordingly, figures for FY2019 are also calculated under IFRS for comparison.
- *2 US dollar amounts are provided for convenience only, based on the exchange rate of ¥122.39/ USD on March 31, 2022.
- *3 Free cash flow = Cash flow from operating activities + Cash flow from investing activities
- *4 [Japanese GAAP] EBITDA = Operating Profit + Depreciation and Amortization [IFRS] EBITDA = EBIT + Depreciation
- *5 [Japanese GAAP] EBITDAR = Operating income + Depreciation expense + Aircraft lease
- *6 Japan Airlines Co., Ltd. conducted a 2-for-1 stock split on October 1, 2014. Figures for profit per share, net assets per share and dividend per share have been calculated assuming the stock split was conducted at the start of FY2013.
- *7 Shareholder's Equity Ratio based on credit rating evaluation considering Hybrid Finance.
- *8 [Japanese GAAP] EBITDA Margin = EBITDA/ Operating Revenue [IFRS] EBITDA Margin = EBITDA/ Revenue
- *9 [Japanese GAAP] EBITDAR Margin = EBITDAR/ Operating Revenue
- *10 Unit cost = Consolidated air transport cost (excluding fuel costs) / ASK
- *11 ASK (available seat kilometers). A unit of passenger transport capacity: Total number of seats x Distance flown (kms)
- *12 RPK (revenue passenger kilometers). Total flight distance covered by revenue passengers: Number of revenue passengers x Distance flown (kms).
- *13 From FY2015, revenue passengers carried, revenue passenger kilometers, available seat kilometers and load factor include codeshare tickets sold by other companies for JALoperated flights.
- *14 From FY2020, Changes in codeshare passengers on other airlines are reflected and to the figures for FY2019 as well for comparison analysis.

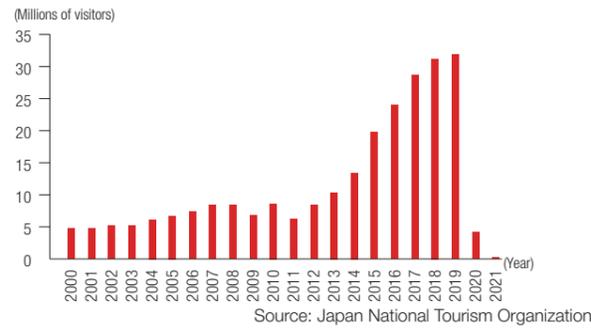
Evaluation and Analysis of Financial Conditions

Economic Conditions

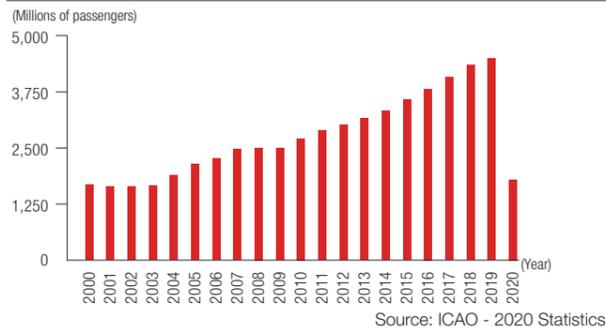
This fiscal year (April 1, 2021 to March 31, 2022) was a tough year again for the JAL Group due to the prolonged COVID infection. As the infection continued, we grappled to maintain our domestic and international route network while implementing hygiene and contactless measures to ensure safety and security for passengers was our first priority. Facing a delayed recovery of passenger demand, we aimed for early recovery from the COVID situation by implementing fundamental cost reduction measures and maximizing cargo revenue to improve profitability, together with public support from the Japanese government such as exemption of landing fees and jet fuel tax or subsidies for employment to assist the airline industry.

We will work together to fulfill our mission as a public transportation provider to enable our valued passengers to use our service with comfort, as the COVID infection settles and air transport demand solidly recovers in and after 2022.

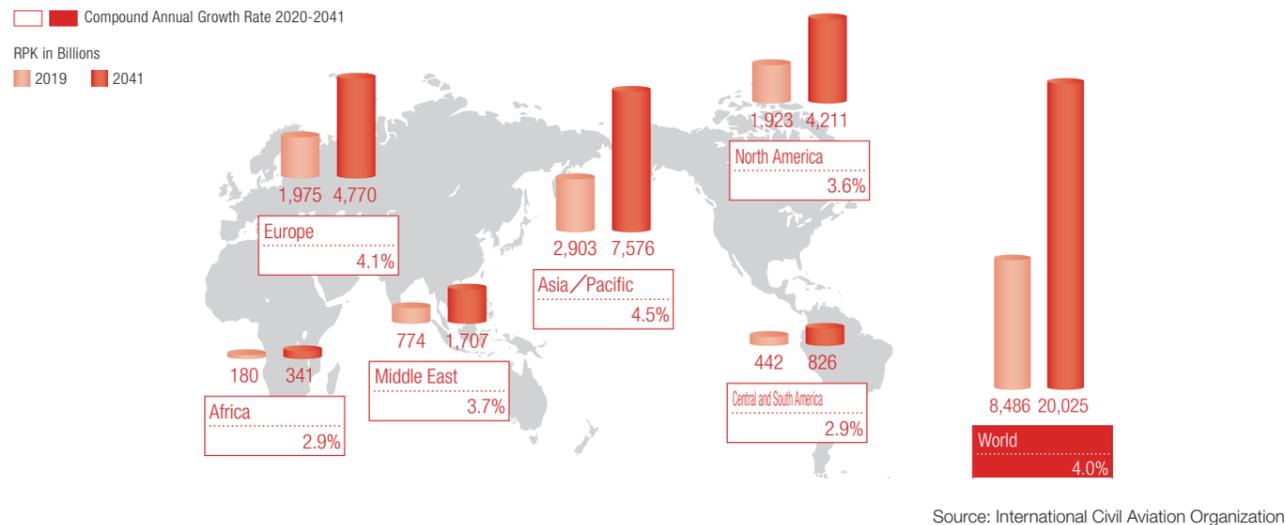
Number of Visitors to Japan



Global Passenger Traffic (scheduled flights)



Air Passenger Traffic Forecast



JAL Group

In FY2021, the revenue for the consolidated fiscal year increased by 41.9% year-on-year to 682.7 billion yen, the operating expenses increased by 6.2% year-on-year to 940.2 billion yen, the loss/earning before financing and income tax (hereinafter referred

as "EBIT") was a loss of 239.4 billion yen (EBIT loss of 398.3 billion yen in the previous year). The loss attributable to owners of the parent was 177.5 billion yen (the loss attributable to owners of the parent 286.6 billion yen in the previous year).

