

1. Materiality

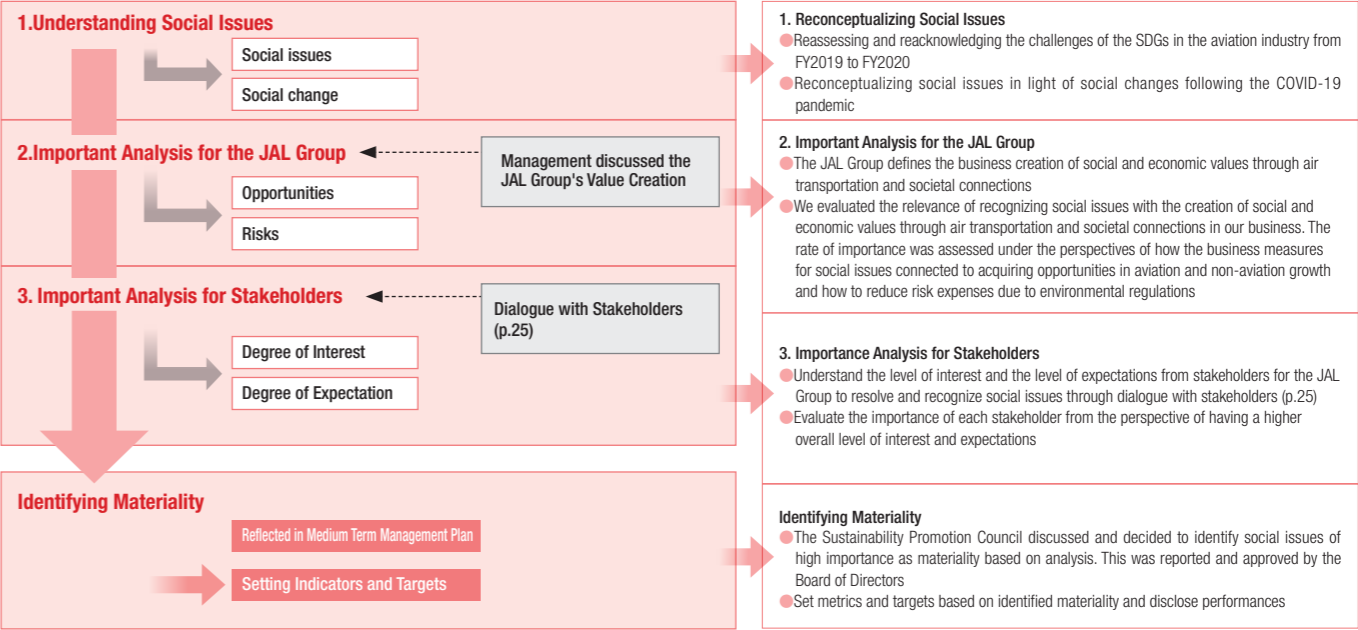
The JAL Group positioned its ESG strategy at the topmost of the JAL Group Medium-Term Management Plan Rolling Plan 2023 and reviewed its materiality to create social and economic value and solve social issues through air transportation and societal connections generated by its business.

To date, materiality has been identified as 22 issues in 4 areas in order to contribute to achieving the 17 goals/169 targets of the SDGs. This is mainly in the FSC business area. Through the materiality identification process, we are reviewing materiality so that it is closely linked to the creation of economic value in all business areas of the JAL Group, and not just in aviation. In addition, we define human resources (human capital), which is the JAL Group’s greatest strength, as materiality because to improve the value creation and productivity of all our employees is an important management issue.

The JAL Group aims to achieve medium- to long-term growth by creating a safe and secure society and a sustainable future through our materiality initiatives.

Materiality Specific Process

To identify materiality, we first reconsidered social issues in the post COVID-19 pandemic period. We then analyzed the important social issues for the JAL Group and its stakeholders based on the social and economic values that the JAL Group creates through air transportation and societal connections. The identification of materiality was reported and approved by the Board of Directors after extensive management discussions at the Sustainability Promotion Council chaired by the President. The identified materiality is reflected in the business strategy of Rolling Plan 2023 of the Medium-Term Management Plan. We also set and disclosed metrics and targets for each materiality.



Material Issues (Materiality)		Indicator of Social Values [FY2025 target]	Indicator of Economic Values [FY2025 target]	Goals of the Relevant SDGs
Tourism Nation	Promoting economic growth and international mutual understanding through tourism	<ul style="list-style-type: none">Regional Revitalization [+10% compared to domestic total passengers FY2019] Management targetInbound expansion [1,505,000 inbound tourists to Japan using domestic flights]Expansion of regional product distribution [Domestic cargo volume +10% compared to FY2019] Management targetPromotion of new tourism [JAL Wellness and Travel 10 Municipalities in partnership]Promotion of research with outside parties [200 Workstyle Research Members]	<ul style="list-style-type: none">Expansion of air travel and total passengers [+10% compared to domestic total passengers FY2019] Management target[1,505,000 inbound tourists to Japan using domestic flights]Increase in transportation of local products [Domestic cargo volume +10% compared to FY2019] Management targetIncrease in contracted number of flights [128,000 flights operated by customer airlines]Increase in the number of partnership municipalities related to travel [JAL Wellness and Travel 10 Municipalities in Partnership]Expansion of mile life service users [There are 810,000 Dokokani mile users Development of subscription-type travel products 250% compared to FY2022]	
Regional Revitalization	Bring prosperity and vitality to the community			
Fulfilled Hearts	Enhance happiness and cultivate affluent life through free movement and connection of goods and people			
Resilience through Diversity	Build a diverse society in which people, cultures, values, and modes of behavior are respected and new values are created	<ul style="list-style-type: none">Respect for human rights [Implementation rate of human rights due diligence 100%]Barrier-Free and Stress-Free [2.5 times the FY2019 boarding rate for customers who find it difficult to travel]	<ul style="list-style-type: none">Expansion of air travel in total passengers [2.5 times the FY2019 boarding rate for customers who find it difficult to travel]	
Safe and Secure Society	Create, develop, and protect a safe infrastructure of the skies	<ul style="list-style-type: none">Building a foundation for next-generation air mobility [FY2023 drone logistics business, FY2025 eVTOL business]	<ul style="list-style-type: none">Commercialization of air mobility services [FY2023 drone logistics business, FY2025 eVTOL business]	
Aviation Infrastructure	Pass on the basis of sustainable air transport to the future	<ul style="list-style-type: none">Maintenance and expansion of aviation and logistics networks [More than 65 domestic entry points including code share]	<ul style="list-style-type: none">Air total passengers: Expansion of the number of travelers and cargo traffic [+10% compared to FY2019 in total passengers and cargo volume +10% compared to FY2019 in Japan] Management target	
Precious Earth	Preserve and restore the global environment, which serves as a source of people, sales and distribution channels, and to pass it on to the next generation	<ul style="list-style-type: none">Reduction of CO₂ emissions [Scope 1 Emissions < below 9.09 million t (FY2019)] Management targetConservation of biodiversity [1,000 colonies of sexually reproducing corals by 2026]Reduction of single-use plastics Management target[Cabin Lounge: Total elimination of new petroleum derived products] [cargo and airport: 100% change to environmentally friendly materials]	<ul style="list-style-type: none">Expansion of air travel in total passengers [+10% compared to domestic total passengers v.s. FY2019] Management targetExpansion of commerce [15 companies strengthen planning and sales of recycled products in cooperation with companies outside the JAL Group]	
Human Capital	Enhance capacity for value creation and productivity of all JAL Group employees	<ul style="list-style-type: none">Improving the ability to create social value [Highly engaged employees percentage 64.4%]Promotion of DEI [Ratio of women in management 30%] Management target	<ul style="list-style-type: none">Improving the ability to create economic value [+15% per capita sales v.s. FY2019]Promoting DEI [Ratio of women in management 30%] Management target	

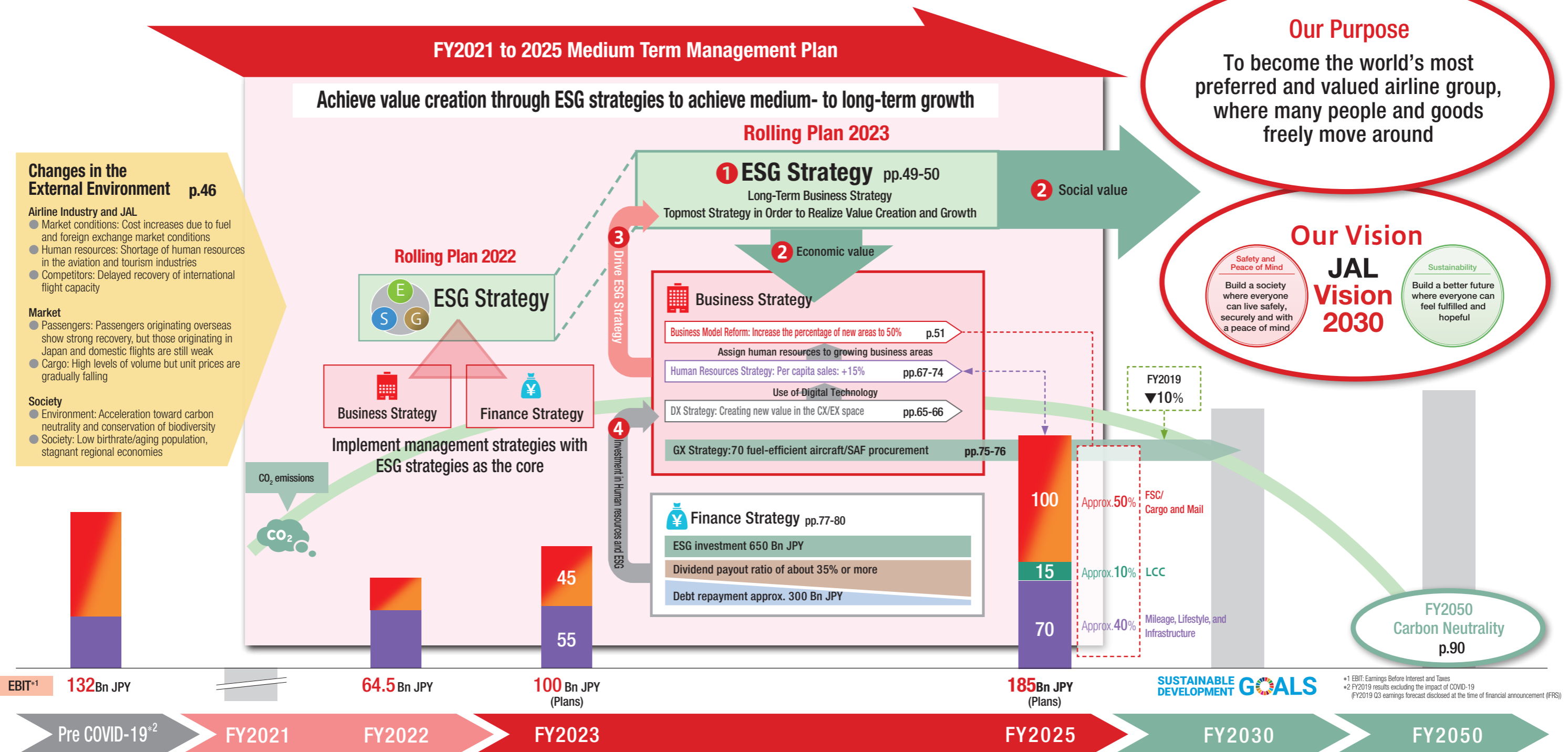
Please see pp.85-88 for more information on "metrics and targets."