Analysis of Consolidated Operating Results

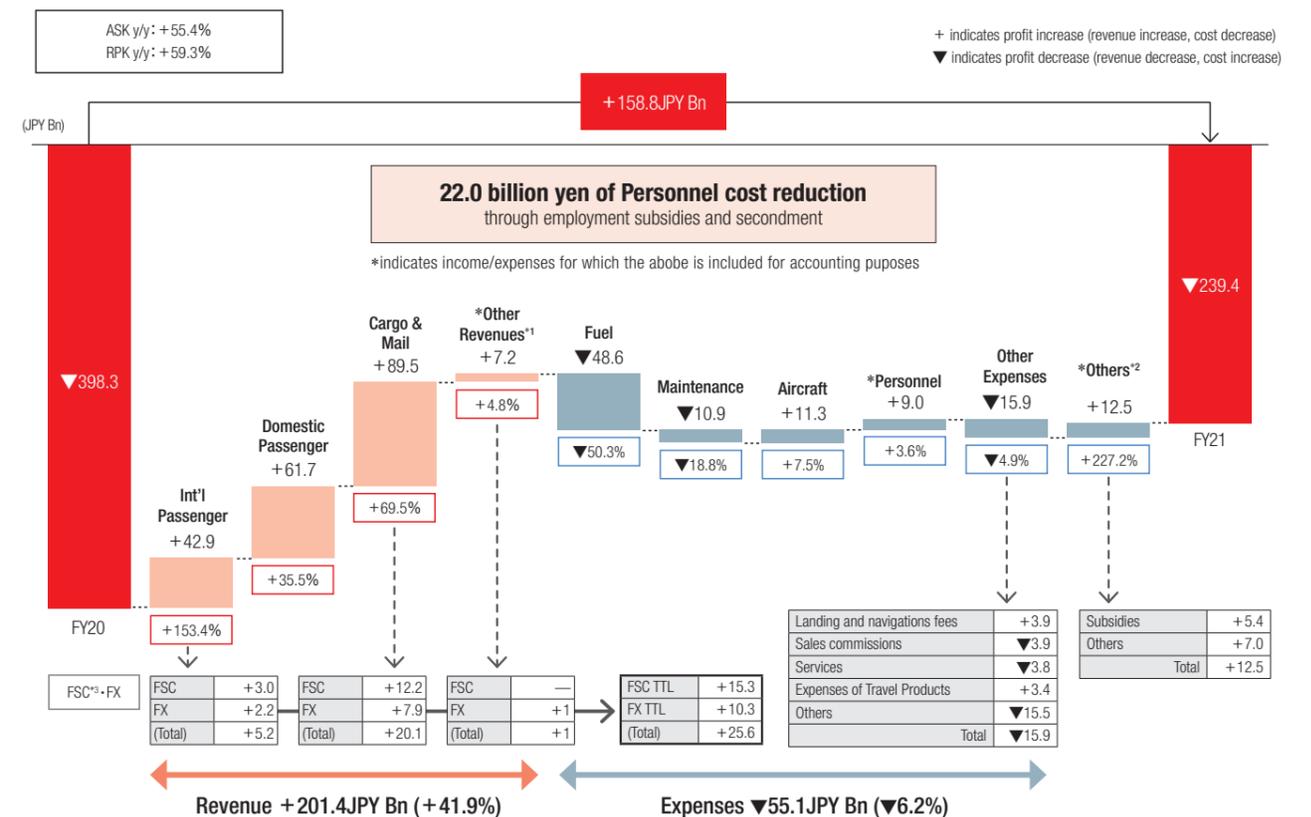
1. Earnings Summary

Revenue **682.7** billion yen EBIT **▼239.4** billion yen Loss attributable to owners of parent **▼177.5** billion yen

In FY2021, the international passenger demand has been sluggish since the pandemic, but as quarantine easing progressed, its revenue increased by 42.9 billion yen year-on-year. The domestic passenger demand repeated to rise and fall throughout the year due to the declaration of a state of emergency. However, because of improved preference for the JAL Group and its agile capacity recovery, the domestic passenger revenue increased by 61.7 billion yen year-on-year. The cargo and Mail business revenue increased by 89.5 billion yen year-on-year due to very strong demand of air cargo during the prolonged disruption of ocean shipments throughout the year. As a result, the consolidated operating revenues increased by 41.9% year-on-year to 682.7 billion yen. As for expense, jet fuel costs increased by 48.6 billion yen as a result of increase in fuel consumption due to capacity recovery

and rise in fuel prices in the market. Maintenance costs rose by 10.9 billion yen due to higher engine maintenance costs. Personnel costs decreased by 9.0 billion yen due to a decrease mainly in executives' salaries and employees' earnings linked bonus payments. We responded to the decrease in demand by making continuous efforts of reducing our capacity in order to minimize our operating costs, together with reducing the actual fixed costs. As a result, the consolidated operating expense increased by 6.2% year-on-year to 940.2 billion yen. EBIT was a loss of 239.4 billion yen (EBIT loss of 398.3 billion yen in the previous year). Loss attributable to owners of parent was 177.5 billion yen (loss attributable to owners of parent 286.6 billion yen in the previous year) as a result of income tax expense decrease by recording deferred tax asset.

FY2021 Changes in EBIT



*1 Other Revenue = Travel Agency, Mileage, Ground Handling etc.
*2 Others = Gain or Loss on Sales of Aircraft, Other Revenue, Share of Profit or Loss of Investment and Income/Expenses from Investment
*3 FSC = Fuel Surcharges

2. Segment Earnings

Revenue **642.5** billion yen

(1) Air Transportation Segment

The revenue in Air Transportation Segment increased by 48.8% year on year to 642.5 billion yen and the loss before investing, financing and income tax (hereinafter referred as "Segment profit (or loss)") was 250.1 billion yen (segment loss of 403.3 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.

Components of Revenues from the Air Transportation Segment (Millions of yen)

	FY2020	FY2021	y/y (%)
International (Full Service Carrier)			
Passenger operations	27,917	68,785	+146.4
Cargo operations	96,553	182,877	+89.4
Mail-service operations	7,344	11,089	+51.0
Luggage operations	333	746	+123.8
Sub total	132,149	263,499	+99.4
Domestic (Full Service Carrier)			
Passenger operations	174,006	235,100	+35.1
Cargo operations	21,735	20,751	▼4.5
Mail-service operations	3,192	3,653	+14.4
Luggage operations	219	312	+42.2
Sub total	199,154	259,817	+30.5
Total revenues from international and domestic operations	331,304	523,316	+58.0
Other revenues (The passenger revenues for LCC is included)	100,517	119,248	+18.6
Total revenues	431,821	642,565	+48.8

*1 The amounts are rounded down to the nearest million yen and the percentages are rounded off to the first decimal place.

*2 For SPRING JAPAN, as the results from acquisition of the subsidiary until the end of June are minor, traffic results from July are included as traffic results for LCC.

① International Passenger Operations (Full Service Carrier)^{*1}

	FY2020	FY2021	y/y (%)
Passenger Revenue (JPY Bn)	27.9	68.7	+146.4
Passengers ('000)	357	892	+149.6
ASK (MN seat km)	11,918	22,780	+91.1
RPK (MN passenger km)	2,196	6,027	+174.4
L/F (%)	18.4%	26.5%	+8.0pt
Revenue per Passenger (JPY) ^{*2}	78,085	77,073	▼1.3
Yield (JPY) ^{*3}	12.7	11.4	▼10.2
Unit Revenue (JPY) ^{*4}	2.3	3.0	+28.9

Revenues of international routes by geographic segment^{*1}

	FY2021 y/y	Component Ratio (%)	
		FY2020	FY2021
America	+234.0	34	46
Europe	+102.9	18	15
Asia / Oceania	+116.3	32	28
China	+36.8	14	8
Hawaii / Guam	+287.1	2	3
Total	+146.4	100	100

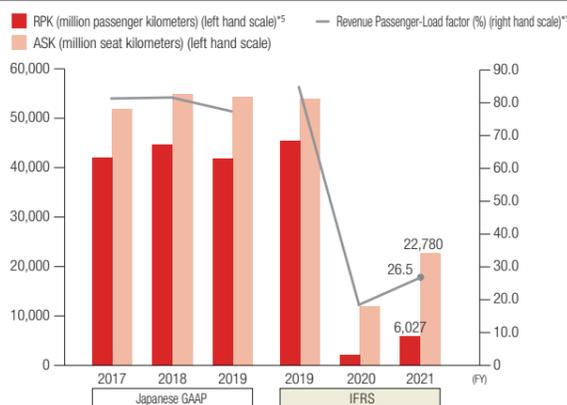
	FY2020	FY2021	y/y
Europe	45	90	+100.7
Asia / Oceania	167	377	+125.4
China	36	52	+43.7
Hawaii / Guam	5	28	+385.3
Total	357	892	+149.6

	FY2020	FY2021	y/y
Europe	2,627	4,467	+70.0
Asia / Oceania	3,307	6,530	+97.4
China	142	308	+115.9
Hawaii / Guam	106	511	+379.2
Total	11,918	22,780	+91.1

	FY2020	FY2021	y/y
Europe	410	840	+104.8
Asia / Oceania	710	1,711	+141.1
China	68	103	+49.9
Hawaii / Guam	36	176	+387.4
Total	2,196	6,027	+174.4

	FY2020	FY2021	y/y
Europe	15.6	18.8	+3.2pt
Asia / Oceania	21.5	26.2	+4.7pt
China	48.2	33.4	▼14.8pt
Hawaii / Guam	33.9	34.5	+0.6pt
Total	18.4	26.5	+8.1pt

International Passengers



*1 Excl. LCCs

*2 Revenue per Passenger = Passenger Revenue / Passenger

*3 Yield = Passenger Revenue / RPK

*4 Unit Revenue = Passenger Revenue / ASK

*5 Passengers with mileage award tickets are included from FY2020 due to revenue recognition change by applying IFRS and also included in the previous year's figures for comparison analysis

② Domestic Passenger Operations (Full Service Carrier)^{*1}

	FY2020	FY2021	y/y (%)
Passenger Revenue (JPY Bn)	174.0	235.1	+35.1
Passengers ('000)	12,212	16,238	+33.0
ASK (MN seat km)	19,452	24,535	+26.1
RPK (MN passenger km)	9,282	12,089	+30.2
L/F (%)	47.7%	49.3%	+1.6pt
Revenue per passenger (JPY) ^{*2}	14,249	14,478	+1.6
Yield (JPY) ^{*3}	18.7	19.4	+3.7
Unit Revenue (JPY) ^{*4}	8.9	9.6	+7.1