2.JAL Group's Value Creation Story

Achieving JAL VISION 2030 and Carbon Neutrality

The JAL Group has set forth the JAL Vision 2030, which aims to create a society of Safety and Peace of Mind and a Sustainable future for the purpose of our company, which is to create a vibrant society and a future where many people and goods freely move around.

- 1 In the 2021 to 2025 JAL Group Medium Term Management Plan Rolling Plan 2023, we reviewed the positioning of our ESG strategy and defined it as our top-level strategy.
- 2 Through our ESG strategy, we will create social value in terms of air transportation and societal connections, realize JAL Vision 2030, and improve economic value.
- 3 In the business strategy to promote the ESG strategy, the JAL Group will expand its earnings and achieve sustainable growth through business model reform, human resources strategy, DX strategy, and GX strategy for carbon neutrality.
- 4 The financial strategy underpinning the ESG strategy is to appropriately allocate cash generated by the enhancement of economic value to ESG-promoting investments, such as human resources and shareholder return, among others, while maintaining both risk tolerance and growth.



The JAL Group supports the movement of people and goods in the areas of FSC, LCC, and Cargo and Mail, and creates societal connections through air transportation while maintaining safe operations, which is the foundation of our business. We aim to continuously increase corporate value by creating social and economic value through the movement and connection of people and goods, and by strengthening human capital and other capital.



4. Foundations of Value Creation

(1) Safety Charter

The Safety Charter demonstrates the JAL Group's determination, basic philosophy, and actions toward safety, which is the basic premise for creating value as an airline. Every employee, from top management to front-line employees, implements the Safety Charter on a daily basis.

The JAL Group places particular importance on the Safety Management System, which is an organizational safety promotion mechanism for maintaining and improving aviation safety, and the Safety Culture, which is an organizational culture for functioning the safety management system.

Safety Charter

Safety: The protection of lives.

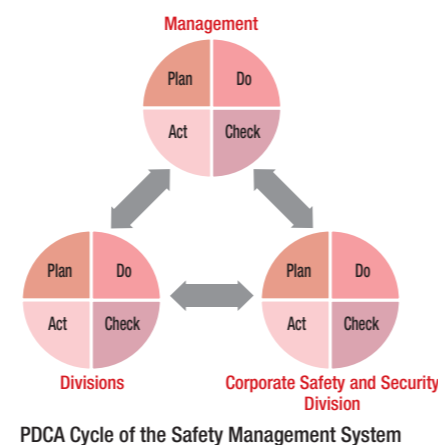
This is the commitment and basic foundation of business continuity for the JAL Group. We take to heart our mission and responsibility as safety professionals to ensure a safe operation on every flight with the best of our knowledge, skills and abilities.

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 on the safety management system, please visit the JAL website.

WEB https://www.jal.com/en/safety/safety_system/#system

■ 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 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.



- Utilizing gathered information on unsafe conditions and unsafe events, we identify hazards and real or hidden risk factors with the potential to cause or contribute to an aircraft accident, serious incident or other adverse events.

* Any source of danger or potential danger that may cause or contribute to an aircraft accident, serious incident or other adverse events.

- We determine the severity of consequences and the probability of occurrence, assess the acceptability of the risk level and examine the need to take action. Multiple risks are prioritized, as necessary, to know which ones are most urgent.

- We establish and implement measures to eliminate each hazard so that high priority risks are reduced to a tolerable level.

- We monitor the measures and evaluate their effectiveness. If the risk is determined not to be acceptable, we establish and implement additional measures.

▶ 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

Safety education is conducted every year for all employees with the aim of creating awareness based on the basic premise of safety. In addition, we conduct safety training for new employees, employees, who have worked for JAL for 10 years, and new managers.



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 implemented a change management process to manage risks arising from upsizing and downsizing of organizations, and changes to facilities, systems, processes, and procedures with the probability of affecting safety.

▶Third-party assessment

①External audit

JAL regularly undergoes safety audits by MLIT and IATA Operational Safety Audit (IOSA), an international safety audit program to enhance safety management.

②Advice and recommendations from the Safety Advisory Group

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



Safety Advisory Group: (left rear) Prof. HAGA, Prof. KOMATSUBARA, (left front) Prof. HATAMURA, Mr. YANAGIDA (Chair), and 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 JAL Group 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

The 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.

Voice



KAWASAKI Kinuka
JAL Infotech Co., Ltd. Service Business Division
Field Service Division



IMURA Yu
Ryukyu Air Commuter Co., Ltd.
Chief Crew First Officer Group 2

Renew one's desire for safety

Safety Seminar for New Employees

I climbed Mt. Osutaka for the first time and felt the tragedy of the accident firsthand by witnessing the accident site. I was determined to maintain safe flight operations as a member of the JAL Group through this memorial climbing, and I thought it was my mission to pass on the memory of Mt. Osutaka. In day-to-day operations, as an IT engineer, I will always be aware of how systems support the safe operation of Japan Airlines, and I will work quickly and sincerely to resolve problems and issues while valuing the voices of those on the ground.

Safety Seminar for New Managers

Through the training, I felt that with my relocation, my desire for safety, which is the basis of my thinking, became stronger. When I visited the site again, I could vividly see the scenes of that time, and the words from the people and the actual people resonated more deeply. In addition, by interacting with people of the same generation in other occupations, the sense of camaraderie increased, my own feelings were inspired, and my awareness of safety increased.

(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.

Each member of the JAL Group aims to achieve the JAL Group corporate policy of "Deliver unparalleled service to our customers and Increase corporate value and contribute to the betterment of society" throughout the daily practice of JAL Philosophy.

When JAL Group employees think and act autonomously, JAL Philosophy aligns the vectors of all employees.



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

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

All JAL Group employees participate in workshops three times a year with the aim of providing the best service to customers and contributing to the advancement of society through the study of JAL Philosophy. In FY2022, we deepened our learning on the theme of what each individual should be aware of in order to solve social issues through business activities. The aim is to become a driving force for tomorrow by learning the value of our daily work through dialogue and introspection with our peers.



Online workshop

▶ Leaders workshop

In FY2022, six workshops were held annually for executives and department heads and two sessions annually for managers, with the aim of helping leaders improve their character. Focusing on leadership that responds to the changing times and building an organization that takes on challenges, the JAL Group's leaders strive to compete with each other in order to demonstrate the strength of the JAL Group in human resources.



View of the event held in June 2022

Voice



TAMURA Yuko
Work Philosophy Department

JAL Philosophy and ESG Strategy

Last year, we focused on ESG strategies as the theme of the JAL Philosophy workshop, hoping to convey that our work based on altruism has led to ESG strategies. Participants commented, "I found that the results of each person's daily work lead to ESG strategy, and my motivation for work increased." It was a challenge to tackle a difficult subject, but I feel that thinking through the common values of JAL Philosophy has enabled us to bring all employees together.

(3) Divisional Profitability Management System

The divisional profitability system, based on our Amoeba Management, has advantages such as fostering personnel with a sense of management, proactive business management, and the realization of Management by All. All JAL Group employees work on figures involved in company management to maximize profits. Along with the implementation of JAL Philosophy, we aim to realize our corporate philosophy by not only maximizing profit in each division, but also pursuing optimal profits throughout the entire company.



Driving Force to Involve all Employees in Management

■ Developing Human Resources that Contribute to Sustainable Development

In the Amoeba system, the leaders of each organization are responsible for the income and expenditure of their own organization. They gain managerial experience by formulating intentional organizational goals and engaging all members to achieve the goals. This initiative will produce managerial talent.

■ Realize Business Model Reform by Leveraging Strengths

Each month, we formulate earnings forecasts for the FSC, the LCC, and the Mileage, Lifestyle and Infrastructure businesses. Based on these forecasts, we examine and implement measures to maximize earnings. At the Group performance report meetings, which are attended by all executives, discussions will be repeated on the income and expenditure forecasts and measures formulated by each business. In addition to cost management, which was a major topic of discussion during the COVID-19 pandemic, the focus of discussions will be to maximize income based on changes in the current business environment. All participants will share their insights toward achieving the annual earning goal and rebuilding the business portfolio. By taking advantage of proactive management and the Management by All, we will realize the growth of each business, thereby leading to the sustainable growth of the JAL Group.



Contribution to Improve Income and Expenditure

Divisional profitability initiatives exerted its authority during the COVID-19 pandemic. The leaders of each organization took the lead in formulating earning forecasts based on the latest demand trends of each month, and appropriately managed costs in response to the sharp decline in income. In addition, these forecasts were shared at departmental meetings where all members gathered, regardless of job title or years of employment, and all organizations considered and implemented measures to improve income and expenditure, such as planning new businesses utilizing the resources that we own. In this way, each organization continued to take advantage of the strengths of the system, and the JAL Group as a whole has improved its income and expenditure.



Monthly departmental meetings in the frontline (Left: JAL Cargo Right: JAL Sky)

(4) Governance

Governance is positioned as the foundation for the JAL Group's value creation. Through the JAL Group Code of Conduct, which all employees must adhere to, company-wide risk management, and corporate governance, which exercises strong management oversight functions based on high management transparency, we will firmly establish aggressive and defensive governance and achieve sustainable growth.

JAL Group Code of Conduct (Information Disclosure and Compliance)

The JAL Group Code of Conduct is a commitment to society through which the JAL Group conducts its business and is an action guideline that all employees must adhere to in order to create value sustainably through their daily work. In addition to implementing the JAL Philosophy, all employees will think and act in accordance with the Code of Conduct, thereby fulfilling the promise to society, such as solving social issues including the SDGs.



JAL Group Code of Conduct

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

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

WEB <https://www.jal.com/en/philosophy-vision/codeofconduct/>

Initiatives based on the JAL Group Code of Conduct

We formulate and implement initiatives based on the JAL Group Code of Conduct, ranging from the business strategy of the medium-term management plan with ESG strategy at the top to initiatives related to more universal governance. Specific initiatives for more universal governance include:

① Information Disclosure and Dialogue

- In order to continue to be a trusted company in society, the JAL Group strives to have better dialogue with a wide range of stakeholders and to enhance and improve the quality of information disclosure, which is a prerequisite for dialogue.
- We strive to disclose information carefully and engage in constructive dialogue with shareholders, investors and other stakeholders.
- In order to disclose the JAL Group's corporate stance, we have posted a variety of information on our company website, including the JAL Report, a consolidated report on finance and ESG, the JAL Group Safety Report, which summarizes our attitude and initiatives toward safety, as well as our corporate philosophy, corporate information, safety and quality information, sustainability information, and IR information. We also disclose information on our management plans and financial results in a timely, fair and appropriate manner. In addition, we will carry out dialogue to promote understanding from a wide range of stakeholders and enhance corporate value.

■ Proactive Information Disclosure

The JAL Group is working to enhance the quality of information disclosure and emphasize two-way communication so that stakeholders can understand the situation and business environment accurately and deeply. In recognition of this proactive disclosure of information, we have been ranked number one in the transportation sector for the fourth time in the past five years since 2018 by the Japan Securities Analysts Association as a "Disclosure Excellent Company". In order to build better relationships with stakeholders, we will continue to actively disclose information and strengthen communication through dialogue events and IR materials and strive to conduct IR activities with higher quality.



1. Materiality	2. JAL Group's Value Creation Story	3. JAL Group's Value Creation Process	4. Foundations of Value Creation	5. The Trails of Challenges
(1) Safety Charter	(2) JAL Philosophy	(3) Divisional Profitability Management System	(4) Governance	

② Fair Business Practices

- The JAL Group carries out fair business activities in order to remain a company trusted by society.
- Fair business practices will be ensured through compliance, anti-corruption, engagement in free and fair competition, management of personal information and intellectual property, and measures against anti-social forces.
- To this end, we will raise awareness of compliance and conduct based on the Code of Conduct through the education for each employee. We will also establish a consultation desk and work to detect fraud as soon as possible.
- In particular, as we work to prevent corruption, we comply with laws and regulations and international treaties applicable to our respective countries and regions as part of our global business development, and we are working to strengthen controls on bribery and prevent money laundering.

■ Promotion System

Compliance initiatives, including the promotion of fair business conduct, are reported at the Group Risk Management Meeting directly under the President, and the status of initiatives is supervised. In addition, we have established the JAL Group Compliance Network, consisting of executives from each JAL Group company, to ensure thorough compliance across the Group.



■ Enhancement of Employee Education

Since the establishment of the Code of Conduct in 2019, the JAL Group has been conducting training programs with the aim of improving the level of awareness, understanding, and steady implementation. All employees attend a seminar on our Code of Conduct annually in October, known as the Compliance Month. In FY2022, we aimed to further implement the Code of Conduct by sharing and discussing what we think is important for each employee and how to implement the Code of Conduct and share their problems at work. After their training, we distribute a questionnaire to all participants and work to improve the curriculum every year based on their responses.

In addition to the above training, we are also working to further raise awareness of compliance by providing education by job level, including the executive level, and lobby in each workplace, including overseas departments.

■ Development of Consultation Services for Employees

We have established internal and external reporting and consultation desks (24 hours, 365 days, Japanese/English) that can be used anonymously by all JAL Group employees. In addition, each group company has its own consultation desk, and the JAL Group as a whole is conducting early detection and correction of fraud. The number of internal reports in FY2022 was 170. In order to make the contact easily accessible to employees, we will continue to disseminate information that makes it easy to understand where to present their report and provide internal education on the whistleblowing system.

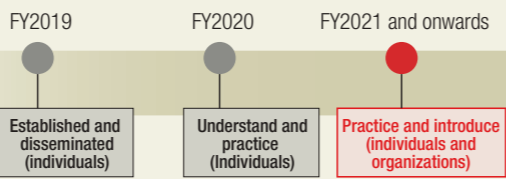
■ Number of Violations of the Code of Conduct in FY2022

The number of violations of the Code of Conduct (disciplinary actions) in FY2022 is shown at right. When violations are discovered, we not only investigate them appropriately and take action, but we also strive to prevent the recurrence of such cases by frequently sharing the reported cases, providing in-house education, and establishing a system to prevent violations.

Items	Number of Events
Bribery or Corruption	0
Discrimination	0
Harassment	6
Customer Privacy	0
Conflict of Interests	0
Money Laundering or Insider Trading	0

Efforts for further implementation

Since its establishment in 2019, we have been working on a step-by-step process to steadily implement the system by spreading the word and promoting understanding. Since FY2021, each employee has been reflecting on the Code of Conduct once again, sharing and discussing their own problems at work, which they believe is an important practice for further application.



③ Responsible Procurement

- We will maintain fair and clear procurement and strive to co-exist and co-prosper with our suppliers by building a sustainable supply chain through the dissemination and compliance with the JAL Group Supplier Code of Conduct.
- To this end, we will endeavor to respond in good faith and identify and resolve issues from the perspectives of legal compliance, global environmental protection, respect for human rights, proper labor practices, and fair business practices.

■ ESG Initiatives - Supply Chain ESG Program -

The JAL Group's businesses, including air transportation, are supported by the supply chains of a wide variety of suppliers. Throughout this supply chain, we operate a supply chain ESG program to identify and address significant risks and impacts from an ESG perspective.

► Main Initiatives of the Program

The Supply Chain ESG Program assesses and supports suppliers according to the level of their ESG risks. The JAL Group Supplier Code of Conduct is presented to all our suppliers to understand and comply with. To significant suppliers judged to be at high risk, the JAL Group uses SAQ*1 of Sedex*2 or the responses from our company's own Self-Assessment Questionnaire (JAL questionnaire) to confirm the compliance status, business practices, human rights, and the environment, as well as business materials such as labor conditions, sector-specific characteristics, and ESG in countries and regions.

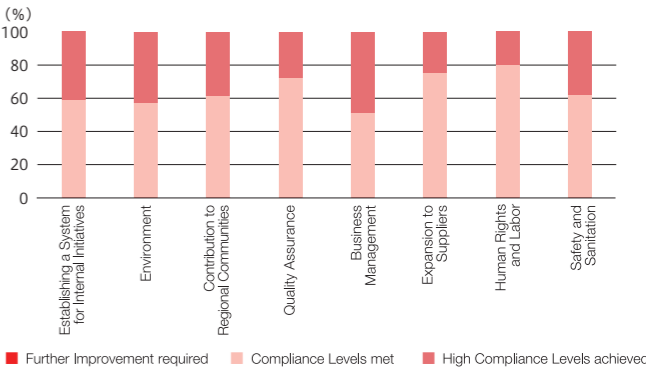
In addition to quality, price, and delivery dates, we will continue to evaluate sustainability through SAQ and other means and promote responsible procurement activities to achieve the SDGs.

*1 Abbreviation for Self Assessment Questionnaire.
*2 Established in the U.K. in 2004 this is a non-profit organization that provides a platform for managing and sharing corporate ethics information with the aim of realizing responsible business practices in the supply chain.

■ Promotion System

- Goal setting and progress review and risk management at Board of Directors.
- Purchasing activities based on compliance with the JAL Group Supplier Code of Conduct.
- Education of procurement personnel

Compliance with JAL Group Supplier Code of Conduct in FY2022 (percentage by field)



■ Consultation Services for Business Partners

In FY2022, we began operating the JAL Supplier Hotline, a window for direct consultation from suppliers and their employees. We visited several suppliers, who were thought to be at high risk from a human rights perspective, and conducted awareness campaigns for our hotline. While giving maximum consideration to the privacy of callers, we cooperate with suppliers to confirm compliance with the JAL Supplier Code of Conduct and engage in dialogue to resolve the issues.

■ Metrics and Targets

Key Performance Indicators (KPI)	Period	By	Target	Achievement (FY23)
Monitoring completion rate of primary suppliers	FY2023	FY2023	100%	100%
Soundness confirmation rate of primary suppliers	FY2023	FY2023	100%	100%
Auditing rate of suppliers requiring audit	FY2023	FY2023	100%	N/A
Consultation response rate	Each year	Each year	100%	100%
Training rate of procurement staff	Each year	Each year	100%	100%

Topic CDP Supplier Engagement Assessment

In the Supplier Engagement Assessment conducted by CDP, an international environmental non-profit organization, JAL was the only airline in Japan to receive an "A," the highest rating given to the top eight percent from approximately 18,700 companies in Japan and overseas. There after JAL was certified as a Supplier Engagement Leader.



Special Feature Dialogues with Stakeholders

To realize our corporate policy, the JAL Group established a Multi-Stakeholder Policy based on the belief that it is important to create value co-creation with diverse stakeholders such as shareholders, employees, business partners, customers, creditors, and local communities.

Awareness and advice for improvement gained through constructive dialogue with a wide range of stakeholders around the company are used to continuously enhance corporate value.

For information on our multi-stakeholder policy, please visit the JAL website.

WEB

https://www.jal.com/ja/sustainability/governance/fair-business-practices/pdf/multistakeholder_ja.pdf?230315

*Japanese only



Employees

■ For All Employees to Work Together to Create Value

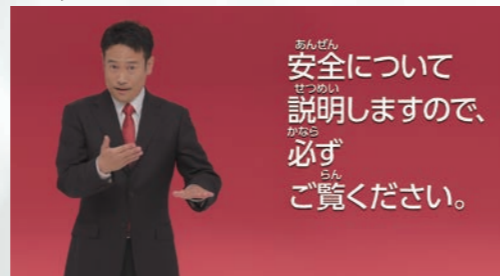
In order for all employees to work together to improve corporate value through sustainable value creation, we are rapidly sharing accurate information and promoting direct communication between management and employees. In order to ensure a proper understanding of the JAL Group's management strategy and status, our top management distributes not only internal newsletters but also instructional videos on the Medium Term Management Plan and quarterly financial results. In addition, regular briefings by the President are available to our worldwide employees. Furthermore, we hold round-table meetings between the President and employees at various branches, including overseas offices, to directly communicate with each other about safety, other workplace initiatives, and issues.