*1 Excl. LCCs

*2 Revenue per Passenger = Passenger Revenue / Passenger

*3 Yield = Passenger Revenue / RPK

*4 Unit Revenue = Passenger Revenue / ASK

*5 Passengers with mileage award tickets are included from FY2020 due to revenue recognition change by applying IFRS and also included in the previous year's figures for comparison analysis

③ Cargo and Mail

	FY2020	FY2021	y/y (%)
International			
Cargo operations (JPY Bn)	96.5	182.8	+89.4
Mail-service operations (JPY Bn)	7.3	11.0	+51.0
Revenue cargo ton-km (millions)	1,948	3,113	+59.8
Mail ton-km (millions)	155	160	+3.3
Domestic			
Cargo operations (JPY Bn)	21.7	20.7	▼4.5
Mail-service operations (JPY Bn)	3.1	3.6	+14.4
Revenue cargo ton-km (millions)	237	231	▼2.7
Mail ton-km (millions)	20	22	+9.7

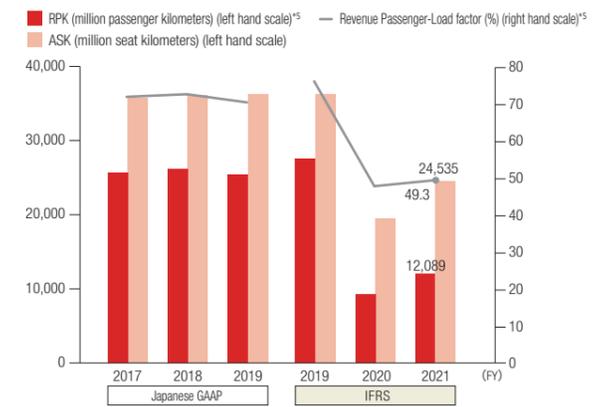
(2) Other Businesses

Results of JALPAK Co., Ltd. and JAL Card Co., Ltd. are shown below.

JALPAK Co., Ltd.

	FY2020	FY2021	y/y (%)
Overseas travelers handled (10,000 number of travelers)	0.0	0.0	+51.1
Domestic travelers handled (10,000 number of travelers)	114.1	100.4	▼12.0
Revenue (before elimination of consolidated transactions), (billions of yen)	55.5	45.8	▼17.6

Domestic Passengers



④ LCC

Revenue for LCC operations were as follows; international passenger revenue was 2.1 billion yen, domestic passenger revenue was 0.6 billion yen. Traffic results for LCCs were as follows; passenger traffic 38,320 (number of passengers), Revenue passenger km 120,889 (1,000 passenger-km), Available seat km 1,829,817 (thousands) and load factor 6.6% for International Passenger Business, and passenger traffic 70,259 (number of passengers), Revenue passenger km 55,012 (1,000 passenger-km), Available seat km 125,332 (thousands) and load factor 43.9% for Domestic Passenger Business. For SPRING JAPAN, as the results from the acquisition of the subsidiary until the end of June are minor, traffic results from July are included as traffic results for LCC.

JAL Card Co., Ltd

	FY2020	FY2021	y/y (%)
Memberships (10,000 number of members)	358.0	346.1	▼3.3
Revenue (before elimination of consolidated transactions), (billions of yen)	18.6	18.5	▼0.7

3. Analysis of Factors Affecting Operating Expenses

Operating Expenses **940.2** billion yen
Actual Fixed Costs **465.7** billion yen

Major Operating Expenses

	FY2020	FY2021	Diff.	y/y (%)
Fuel	96.7	145.4	+48.6	+50.3
Landing and Navigation fees	38.4	34.5	▼3.9	▼10.2
Maintenance	58.1	69.1	+10.9	+18.8
Sales Commissions	3.7	7.7	+3.9	+105.3
Services ^{*1}	11.0	14.8	+3.8	+34.9
Other Variable cost ^{*2}	91.5	103.0	+11.4	+12.5
Aircraft ^{*3}	151.5	140.1	▼11.3	▼7.5
Personnel ^{*3}	254.8	245.7	▼9.0	▼3.6
Other cost ^{*3}	178.8	179.5	+0.6	+0.4
Total Operating Expenses	885.0	940.2	+55.1	+6.2
Actual Fixed Costs ^{*4}	493.7	465.7	▼27.9	▼5.7

*1 Services = Expenses regarding inflight services, airport lounges, cargo equipment, etc.

*2 Other Variable Costs = Travel agency, Mileage, Ground handling etc.

*3 Includes costs that have variable factors such as the number of flights and passengers, and temporary and additional costs associated with business structural reforms.

*4 Actual Fixed Costs excludes the variable factors such as the number of flights and passengers, and temporary and additional costs associated with business structural reforms

In terms of expense, jet fuel costs increased by 48.6 billion yen as a result of increase in fuel consumption due to capacity recovery and rise in fuel price in the market. Maintenance costs rose by 10.9 billion yen due to higher engine maintenance costs. Personnel costs decreased by 9.0 billion yen due to a decrease mainly in executives' salaries and employees' earnings linked bonus payments. Our efforts to reduce costs have been steadily showing results, and the actual fixed cost is 465.7 billion yen, which is a reduction of 34.3 billion yen from the initial target of 500.0 billion yen. We also responded to the decrease in demand by making continuous efforts of reducing our capacity in order to minimize our operating cost, resulting in an operating expense increase of 6.2% year-on-year to 940.2 billion yen. As a result, EBIT was a loss of 239.4 billion yen (EBIT loss of 398.3 billion yen in the previous year).

4. Profit Attributable to Owners of Parent

Loss attributable to Owners of Parent **▼177.5** billion yen

The loss attributable to owners of the parent was 177.5 billion yen (the loss attributable to owners of the parent 286.6 billion yen in the previous year) as a result of income tax expense decrease by recording deferred tax asset.

5. Cash Flow

Cash Flows from Operating Activities
▼103.5 billion yen

Cash Flows from Investing Activities
▼173.7 billion yen

Cash Flows from Financing Activities
359.2 billion yen

The balance of Cash and Cash equivalents at the end of the current fiscal year increased by 85.8 billion yen from the end of the previous fiscal year to 494.2 billion yen.