Round table meeting between employees and management

■ Examples of Improvements in the Last Year

Based on customer feedback, [With sign language interpretation and subtitle] Safety video - for your own safety - was produced.



For more examples, visit the JAL website.

WEB

<https://www.jal.com/ja/sustainability/human/satisfaction/customer>

*Japanese only



Customers

■ Creating Customer Value through Dialogue with Customers

Customer feedback is reported to the Board of Directors on a monthly basis. In addition, through company-wide consultations at the management level, we confirm how to solve problems and examine countermeasures. In addition, we are working to develop new products and improve our services based on customer satisfaction surveys after boarding our flights and the feedback received at the contact desk. The JAL Group will continue to take customer feedback seriously and strive to improve its services.



Community, Next Generation/Environment

■ Becoming a Part of Building a Diverse and Resilient Society



JAL Sustainability Advisor Sustainable Flight Navigator
Professor KANIE Norichika of Keio University Graduate School (center)
SAITO Yuji, Corporate Planning Division (left)
AOKI Noriyuki, General Affairs Division (right)

The midterm year between the enactment and achievement of SDGs is 2023. In order to further promote ESG management by grasping the latest social trends and incorporating the knowledge of experts into our strategies, we held a dialogue with executives and Professor KANIE Norichika, a leading expert in SDGs research and a professor at Keio University Graduate School, regarding the process of formulating the Medium-Term Management Plan Rolling Plan.

As aviation is an indispensable social infrastructure, Professor KANIE pointed out the significance and importance of challenging the future of flight, such as fuel, onboard equipment, and inflight meals, through the implementation of the Sustainable Model Flight. In addition, flying to the area and actually feeling it through the five senses not only brings joy and enjoyment to people, but also provides a valuable indication that the airline industry plays a great role in building a more resilient society and promoting diversity in society as a whole.



Employees



Customers



Regional Communities

Stakeholders



Next Generation/Environment



Business Partners



External Partners



Shareholders and Investors



Business Partners

■ Communication to Improve the Soundness of the Supply Chain

Our suppliers were requested to comply with the JAL Group Supplier Code of Conduct in order to raise the level of the entire supply chain from the perspective of ESG management. In addition to daily business meetings, participants from 39 significant suppliers participated in the briefing session in FY2022 to publicize the JAL Group's ESG initiatives (such as CO₂ reduction) and the JAL Supplier Hotline, established in FY2022. Moreover we strive to improve our suppliers' understanding of ESG/SDGs through visits to supplier plants.

■ Dialogue on Human Rights in the Supply Chain

Following FY2021, we invited Mr. SHIMOTAYA Takeshi (photo), the founder of The Global Alliance for Sustainable Supply Chain, who has expert knowledge on human rights in the supply chain, to hold a dialogue with the board members of the Sustainability Promotion Committee. In this dialogue, he gave us valuable advice on the involvement of farmers and other producers in the supply chain, as well as factory workers, and the progress of our company's efforts from a global perspective. Based on the advice we received, we included the identification and conduction of on-site audits to suppliers that are closely tied to our company and highly important from an ESG perspective, to one of our human rights due diligence efforts for FY2023. The JAL Group will continue to engage in dialogue with society and continue to address issues and make improvements based on the belief that respect for human rights is a universal value.



External Partners

■ Conduct Regular Meetings and Subcommittees with Alliance Members

As a member of the **oneworld** Alliance, JAL works with its allies to promote various measures to improve customer convenience and realize sustainability through regular and subcommittee meetings. Going forward, JAL will be loading SAF, which is a joint procurement that has been under discussion with member companies. Together with **oneworld** member companies, we will strive to realize new values and improve the quality of our services.

For details, refer to "SAF Procurement Overseas" on p.96



Shareholders and Investors

■ Strengthening Communication with Individual Shareholders and Investors

We strive to disclose information by posting management-related information such as our corporate philosophy, management strategies, management plans, and results on our website and by sending IR-related information in a timely manner through IR Mail. In addition, as a means of strengthening two-way communications, we conducted new initiatives at the General Meeting of Shareholders held in June 2023, such as livestreaming from the opening to the closing of the meeting and answering all questions received in advance. In addition, as a means to deepen understanding of the JAL Group, we conducted tours of the JAL plant and held online briefings for shareholders living far away. We will continue to work to further enhance and improve the quality of information disclosure and achieve better dialogue with shareholders and investors.



Hangar tour for shareholders

■ Interacting with Institutional Investors through Interviews and Events

In addition to individual meetings, we actively engage in dialogue with institutional investors through a variety of IR events held throughout the year. We have also resumed face-to-face events, striving to engage in interactive, polite dialogue with our stakeholders. We regularly provide feedback to the Board of Directors and key departments concerned on the valuable opinions and comments obtained at these events, to reflect in our management.

Please see the following pages for details.
pp.77-80 Financial Strategies
p.110 Main Evaluations from Outside Parties

1. Materiality	2. JAL Group's Value Creation Story	3. JAL Group's Value Creation Process	4. Foundations of Value Creation	5. The Trails of Challenges
(1) Safety Charter	(2) JAL Philosophy	(3) Divisional Profitability Management System	(4) Governance	

Risk Management

- The JAL Group defines risk as an event or action that interferes with the achievement of an organization's mission, objectives and goals. We have established a company-wide risk management system and have selected priority risks in order to achieve sustainable growth and create social and corporate value through our business, as well as to minimize the damage caused when risks occur, and to achieve early resolution and recovery.
- We will strengthen our business continuity management (BCM) for unknown viral infections, large-scale IT failures, and the anticipated Tokyo Metropolitan Earthquake. In addition, we will strengthen information security measures, including cybersecurity measures.

For information on business risks, please visit the JAL website.

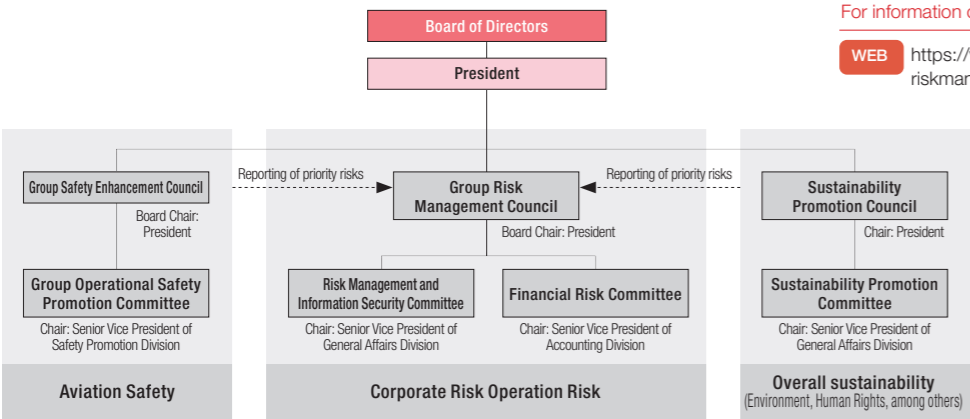
WEB <https://www.jal.com/en/investor/risk/>

① Risk Management Structure

The Group Risk Management Committee, chaired by the President, has been established to comprehensively manage the risks of the JAL Group and stabilize management.

The meeting will discuss basic policies for risk management, countermeasures for priority risks identified through risk research and assessment, and BCM. In addition, a separate committee dedicated to financial and information security risks has been established at the lower end to provide more detailed and frequent responses. We have established a multi-layered risk governance system, in which responses to priority risks determined at the meeting are reported to the Board of Directors and further measures are discussed as necessary.

Risks related to aviation safety are discussed at the Group Safety Committee, and risks related to sustainability in general, such as the environment and human rights, are discussed at the Sustainability Promotion Committee.



For information on priority risks, please visit the JAL website.

WEB <https://www.jal.com/en/sustainability/governance/riskmanagement/#thinking>

Please visit the following pages for details.

Aviation Safety Risk Management: p.17 Safety Management System, p.31 Meeting directly under the President

Sustainability Management: General Sustainability, p.84, Environmental Management, p.89

② Efforts

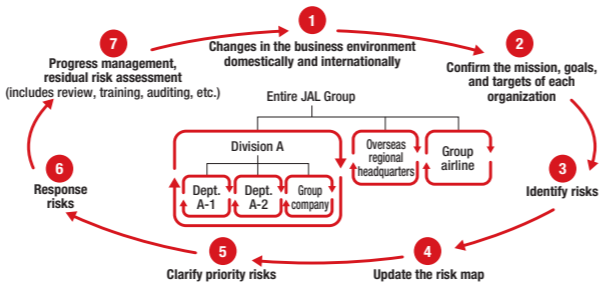
(i) Implementation of the risk management cycle

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 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. (Risk) Control Self-Assessment, is provided the organization at stake to reassess and improve risk responses through a workshop style self-assessment and provides risk consulting, as needed.

(ii) Enhancement of BCM

In order to fulfill our mission as a public transportation system that plays a role in social infrastructure, we are promoting BCM and building a system that enables us to carry out operations appropriately in times of emergency. In the event of an unknown viral infection, major IT failure, or an earthquake directly beneath Tokyo, we have established individual BCPs to protect the safety of our customers, employees, family members, and related personnel. We have also established basic policies and systems necessary for the continuation of the JAL Group's important air transport services, including reservation and information services, and payment and settlement services. In order to continue to improve the effectiveness and effectiveness of the BCP, we conduct regular training, utilizing the knowledge of external experts, and revise the BCP from time to time. The JAL Group's business continuity capabilities have been highly evaluated by rating agencies.

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



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."

(iii) Development of 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.

(iv) 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, 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.

For more information about the JAL Group's Basic Policy on Information Security, visit our company website

WEB <https://www.jal.com/en/sustainability/governance/riskmanagement/information-security/>

■ Management System

By establishing a Risk Management and Information Security Committee to manage and promote personal information and information security, we aim to reduce corporate risks such as information leaks in preparation for sophisticated and complex external cyber-attacks.