Cash Flows 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 246.6 billion yen, cash flow (outflow) from operating activities was 103.5 billion yen (cash outflow of 219.5 billion yen for the previous year).

Cash Flows from Investing Activities

Cash flow from investing activities (outflow) was 173.7 billion yen mainly due to expenditures for acquiring Fixed assets (cash outflow of 91.0 billion yen for the previous year).

Cash Flows from Financing Activities

Cash flow from financing activities (inflow) was 359.2 billion yen due to long term debts and issuance of bonds (cash inflow of 388.6 billion yen for the previous year).

Cash Flow

	FY2020	FY2021	Diff.
Cash Flow from Operating Activities	▼219.5	▼103.5	+115.9
Depreciation and Amortization	182.4	178.4	▼3.9
Cash Flow from Investing Activities	▼91.0	▼173.7	▼82.7
Capital Investment	▼97.8	▼189.5	▼91.7
Free Cash Flow*1	▼310.5	▼277.3	+33.2
Cash Flow from Financing Activities	388.6	359.2	▼29.3
Total Cash Flow*2	78.0	81.9	+3.8
EBITDA*3	▼215.8	▼61.0	+154.8

*1 Cash Flow from Operating Activities + Cash Flow from Investing Activities
*2 Cash flow from Operating Activities + Cash Flow from Investing Activities + Cash Flow from Financing Activities
*3 EBITDA=EBIT + Depreciation

6. Capital Investment and Aircraft Procurement

Capital Investment 161.3 billion yen

Capital investment in FY2021 totaled 161.3 billion yen (including expenditure for intangible assets). The 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 FY2021 were advance payments to purchase eleven new aircraft (seven Airbus A350-900s, two Boeing 787-9s and two ATR42-600s). The following major assets were sold: eight Boeing 777-200s, two Boeing 767-300s and three SAAB340Bs. With regard to capital expenditure, we will carefully select and steadily implement growth investments that will contribute to the enhancement of corporate value, such as introducing new aircraft with superior fuel efficiency and cabin comfort, strengthening the LCC business, promoting touchless self-services with greater efficiency, and investing in IT to improve customer convenience, as we restructure the financial foundation base and invest for sustainable growth.

FY2021 Fleet

	End of Mar 2021				End of Mar 2022				Diff.	
	Owned	Leased	Total 1	Total 2 Retired Aircraft Excluded	Owned	Leased	Total 1	Total 2 Retired Aircraft Excluded		
Large	Airbus A350-900	4	4	8	8	11	4	15	15	+7
	Boeing 777-300ER	13	0	13	13	13	0	13	13	—
	Boeing 777-300	4	0	4	0	4	0	4	0	—
	Boeing 777-200ER	11	0	11	6	8	0	8	5	▼1
	Boeing 777-200	9	0	9	0	4	0	4	0	—
Large-sized Total	41	4	45	27	40	4	44	33	+6	
Middle	Boeing 787-9	17	3	20	20	19	3	22	22	+2
	Boeing 787-8	27	0	27	27	25	0	25	25	▼2
	Boeing 767-300ER	29	0	29	29	29	0	29	29	—
	Boeing 767-300	2	0	2	2	0	0	0	0	▼2
Middle-sized Total	75	3	78	78	73	3	76	76	▼2	
Small	Boeing 737-800	43	18	61	61	47	12	59	58	▼3
	Small-sized Total	43	18	61	61	47	12	59	58	▼3
Regional	Embraer 170/Embraer 190	32	0	32	32	32	0	32	32	—
	De Havilland DHC-8-400CC	5	0	5	5	5	0	5	5	—
	SAAB340B	3	0	3	2	0	0	0	0	▼2
	ATR42-600/ATR72-600	10	1	11	11	12	1	13	13	+2
Regional Total	50	1	51	50	49	1	50	50	—	
FSC*1 Total	209	26	235	216	209	20	229	217	+1	
LCC	Boeing 787-8	2	0	2	2	4	0	4	4	+2
	Boeing 737-800	0	0	0	0	0	6	6	6	+6
LCC Total	2	0	2	2	4	6	10	10	+8	
FSC*1 + LCC Total	211	26	237	218	213	26	239	227	+9	

*1 FSC = Full Service Carrier
*2 The difference between Total 1 and Total 2 is retired aircraft as of the end of March
*3 Increase due to the consolidation of Spring Japan

7. Financial Position

Shareholders' Equity 799.7 billion yen

Shareholders' Equity Ratio 33.7% (41.1%)*2

Despite the difficult situation, we have secured shareholders' equity of 799.7 billion yen and shareholders' equity ratio based on credit rating evaluation considering hybrid finance of 41.1%. Moreover, we have kept Net D/E Ratio based on credit evaluation considering hybrid finance at 0.3, keeping a healthy level.

(Assets)

Assets at the fiscal year-end increased by 264.3 billion yen from the end of the previous fiscal year to 2,371.6 billion yen, mainly due to Cash and Cash equivalents increase.

(Liabilities)

Liabilities increased by 401.7 billion yen from the end of the previous fiscal year to 1,527.5 billion yen due to hybrid financing which was aimed at improving financial foundation and securing investment funds in advance for sustainable growth at the same time.

(Equity)

Equity decreased by 137.3 billion yen from the end of the previous fiscal year to 844.1 billion yen, as a result of an increase in the net loss.