Under the leadership of our Senior Vice President of the IT Planning Department, also known as the Chief Information Security Officer (CISO), we are working to further improve our information security management system by being members of Transportation ISAC Japan^{*1} and Aviation ISAC^{*2} and by obtaining certification from associations that are under the jurisdiction of ISA27001, a global standard for information security and infrastructure.

*1 Organizations that promote activities contributing to the improvement of the collective defense capabilities of transportation and transportation business operators

*2 Global information sharing organization consisting of airlines, aircraft manufacturers, among others

Voice



NISHIMOTO Yuka
Security Strategy Dept.
Security Supervision Group

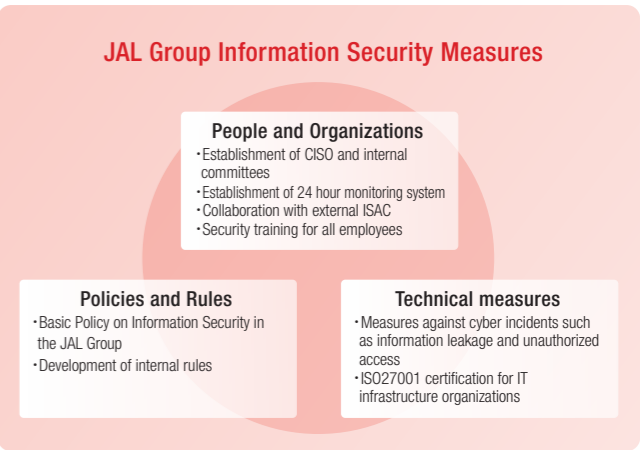
Contribute to Fostering a Security Culture

In 2022, JAL acquired ISO27001 certification for the division that is responsible for the system infrastructure of the entire JAL Group. In order to expand the scope of certification, we are currently developing the necessary documents for ISMS* while involving members of other departments and other groups. I am motivated by the feeling that we are building a security culture one step at a time.

I also find it rewarding that the results are tangible and directly linked to the company's reputation. In fact, in the external evaluation that evaluates corporate sustainability from an ESG point of view, whether or not a company has obtained ISO27001 certification is an evaluation item, so I feel that I can contribute to the evaluation of the company, which is a driving force for my work.

*Information Security Management System: How Information Security is Managed

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 the 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 the 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 shifts to the crisis management system.



■ Information Security

As an important public transportation infrastructure provider, we take measures against cyber incidents such as information leaks and unauthorized access in accordance with the guidelines set by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). Our internal efforts include regular e-Learning security training for all employees, the establishment of a CSIRT system, and various training programs to prevent cyber incidents and respond promptly when they occur. In addition, as a measure to strengthen security during telework, we have built a system that fully encrypts terminal communications outside the company and constantly monitors them. In cooperation with the outside world, specialized agencies monitor threats 24 hours a day, 365 days a year, and conduct periodic audits.

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Corporate Governance*

In order to achieve sustainable growth and increase social and economic value, the JAL Group undertakes strong management transparency. We have established a corporate governance system that provides management oversight functions.

Basic views on corporate governance

As a leading safety company in the transportation field, the JAL Group will provide the best service to its customers while maintaining safe operations, which is the basic premise of its existence. In addition to fulfilling our economic responsibility to provide good products and earn appropriate profits through fair competition, we are conducting business with the view that we are a corporate group that fulfills its responsibilities and contributes as a member of society. Based on this, we have established the JAL Philosophy under our Corporate Philosophy and promptly make appropriate management decisions. At the same time, we strive to enhance corporate value and fulfill our accountability by establishing a corporate governance system that demonstrates strong management oversight functions under high management transparency.

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/philosophy-vision/governance/

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

① Corporate Governance System

Board of Directors | Held 18 meetings in FY2022

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, ①The Board separates the management monitoring and business execution functions. The Board Chair is nominated from among Directors who do not concurrently serve as Outside Officer. ②At least three highly independent candidates are nominated for Outside Director, and from the Ordinary General Meeting of Shareholders in June 2021, Outside Directors account for at least one-third of all Board members. ③In FY2021, we decided to increase female Director appointments. ④From fiscal 2021, Directors and Audit and Supervisory Board Members are required to basically attend at least 80% of all Board meetings. ⑤The Board transfers appropriate authority to the President to ensure efficient decision-making.

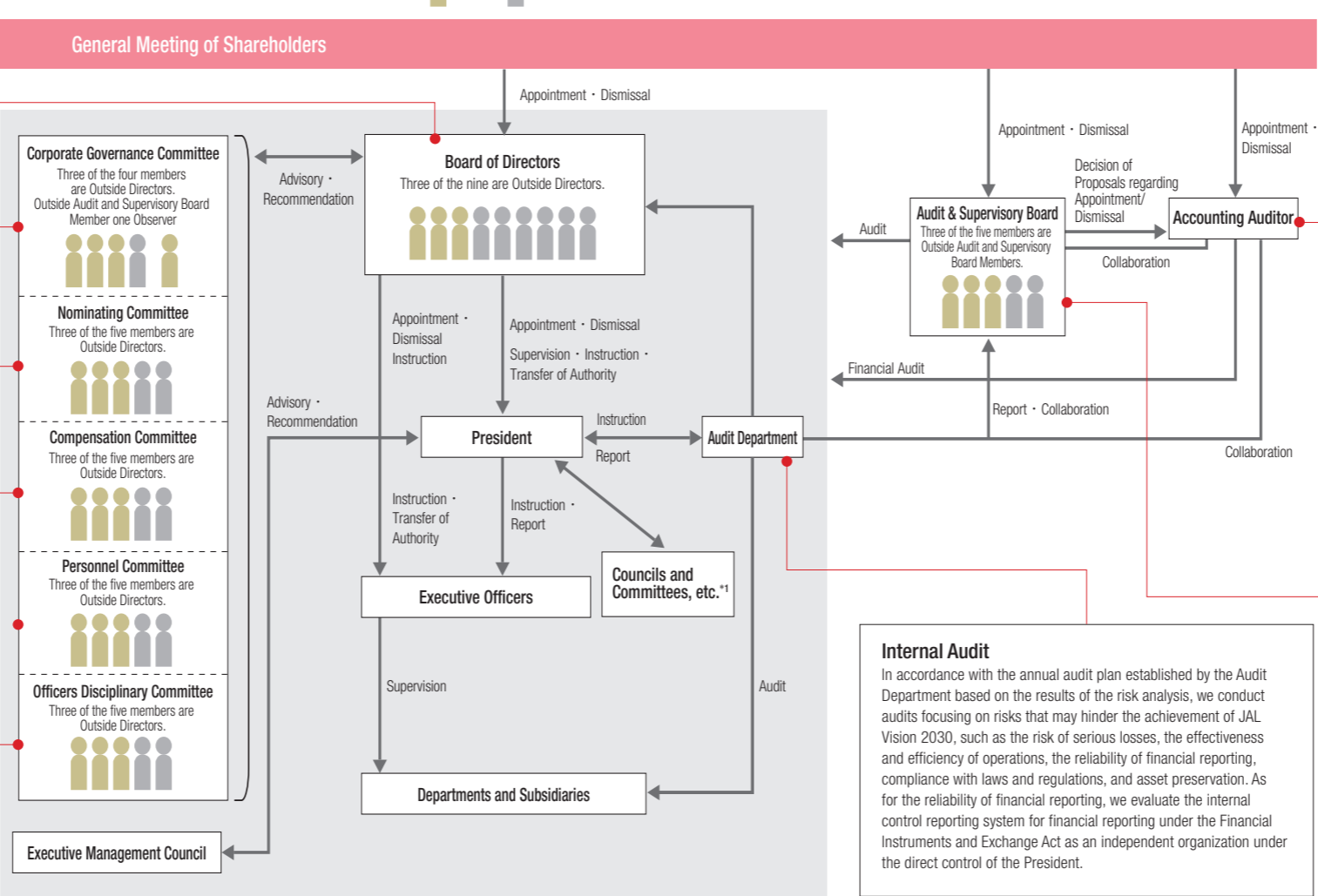
Corporate Governance Committee | Held twice in FY2021

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. To assess the effectiveness of the Board of Directors, from the previous year, we have been proposing an expansion of the scope of interviews to all Directors and Corporate Auditors because the assessment has been conducted through a questionnaire only for External Director. Furthermore, a number of recommendations were made as a topic to be addressed in the future such as promoting a new DX strategy and the need for further operational ingenuity.

Officers Disciplinary Committee | Not held in FY2022

Decides disciplinary action of Directors and Executive Officers.

Corporate Governance System



*Please refer to p.31 for the Executive Committee directly under the President.

Independence of Outside Officers

A person to whom none of the following Independence Standards apply shall be judged to be independent and outside officers, who do not qualify as being highly independent, will not be nominated as outside directors or outside audit and supervisory board members. In addition, individuals, who concurrently serve as directors or audit & supervisory board members at more than four listed companies other than the company, will not be nominated.

Independence Standards for Outside Officers

1. An individual who has executed business* of the Company and the Company's consolidated subsidiaries at present or in the past 10 years.
 2. An individual who corresponded to any of the below items a. to f. in the past three years.
 - a. A business counterpart or a person who executed business of such business counterpart, whose transactions with the Company for one business year exceeded one percent of consolidated revenue of or the business counterpart.
 - b. A major shareholder or a person executing business of such shareholder having an equity ratio of five percent or more in the Company.
 - c. A major lender of borrowings of the Company or a person executing business of such lender.
 - d. An individual receiving contributions of over 10 million yen a year from the Company or a person belonging to an organization receiving such contributions.
 - e. An individual receiving remuneration of over 10 million yen excluding Director's remuneration from the Company or a person belonging to an organization receiving remuneration exceeding one percent of consolidated revenue of the Company.
 - f. In case a person executing business of the Company is assigned as Outside Director of another company, the person executing business of such other company.
 3. The spouse or relative within second degree of kinship of individuals corresponding to 1 and 2.
- *A person executing business refers to an Executive Director or Executive Officer.

Nominating Committee | Held nine meetings in FY2022

When submitting a proposal to the General Meeting of Shareholders concerning the appointment of candidates to the positions of Director and Corporate Auditor, the Nominating Committee will comprehensive judgment of the personality, knowledge, ability, experience and performance, and the like, of the candidate based on an inquiry from the Board of Directors and will report back to the Board.