Consolidated Balance Sheet

	End of FY20	End of FY21	Diff.
Total Assets	2,107.2	2,371.6	+264.3
Cash and Deposits	408.3	494.2	+85.8
Balance of Interest-bearing Debt	515.1	928.4	+413.3
Repayment within one year*1	69.6 (20.5)	86.7 (14.4)	+17.1 (▼6.0)
Shareholders' Equity*4	947.4	799.7	▼147.7
Shareholders' Equity Ratio (%)*2*5	45.0%	33.7% (41.1%)	▼11.2pt
D/E Ratio (x)*6	0.5x	1.2x	+0.6x
Net D/E Ratio (x)*3*7	0.1x	0.5x (0.3x)	+0.4x

*1 Figures in brackets represent aircraft lease payment within one year
*2 Figures in brackets represent Equity Ratio based on credit rating evaluation considering Hybrid Finance
*3 Figures in brackets represent Net D/E Ratio based on credit evaluation considering Hybrid Finance
*4 Shareholders' Equity = Equity attributable to owners of the parent
*5 Shareholders' Equity Ratio = Ratio of equity attributable to owners of the parent to total Assets
*6 D/E Ratio = Interest-Bearing Debt / Shareholders' Equity
*7 Net D/E Ratio = (Interest-Bearing Debt - Cash and Deposits) / Equity

8. Credit Ratings

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

	Issuer rating	A- (Negative)
Rating & Investment Information, Inc. (R&I)		
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	A (Negative)

9. Fuel and Exchange Rate Hedging

(1) Hedging Policy

For 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.

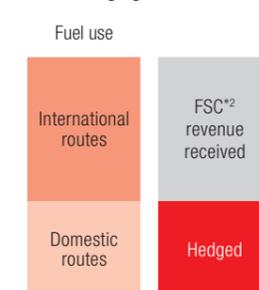
Fuel/FX Markets

	FY2020	FY2021	y/y (%)
Singapore Kerosene (USD/bbl)	43.5	81.6	+87.6
Dubai Crude Oil (USD/bbl)	42.0	74.3	+76.9
FX rate (USD/JPY)	106.0	111.6	+5.3

(2) Overcome Market Risks

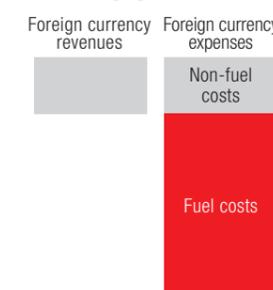
The impact of volatility in fuel prices is mitigated by hedging and fuel surcharges, however there is some time lag of their effects each year. However, over a medium-term timeframe, the Company has been largely successful in mitigating the risk of fluctuations in fuel prices. Based on cumulative changes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

Fuel hedging



The Company is exposed to fuel cost risks on domestic routes, which do not have the FSC*1

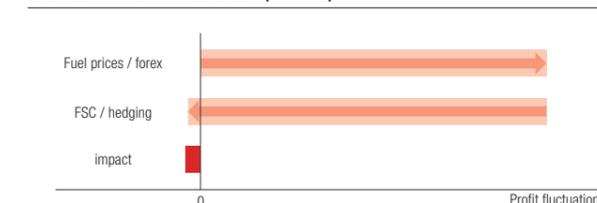
Forex hedging



The Company is exposed to forex risks related to fuel costs, as foreign currency expenses excluding fuel costs are largely offset by foreign currency revenues

*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...Fuel Surcharge

Illustrative chart of cumulative price impacts



10. Retirement Benefit Obligations

Japan Airlines and major consolidated subsidiaries have funded- and unfunded-defined benefit plans and defined contribution plans covering substantially all of their employees. At the time of retirement, a premium severance package may be paid which is not subject to defined benefit plan obligations based on actuarial calculations in accordance with IFRS. These pension plans are exposed to general investment risks, interest rate risks, life risks, and other risks, but are not considered to be significant risks. Accumulated defined benefit plans are operated by pension funds that are legally segregated from the JAL Group. The board of directors of pension funds or outsourced companies are required by law to act in the interests of members with priority and put the capital of pooled assets to work under prescribed policies. As of the end of the current fiscal year, 38 companies from among

Japan Airlines and consolidated subsidiaries have a lump-sum retirement benefit plan. The Corporate Pension Fund also has three funds, including the Japan Airlines Welfare Pension Fund. Some subsidiaries overseas also have defined benefit plans. The Japan Airlines Welfare Pension Fund, whose parent company is Japan Airlines, has introduced a plan similar to a cash balance plan as an optional plan. Furthermore, the JAL Group Corporate Pension Fund comprising of domestic consolidated subsidiaries and other companies has introduced a cash balance plan.

11. Distribution of Profits

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

Considering the uncertain business environment, JAL currently positions the current situation as the “financial foundation restructuring phase”. In this phase, JAL will prioritize a restructuring of our financial foundation and enhancement of risk tolerance. Then, JAL will quickly restructure its financial foundation and recover cash flow generation and move to the “sustainable growth phase”. Resources will gradually be allocated to shareholder returns and investment for sustainable growth based on the business environment.

In the “sustainable growth phase”, JAL will decide the dividend per share level considering its continuity, stability and predictability with reference to a payout ratio of approximately 35%. In addition, JAL will proactively and flexibly consider share repurchases, 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 amount of the share repurchases, of an approximately 35% to 50% range through appropriately sharing periodic profits and allocating capital among all of its stakeholders.

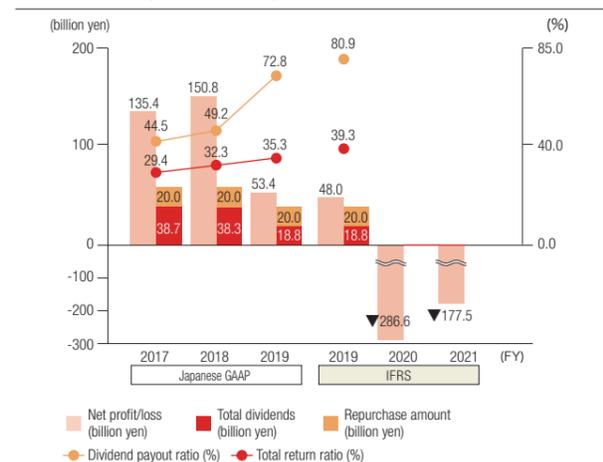
At the same time, JAL continuously strives to improve capital efficiency through monitoring the total return on equity ratio, which is calculated by dividing the sum of total dividends paid out and share repurchases by shareholders' equity. JAL makes its efforts to maintain this ratio at approximately 3% or above.

The company's articles of incorporation stipulate that JAL “may pay interim dividends to shareholders with the record date of September 30 each year, upon a resolution by the Board of Directors.”

Even though the prolonged COVID infection is settling down and the passenger demand, especially domestic demand, is gradually coming back, the prolonged infection delayed passenger

demand recovery and JAL regrettably recorded significant losses for this fiscal year that makes losses in two consecutive years. Considering the surrounding business environment such as the apparent geopolitical risk and the surge of fuel price, we believe securing liquidity at hand to enhance our risk tolerance and financial foundation is the best for JAL at this moment, thus we have determined not to provide year-end dividends in order to secure liquidity at hand. We regret that we cannot pay dividends to our shareholders, but we would like to ask for their understanding in this situation. In terms of dividends for the fiscal year ending March 2023, it may take some more time for international passenger demand to recover fully from the COVID infection, but a steady recovery of domestic passenger demand seems possible. While we have to keep a close eye on the geopolitical risk and the fuel price hike risk, our performance

Total return ratio (FY2017-FY2021)^{*1 *2}



*1 Total Return Ratio = (Total Dividends + Share Repurchases) / Profit or Loss^{*3 *4}

*2 EBIT Margin and EBITDA Margin for FY2020 and FY2021 are not shown as they are negative figures. Payout Ratio and Total Return Ratio for FY2020 and FY2021 are not shown as no dividend has been provided.

*3 Profit/loss attributable to owners of parent

*4 Profit attributable to owners of parent for FY2017–2018 excludes the effects of income taxes deferred

recovery and cash flow improvement is promising if there are no significant event risks. Therefore, we will aim for dividend payments for the fiscal year ending March 2023. We will strive for

early performance improvement and financial recovery in order to realize a continuous and steady return to shareholders again.

12. Business Risks

(1) Pandemic Risk

- ① Risks related to short-term impact on business performance
- ② Risk related to medium- to long-term changes in the business environment

(2) Natural Disaster Risk and risks related to external factors including Terrorist Attacks

(3) Climate Change Risk, Global Warming Risk and Risks related to Environmental Regulations

(4) External Environment Risk such as International Affairs and Economic Trends

- ① External Environment Risk
- ② Competitive Risk

(5) Aircraft Delivery Risk

(6) Market Fluctuation Risk

- ① Fuel Price Fluctuation Risk
- ② Exchange Rate Fluctuation Risk
- ③ Capital Market Risk and Financial Market Risk

(7) Aviation Safety Risk

(8) Regulatory Risk, Environmental Compliance Risk and Litigation Risk

- ① Regulatory Risk
- ② Litigation Risk

(9) IT Risk and Customer Data Protection Risk

(10) HR Risk and Industrial Relations Risk

For more information, please visit the JAL website.

[WEB https://www.jal.com/en/investor/risk/](https://www.jal.com/en/investor/risk/)

5. Other Data

Stock Information

(as of March 31, 2022)

- Stock Exchange Prime Market of the Tokyo Stock Exchange
- Stock Code 9201
- Number of Shares Per Unit 100 shares
- Account Closing Date March 31
- Ordinary General Meeting of Shareholders June each year
- Date of Finalizing Shareholders Eligible to Exercise Voting Rights at the Ordinary General Meeting of Shareholders March 31
- Date of Record for Dividend September 30 and March 31
- Shareholder Registry Administrator Mitsubishi UFJ Trust and Banking Corporation

- Contact
Stock Transfer Agency Department
Mitsubishi UFJ Trust and Banking Corporation
1-1, Nikko-cho, Fuchu-shi, Tokyo, Japan
Mailing address: ShinTokyo Post Office PO Box 29
Phone: 0120-232-711 (toll free (only within Japan))
Open: 9:00 am to 5:00 pm except weekends and public holidays (Japan time)
Website: www.tr.mufg.jp/daikou/ (only in Japanese)

- Method of Official Announcement
Electronic public notice at:
URL www.jal.com/en/corporate/publicnotices/ (only in Japanese)
Provided, however, that if the electronic notice cannot be made due to an accident or any unavoidable reason, the public notice shall be published in the Nihon Keizai Shimbun.

- Limitation on Listing or Recording of Citizens of Foreign Countries and Other Persons in Register of Shareholders and Register of Beneficial Shareholders
The Articles of Incorporation lay down the following provision concerning the Civil Aeronautics Act, Article 120-2.