Compensation Committee | Held four meetings in FY2022

The Compensation Committee discusses matters concerning the amount of compensation for Directors, Executive Officers and Corporate Auditors based on an inquiry from the Board of Directors and reports back to the Board. In addition, the committee reviews the remuneration system as appropriate to ensure that it provides sound incentives for sustainable growth. In FY2022, we discussed specific indicators and evaluation methods for the executive compensation system to promote the medium-term management plan more strongly, and submitted a report to the Board of Directors.

Personnel Committee | Held three meetings in FY2022

The Company discusses matters to be consulted by the Board of Directors regarding the appointment and dismissal of executive officers and reports the results to the Board of Directors. In FY2022, in addition to the matters to be reported to the Board of Directors, we discussed the development of candidates for executive officers and the new execution system.

Audit and Supervisory Board | Held 15 meetings in FY2022

The Audit and Supervisory Board makes appropriate judgements from an independent objective standpoint, based on their fiduciary responsibilities to the shareholders, when fulfilling their role and responsibilities such as auditing the execution of the Director's duties, appointing or removing accounting auditors, and executing rights concerning auditor remuneration.

Accounting Audit

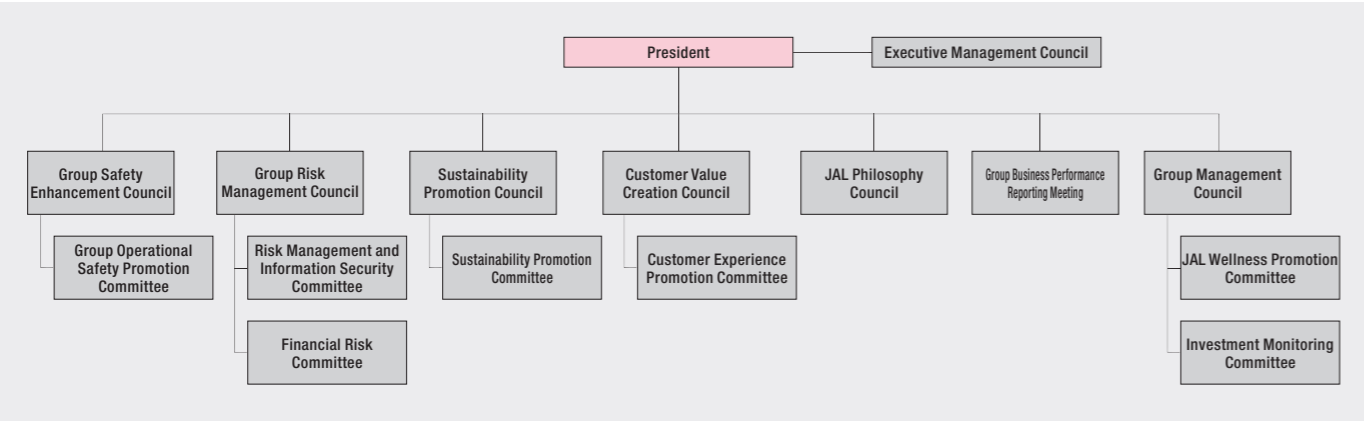
Accounting audits are conducted by KPMG AZSA LLC at our request, according to audits required under the Companies Act and the Financial Instruments and Exchange Act. In addition to periodic audits, accounting issues such as the establishment, amendment and abolition of laws, regulations and rules are checked as necessary to achieve appropriate accounting work.

Internal Audit

In accordance with the annual audit plan established by the Audit Department based on the results of the risk analysis, we conduct audits focusing on risks that may hinder the achievement of JAL Vision 2030, such as the risk of serious losses, the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with laws and regulations, and asset preservation. As for the reliability of financial reporting, we evaluate the internal control reporting system for financial reporting under the Financial Instruments and Exchange Act as an independent organization under the direct control of the President.

Management Committees directly under the President

The Board of Directors transfers appropriate authority to the President in order to make efficient decisions.



Executive Management Council | Held 35 meetings in FY2022

The Executive Management Council is an organ established by the JAL Group for the purpose of contributing to appropriate and flexible decision-making by the Board of Directors and the President. The committee will deliberate over important issues requiring a resolution of the Board of Directors and matters requiring approval by the President that need to be confirmed by the Executive Management Council before presenting these issues to the Board or to the President

Main activities in FY2022: Discussed important management issues to be submitted to the Board of Directors.

Group Safety Enhancement Council | Held 12 meetings in FY2022

To secure flight safety and promote safety management of the entire JAL Group, the Group Safety Enhancement Council makes decisions on important safety management policies, confirms the status of and regularly reviews the Safety Management System, and decides actions to be taken concerning safety in daily operations, among others, according to the JAL Group Corporate Policy and company policies to secure flight safety and promote safety management of the entire JAL Group.

Major Activities in FY2022: In addition to understanding the JAL Group's overall aviation safety policy and safety management system, we discussed how to respond to aviation accidents and other incidents during the fiscal year under review. In the event of an air accident, the the JAL Group will promptly report the incident to the Board of Directors.

Group Risk Management Council | Held two meetings in FY2022

To conduct overall risk management and achieve stable JAL Group management, the Risk Management Council establishes the fundamental policy on risk management, conducts regular risk assessment, establishes countermeasures, and manages business continuity, among others.

Main activities in FY2022: Review of priority risks, status of response to priority risks, and discussion on priority issues such as cyber security and response to the anticipated Tokyo Metropolitan Earthquake. In FY2022, we reported to the Board of Directors twice in total.

Sustainability Promotion Council | Held three meetings in FY2022

The Sustainability Promotion Council reviews progress management of important issues and annual targets, management of risks and opportunities of climate change, the environmental management system, and human rights due diligence in order to promote ESG management for achieving the SDGs, build a better future where everyone can feel fulfilled and hopeful as stated in JAL Vision, and work with society to achieve sustainable development.

Main activities in FY2022: Disclosure of information on TCFD, DJSI evaluation results and review, summary of ESG evaluation, reorganization of important issues, initiatives based on changes in the external environment and social requirements, addition and revision of targets, among others, were discussed and reported to the Board of Directors twice in FY2022.

Customer Value Creation Council | Established in June 2023

Aiming at resolving important issues related to customer value for all customers and society, the initiatives, and communications of each business with customer value as the starting point will be monitored. Discussions will take place to reach decisions that will resolve the issues.

JAL Philosophy Council | Held one meeting in FY2022

The JAL Philosophy Council establishes the fundamental policy, and draws up, enforces, and manages progress of measures to promote penetration of the JAL Philosophy.

Group Business Performance Reporting Meeting | Held 12 meetings in FY2022

The Group Business Performance Reporting Meetings are aimed at sharing earnings of each Group company and each division in the JAL Group and considering ways to improve business performance.

Group Management Council | Held 26 meetings in FY2022

The Group Management Council conducts deliberation to check progress of important management issues facing the JAL Group and establish measures to address these issues, and reports information of significant importance.

Support for Directors and Audit and Supervisory Board Members

Legal considerations are explained to the 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, Outside Auditors, and Supervisory Board Members with safety education including a memorial climb of Mt. Osutaka, a visit to the Safety Promotion Center, and visits to frontlines. We also provide advance briefings on agenda items as necessary and opportunities and materials to explain other matters at their request.

Progress in Strengthening Corporate Governance

Ahead of the establishment of the Corporate Governance Code, we established in FY2012 voluntary committees for nomination and remuneration, among 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.

In FY2022, we established a system whereby the Audit Department reports directly to the Board of Directors in addition to the Board of Corporate Auditors (Dual Reporting Line). At the June 2023 Annual General Meeting of Shareholders, we established a system with multiple female directors.

	2012	2015	2018	2021	2023
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 Chair of the Board of Directors	■FY2012 • Independent Outside Directors (2)	■FY2014 • To be chaired by a non-executive director	■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	■FY2023 • Two or more female directors
Compliance with the Corporate Governance Code		■FY2015 • Started Board Effectiveness Assessment	■FY2017 • Compliance with all principles of the Corporate Governance Code ■FY2018 • Compliance with all principles of the (revised) Corporate Governance Code	■FY2021 • Compliance with all principles of the (revised) Corporate Governance Code	
Improving board effectiveness			■FY2017 • Commenced Board Effectiveness Assessment using a third party ■FY2019 • Strengthened the risk management meeting body	■FY2022 • Established a dual reporting line whereby the Audit Department reports directly to the Board of Directors	

*Trends since its listing on the First Section of the Tokyo Stock Exchange in September 2012 are presented.

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② Management Structure

(i) Board of Directors (as of August 1, 2023)

Directors are selected from those with extensive experience in various fields and high insight and expertise, paying attention to ensuring diversity in terms of gender, international nature, work history, and age, among others. We also aim to have more than one female director from FY2021. In addition to the previous one outside director, we have now appointed one in-house director to realize a system with multiple female directors. The JAL Group will explain legal considerations and other matters to the directors and will ensure that the directors are fully aware of their duties, including the duty of loyalty and the duty of care to good offices, and provide opportunities for outside training and continuous participation in external organizations. The term of office of directors shall be one year to clarify management responsibilities for each fiscal year. Outside Directors are elected from three or more suitable independent candidates and comprise at least one third of the Board of Directors. In accordance with our company's "Independence Standards" for Outside Officers, The JAL Group will not appoint outside directors who are unable to secure substantial independence or who concurrently serve as directors of more than four listed companies in addition to our company. Furthermore, one of the Outside Directors will be appointed as the Lead Independent Outside Director to strengthen cooperation with Audit and Supervisory Board Members and internal divisions.



UEKI Yoshiharu (September 16, 1952/70 years old/male)
Director, Chairperson

After joining the Company, Mr. UEKI acquired insight related to safety operations, among others, and on-the-job experience as a flight crew at an extremely high level. He has taken control of developing and executing the Medium Term Management Plan, exercising strong leadership and decision-making skills, as Representative Director and Presidentand, since 2012. Furthermore, he has continued to contribute to the strengthening of the supervisory function of the Board of Directors serving as Chairman of the Board of Directors and a member of the Corporate Governance Committee since 2018.



AKASAKA Yuji (January 3, 1962/61 years old/male)
Representative Director, President

After joining the Company, Mr. AKASAKA engaged mainly in Engineering and Maintenance Division, and acquired on-the-job experience and insight related to safety operations, among others, at an extremely high level as well as significant knowledge and extensive connections in the airline engineering and maintenance industry. He has strengthened the foundation for safety operations, exercising strong leadership and decision-making skills, as Representative Director, President of JAL ENGINEERING CO., LTD., since 2014. In addition, as being Representative Director and President of the JAL Group since 2018, he has worked to uphold in the JAL Group that flight safety is the foundation of the JAL Group and by "Lead by Example" through his own practicing of JAL Philosophy he has aimed to greatly contribute to the realization of JAL's corporate philosophy with all employees.