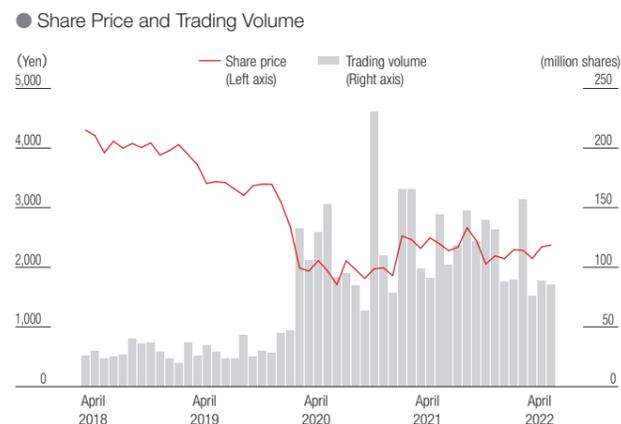
Article 12 Limitation on listing or recording of Citizens of Foreign Countries and Other Persons in Register of Shareholders and Register of Beneficial Shareholders
12.1 If the Company receives from a person, who falls into one of the categories listed in the items below, a request for listing or recording his or her name and address in the register of shareholders (including the register of beneficial shareholders; hereinafter the same), and if the acceptance of such request causes the total voting rights owned by persons, who fall into one of the categories listed in the items below, to represent one-third or more of the Company's total voting rights, the Company shall refuse such listing or recording.
(1) A person who does not have Japanese citizenship
(2) A foreign country, foreign public body or similar entity
(3) A corporation or other organization established under foreign laws and regulations
2. When the Company intends to list or record all shares held by any of the shareholders listed in the items of the following paragraph, upon notification from a book-entry institution in accordance with Article 151, Paragraph (1) or (8) of the Act on Book-Entry Transfer of Company Bonds, Shares, etc., and thereby the total number of voting rights held by such persons listed in the items of the preceding paragraph will account for more than a third of the Company's voting rights, the Company shall list or record such shareholders in the register of shareholders in accordance with measures provided for in the Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism to list or record only a part of the shares so that the total number of voting rights held by such shareholders in the items of the preceding paragraph accounts for less than a third of the Company's voting rights.

- Total Shares Issued 750 million
(Common stock) (700 million)
(Class 1 Preferred stock) (12.5 million)
(Class 2 Preferred stock) (12.5 million)
(Class 3 Preferred stock) (12.5 million)
(Class 4 Preferred stock) (12.5 million)
- Outstanding Shares Issued
Common stock 437,143,500 (Number of shares per unit: 100)
Number of shareholders 481,161

* The total number of shares issued includes 136,291 shares of treasury stock.

Shareholder	Number of shares held (stock)	Voting rights ratio (%)
The Master Trust Bank of Japan, Ltd.(Trust account)	64,908,200	14.85
Custody Bank of Japan, Ltd.(Trust account)	13,160,900	3.01
MSIP CLIENT SECURITIES	8,151,547	1.86
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	8,006,870	1.83
Kyocera Corporation	7,638,400	1.74
Daiwa Securities Group Inc.	5,000,000	1.14
MLI FOR SEATOWN MASTER FUND-PB	3,374,200	0.77
DAIWA CM SINGAPORE LTD-NOMINEE ROBERT LUKE COLLICK	3,140,000	0.71
SSBTC CLIENT OMNIBUS ACCOUNT	2,858,062	0.65
GOVERNMENT OF NORWAY	2,784,286	0.63
Total	119,022,465	27.23

* Shareholding ratio is calculated by subtracting 136,291 shares of treasury stock and rounding to two decimal places.



Company Profile

(as of March 31, 2022)

Corporate Name Japan Airlines Co., Ltd.
Head Office Nomura Real Estate Bldg.,
2-4-1 Higashi-Shinagawa
Shinagawa-ku
Tokyo 140-8637, Japan
Phone: +81 (0)3-5460-3121
Website: www.jal.com/en
August 1, 1951
Representative Director, President AKASAKA Yuji

Capital 273,200 million yen
Employees Consolidated Employees 35,423 people
Employees 12,767 people
Capital and Paid-in Capital 539,541 million yen(Amount is rounded down to the nearest million yen)
Business 1. Scheduled and non-scheduled air transport
2. Aerial work services
3. Other related business

Major External Evaluations

(2021 to 2022)

Major ratings and awards are also posted on the JAL website.

WEB <https://www.jal.com/en/outline/awards.html> WEB <https://press.jal.co.jp/en/awards/>

Comprehensive evaluation of service quality, safety and security initiatives, and sustainability initiatives

APEX⁺WORLD CLASS₁
First Japanese airline

Evaluation of infectious disease measures (safety and security initiatives)

SKYTRAX⁺ COVID-19 Safety Rating₁
Best rated 5 stars

APEX⁺Health Safety Powered by SimpliFlying Audit Diamond₁
Highest rating for Diamond

SKYTRAX⁺ COVID-19 Excellence Award₁

Evaluation of airport and in-flight products and services

SKYTRAX⁺World Airline Star Rating₁
From 2018

SKYTRAX⁺World's Best Economy Class₁
Second consecutive year
SKYTRAX⁺Best Economy Class Airline Seat₁
Fourth consecutive term (fifth)

Evaluation of ESG strategy

FTSE4Good

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

J-Win Diversity Award 2021
NPO J-Win 2021 J-Win Diversity Awards
Second Grand Prize, Advance Division

Evaluation of D&I initiatives

Evaluation of D&I Promotion
Top "Gold" for 6 consecutive years since 2016

The MSCI Japan Empowering Women Index

JobRainbow⁺D&I Award 2021₁
D&I Award

JobRainbow⁺D&I Award 2021₁
Best Rating "Best Workplace"

Evaluation of efforts to promote D&I and improve accessibility

Tokyo Metropolitan Government's Barrier-Free Mindset Corporate Supporter

Evaluation of workstyle innovation

The Ministry of Internal Affairs and Communications's 100 Best Telwork Pioneers
First airline to receive the Minister of Internal Affairs and Communications Award

A Brand in the Health & Productivity Stock Selection

The 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program
JAL Group 20 companies certified

Evaluation of DX initiatives

Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange
The DX Stocks 2021

Evaluation of disclosure

2021 Award for Excellence in Corporate Disclosure
—Industries—
The Securities Analysts Association of Japan

Japan Securities Analysts Association "Award for Excellence in Corporate Disclosure"
No. 1 in transportation for the third time in four years

Japan Investor Relations Association "IR Good Visual Award"
Won for the second consecutive year

Japan Airlines Co., Ltd.
Finance Department
General Affairs Department

22-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Phone: +81-3-5460-3121

The JAL Website	https://www.jal.com/en/
Corporate Information	https://www.jal.com/en/outline/
Sustainability Information	https://www.jal.com/en/sustainability/
Investor Information	https://www.jal.com/en/investor/