SHIMIZU Shinichiro (December 13, 1962/60 years old/male)
Representative Director, Executive Vice President

After joining the JAL Group, Mr. SHIMIZU successively engaged in personnel and labor affairs related to flight crews and cabin attendants, among others, and other divisions, and realized material achievements, exercising great leadership and strong planning and coordination capabilities. Having served as Senior Vice President of the Human Resources Division since 2013 and Senior Director of the Secretary's Office since 2016, he has contributed considerably to improving and stabilizing the JAL Group's external presence by judging the situation which the JAL Group is in from a higher perspective. Since 2020, he has been assisting the President as Representative Director, Executive Vice President, and considerably contributing to further strengthening and enhancement of the management structure.

■ Succession Plans for the Presidents 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 Nomination Committee continuously discusses candidates for the position of President, among others, and provides the candidates with practical and diverse experience, such as management experience at group companies, expatriate experience, and activities at outside organizations, so that they can acquire the necessary background for management at an early stage. With regard to the development of the next generation of executives, including executive officers, the Human Resources Committee holds practical discussions on setting career paths, rotating across departments, forming external networks, and pooling human resources in order to promote diversity and expand capabilities and perspectives.

■ List of Directors

					Attendance (FY 2021)		Appointment of Committee Members					Skills Matrix								
Position	Name	Important positions concurrently held (* is a public company)	Tenure (year)	Number of Company shares held (100 shares)	Attendance rate of Board meetings	Attendance of Board meetings	Corporate Governance Committee	Nominating Committee	Compensation Committee	Personnel Committee	Officers Disciplinary Committee	Management Experience	Finance & Accounting	Legal/Risk Management	Personal Affairs/Talent Development	Safety Management	Global Experience	CX Marketing	DX/IT/Technologies	GX/Environment
Director, Chairperson	UEKI Yoshiharu	Outside Director, Japan Airport Terminal Co., Ltd.*	11	412	100%	(18/18)	○					○				○				○
Representative Director, President	AKASAKA Yuji		5	124	100%	(18/18)		○	○	Chairperson	○	○				○			○	○
Representative Director, Executive	SHIMIZU Shinichiro		5	47	100%	(18/18)		○	○	○	○			○	○		○	○		
Representative Director, Senior Managing Executive Officer	TOTTORI Mitsuko		new post	5	—	—									○	○		○		
Director and Senior Managing Executive Officer	SAITO Yuji		new post	11	—	—							○					○	○	○
Director and Managing Executive Officer	TSUTSUMI Tadayuki		2	10	100%	(18/18)										○				○
Independent Outside Director (Lead Independent Outside Director)	KOBAYASHI Eizo	Outside Director, Japan Exchange Group, Inc.	8	92	100%	(18/18)	Chairperson	○	Chairperson	○	○	○					○	○		
Independent Outside Director	YANAGI Hiroyuki	Outside Director, AGC Inc. Independent Non-executive Director, Kirin Holdings Company Limited Mitsubishi Electric Outside Director	2	40	100%	(18/18)	○	Chairperson	○	○	Chairperson	○					○	○	○	○
Independent Outside Director	MITSUYA Yuko	Outside Director (Audit and Supervisory Committee Member), ENEOS Holdings, Inc. Outside Director, Denso Corporation Representative Director, SORA Representative Director, Japan Basketball Association Vice President of the Japan Olympic Committee	new post	—	—	—	○	○	○	○	○	○			○			○		

*Number of stocks based on the shareholder list as of March 31, 2023.



1. Materiality	2. JAL Group's Value Creation Story	3. JAL Group's Value Creation Process	4. Foundations of Value Creation	5. The Trails of Challenges
(1) Safety Charter		(2) JAL Philosophy	(3) Divisional Profitability Management System	(4) Governance

(ii) Audit and Supervisory Board Member (as of August 1, 2023)

In addition to attending meetings of the Board of Directors and other important meetings, the Audit and Supervisory Board Members audit important matters related to corporate and business operations and the status of business execution by inspecting important Kessai documents. In addition, together with Corporate Auditors Office staff, they conduct annual audits of each business site and subsidiary, and report the results to the Representative Director. In addition, they will strive to exchange information with the Internal Audit Division and the Accounting Auditor. They will also hold regular meetings with our subsidiaries, Audit and Supervisory Board Members, to enhance and strengthen auditing throughout the Group. our company provides company information to Audit and Supervisory Board Members. In addition, they provide external training opportunities and continuous participation in external organizations for internal Audit and Supervisory Board Members.

Outside Audit and Supervisory Board Members appoint persons with extensive knowledge and experience in a variety of fields. In accordance with our Outside Director's "Independence Standards" established by our Company, will not appoint persons who are unable to secure substantial independence. Furthermore, a person who concurrently holds more than four listed companies other than our company will not be appointed as an Outside Audit and Supervisory Board Member. Outside Audit and Supervisory Board Members, together with other Audit and Supervisory Board Member companies, will work with the Internal Audit Division and the Accounting Auditor to ensure the soundness of management by conducting audits from a more neutral and objective perspective.



KITADA Yuichi* (June 22, 1960/63 years old)
Audit and Supervisory Board Member

Since joining the the JAL Group, Mr. KITADA 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.



KIKUYAMA Hideki (March 19, 1960/63 years old/male)
Audit and Supervisory Board Member

After joining the the JAL Group, Mr. KIKUYAMA worked primarily in general administrative roles in, for example, the IT Planning Department, Human Resources Department, and Labor Relations Department, as well as serving as the Vice President of the General Affairs Department, the Americas Office, and Vice President of the Corporate Planning Office. After assuming the position of Executive Officer in 2010, he has been contributing significantly to maximizing route profits as Senior Vice President of Managing Division Route Marketing Division since 2013. Since 2019, serving as the Senior Vice President of the Finance & Accounting Division, he has worked to provide highly transparent information disclosure and exercised proper management decisions and decision-making skills that benefit the interests of shareholders.



KAMO Osamu (March 25, 1947/76 years old)
Outside Audit and Supervisory Board Member/
Independent Director

Since registering as an attorney-at-law in April 1973, Mr. KAMO 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 (June 22, 1960/67 years old)
Outside Audit and Supervisory Board Member/
Independent Director

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



OKADA Joji (October 10, 1951/71 years old)
Outside Audit and Supervisory Board Member/
Independent Director

Mr. OKADA 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

List of Audit and Supervisory Board Members					Attendance (FY2022)					Appointment of Committee Members	Skill Matrix								
Position	Name	Important positions concurrently held (*is a public company)	Tenure (year)	Number of Company shares held (100 shares)	Board Attendance	Number of Board of Directors Attendance	Attendance rate of Audit and Supervisory Board meetings		Corporate Governance Committee	Management Experience	Finance & Accounting	Legal/Risk Management	Human Resource and Human Resource Development	Safety Management	Global Experience	CX Marketing	DX/IT/ Technologies	GV/ Environment	
Audit and Supervisory Board Member	KITADA Yuichi		2	15	100%	(18/18)	100%	(15/15)		○		○		○	○		○	○	
Audit and Supervisory Board Member	KIKUYAMA Hideki		new post	18		—		—			○	○	○		○		○		
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	7	100	100%	(18/18)	100%	(15/15)				○		○					
Outside Audit and Supervisory Board Member/Independent Director	KUBO Shinsuke	Representative Partner, Kyoei Accounting Office Certified Public Accountant Outside Audit and Supervisory Board Member, Kawasaki Kisen Co., Ltd.	5	63	100%	(18/18)	100%	(15/15)			○	○			○				
Outside Audit and Supervisory Board Member/Independent Director	OKADA Joji	Outside Director, NEC Corporation Outside Director, Nippon Exchange Self-Regulation Organization	3	40	100%	(18/18)	100%	(15/15)	observer		○	○			○				

③ Officer Remuneration

Policy on the Decision of Officer's Remuneration

Total amount of remuneration, among others

- ① Total amount of money in remuneration, and the like: not more than 700 million yen per year [of which, the total amount of fixed basic remuneration is no more than 350 million yen (of which the total amount of outside directors is no more than 50 million yen) and the total amount of performance-linked bonuses is no more than 350 million yen]
- ② Total amount of remuneration receivables, and the like per performance evaluation period of remuneration (meaning the most recent three consecutive fiscal years ended): 1. Maximum number of shares to be issued per performance evaluation period (100,000 shares) multiplied by the maximum amount to be paid in per share*

*Maximum amount to be paid in: Money to be paid in: Performance of applicable period in the execution of duties in which remuneration receivables are used as consideration
Our company Stock Exchange for three months before and after the expiration of the evaluation period (six months in total) the highest closing price of the common stock

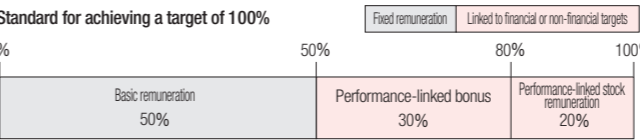
Basic Policy

- ① To achieve sustainable and steady growth and increase corporate value over the medium- to long-term, we promote business execution in accordance with the Corporate Policy and management strategies, and strongly motivate Directors to achieve specific management targets.
- ② We will establish appropriate ratios for performance-linked bonuses based on business performance. 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 demonstrating sound entrepreneur dynamics.
- ③ We will provide remunerations that are appropriate to our top management in accordance with our business performance.

Remuneration Levels and Remuneration Composition Ratios

- ① We will set appropriate remuneration levels with reference to the business environment and objective remuneration data in the marketplace.
- ② Taking into account the nature of our company's business and the effectiveness of performance-linked remuneration, the ratios of (A) the amount of fixed basic remuneration*, (B) the amount of performance-linked bonus to be paid based on the degree of achievement of the target, and (C) the amount of performance-linked stock remuneration to be delivered based on the degree of achievement of the target are set as follows (The following percentages are indicative and fluctuate in response to changes in stock prices, and the like).

*The amount shall be the amount excluding the allowance in the case where Executive Officers concurrently serve as a Director and the allowance in the case where he has the right of representation.



Framework for Performance-linked Remuneration

Performance-linked bonuses and performance-linked stock remuneration performance indicators are reviewed as appropriate in response to changes in the business environment and the roles of each executive. In FY2022, we reviewed performance-linked bonuses and performance-linked stock remuneration performance indicators in order to more vigorously promote ESG, business and financial strategies, which are the three pillars of the Medium-Term Management Plan's management strategy.

Performance-linked shares of remuneration commencing in FY2019, FY2020, and FY2021 will be uniformly not paid based on performance.

	Performance-linked Bonus ^{*1}					Performance-linked Remuneration				
Fluctuation range (assuming 100 at the time of achievement of the performance target)	The amount paid varies by 0 to 150					The number of shares to be paid fluctuates by 0 to 150 ^{*2}				
Performance indicators and percentages	0%	25%	50%	75%	100%	0%	25%	50%	75%	100%
	EBIT (50%)		Individual Performance Evaluation ^{*3} (20%)			TSR ^{*4} (25%)		ROIC ^{*5} (25%)		ESG ^{*6} (25%)
Performance evaluation period	One year					Three years				
						Financial goal		Non-financial goal		

*1 The Chairperson, President, among others, do not set "individual performance evaluation indicators for each officer," but evaluate them using "EBIT". Considering the progress in achieving the targets for flight safety.
*2 The final business year of Medium-Term Management Plan fluctuates between 0 to 200, adjusted according to the achievement of the targets.
*3 Individual indicators for each officer
*4 TSR: Valuation based on the comparison between our company's total shareholder yield and TOPIX yield including dividends
*5 Valuation based on consolidated ROIC
*6 Rating based on the number of selected representative ESG issues (DJSI World Index, FTSE Blossom Japan Index, APEX WORLD CLASS, CDP A-, MSCI WMI)
*7 Evaluation based on CO₂ emissions per ton-kilometer charged

Procedures for Remuneration Decision

Matters concerning the remuneration of the directors shall be decided by the Board of Directors after deliberation and report to the Compensation Committee, which is voluntarily established by our company. The majority of the members of the Compensation Committee shall be outside directors, and the chair shall be selected from outside directors.

The fixed basic remuneration is paid monthly, and performance-linked bonus and performance-linked stock remuneration are paid once a year.

Reasons why the Board of Directors has determined that the remuneration for individuals should conform to the policy

With regard to the remuneration, and the like for individuals, the Compensation Committee, which is chaired by an outside director and is attended by a majority of the members, held discussions based on the above-mentioned Policy on the Decision of Officer's Remuneration. Decisions were made at our Board of Directors meeting held on February 17, 2022 with due respect for the deliberations and reports. Therefore, the company judged that the contents of remuneration, and the like, for individuals in FY2022 are in line with the above policy stipulated by our company.

Payment of remuneration to Directors and Audit and Supervisory Board Members (FY2022)

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	9	406	250	122	32
(including Outside Director)	(3)	(34)	(34)	(—)	(—)
Audit and Supervisory Board Member	5	77	77	—	—
(including Outside Audit and Supervisory Board Member)	(3)	(28)	(28)	—	—
Total	14	484	328	122	32

*1 Performance-linked bonuses and performance-linked stocks remuneration, and the like, represent the amounts recorded as expenses in the relevant fiscal year.
*2 The total amount of remuneration, and the like, for directors does not include salaries for employees who concurrently serve as a Director.
*3 The total amount of remuneration of the 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 at the conclusion of so the General Meeting of Shareholders was five (including three Outside Audit and Supervisory Board Members).

1. Materiality	2. JAL Group's Value Creation Story	3. JAL Group's Value Creation Process	4. Foundations of Value Creation	5. The Trails of Challenges
(1) Safety Charter	(2) JAL Philosophy	(3) Divisional Profitability Management System	(4) Governance	

④ Effectiveness Evaluation

(i) Effectiveness Effectiveness Evaluation of the Board of Directors

While referring to the self-evaluation of each director and auditor, and third-party analysis, we conduct an effectiveness evaluation annually. We aim to improve our corporate value over the medium to long term by reviewing our operations.

	Composition of the Board of Directors		Supervision		Dialogue with shareholders	
FY2022	Challenges		Need to continually address new risks such as business expansion and IT security		Further constructive dialogue needs to be strengthened in light of the increase in the number of individual shareholders	
	Efforts		Further strengthening risk management		Enhancing interactive communication through better dissemination of information and understanding and analysis of needs	
	Evaluation	Confirms that Directors and Audit and Supervisory Board Members are well-balanced in terms of diversity, including expertise and acquired experience	Ensure a systematic and comprehensive understanding of external risks and implement the PDCA cycle		Reinforcing information dissemination to individual shareholders and establishing communication infrastructure	
	Intermediate strategies				Operations	
	Sustainability, business model reform, and human capital					Evaluation
FY2022	Challenges	Strengthened supervision of sustainability issues and business structural reforms is needed				
	Efforts	In particular, in order to continuously improve the power of human resources, we promote human resources strategies in line with our business strategies.				
	Evaluation	Confirms steady efforts to reduce CO ₂ emissions and steady progress in addressing other issues	Review progress by business area	Review issues and direction of efforts		
FY2023	Medium- and long-term strategy					Operation
	Sustainability	Business model reform	Human capital	DX		
	Challenges	Need to sort out how sustainability initiatives lead to increased corporate values	In some business areas, initial plans have not been met due to delays in market recovery, among others, and quantitative reviews and discussions on future moves are necessary.	Going forward it will be necessary to take our initiatives more seriously.	In order to realize the Medium-Term Management Plan, it is necessary to visualize the efforts of each headquarters and accelerate the company-wide promotion. Promote initiatives related to DX strategy to create new customer value and improve productivity.	
FY2023	Efforts	Reorganize social issues to be resolved and quantify the targets of initiatives materialize the relationship with corporate value enhancement	Review plans in each business area to steadily implement the PDCA cycle and create an environment for expanding new areas	In order to enhance human capital, we will further clarify the ideal human capital profile and promote the allocation of human capital to growth areas and investment in human capital.	In order to secure more time for discussion and to stimulate further discussion, further efforts must be made to improve the management issues identified in FY2022.	
					Further efforts must be made to improve the management issues identified in FY2022.	
					< Examples > · Further ingenuity and improvement of materials · Further contrivances of explanatory videos to supplement pre-sent materials · Supplementary explanation to questions about the contents of the proposal · Clarification of issues by sharing issues within the execution	

For more information about the results of the 2022 evaluation and future initiatives, visit our company website.

WEB <https://www.jal.com/en/philosophy-vision/governance/#effectiveness>

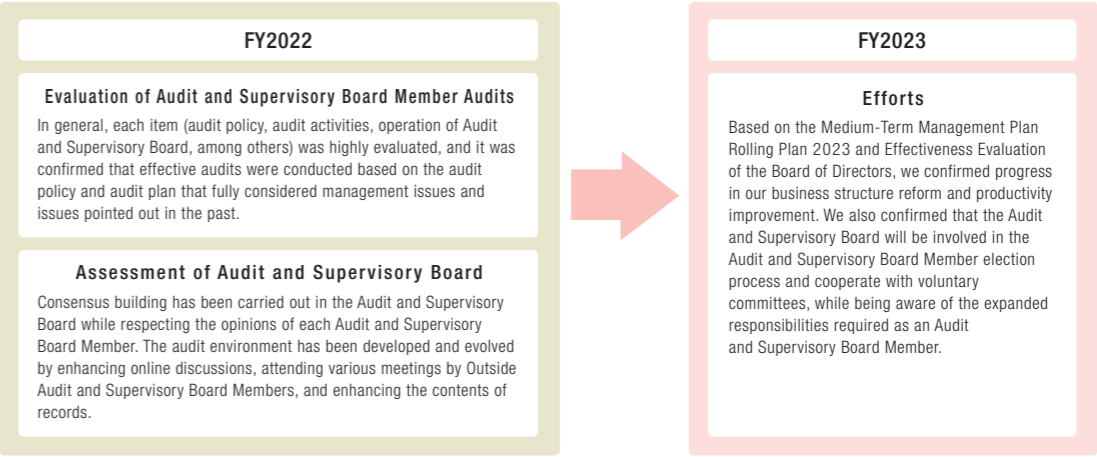
Main Agenda Items Discussed by the Board of Directors

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

【Management Strategy】 <ul style="list-style-type: none">● 2021-2025 JAL Group Medium Term Management Plan<ul style="list-style-type: none">Progress of the Rolling Plan 2022Sustainability InitiativesPromotion of business structure reformPromotion of human resources strategiesPromotion of DX Strategy● 2021-2025 JAL Group Medium Term Management Plan<ul style="list-style-type: none">Formulation of Rolling Plan 2023● Strengthening risk management	【Financial Results Finance】 <ul style="list-style-type: none">● Quarterly financial results● Financing● Verification of cross-shareholdings 【Governance and Risk Management】 <ul style="list-style-type: none">● Evaluation of Board effectiveness● Revision of Nominating Committee Statute● Report and decision of the Committee on appointment of new executives and remuneration● Development and evaluation of internal controls● Risk Management Related Reports● Internal Audit Report by Auditing Department● Audit and Supervisory Board Member Audit Policy and Results	<ul style="list-style-type: none">● Response to Audit and Supervisory Board Member Audit Results● Air accident report 【Dialogue with Stakeholders】 <ul style="list-style-type: none">● Approval of proposals related to the General Meeting of Shareholders● Status of operation of the shareholder benefit system● Efforts to further strengthen constructive dialogue with shareholders● Feedback on IR briefings, among others● Disclosure on climate change based on TCFD● Customer feedback
【Decision and Oversight of Other Important Duties】 <ul style="list-style-type: none">● Introduction of Boeing 737-8● Corporation for the realization of solution sales Merger with JAL Sales		

(ii) Effectiveness Evaluation of the Audit and Supervisory Board

The Audit and Supervisory Board conducted a questionnaire to all Audit and Supervisory Board Members and carried out a self-assessment on the status of audit activities, which was used as a reference for planning for the next fiscal year.



Main Agenda of Audit and Supervisory Board

A total of 15 Audit and Supervisory Board events were held in FY2022.

【Audit】 <ul style="list-style-type: none">● Formulation of audit policies and plans● Report on Audit Activities and Audit and Supervisory Board Member Report Committee● Checking Risk Management Status● Investigation of proposals and documents for the General Meeting of Shareholders● Formulation of audit reports	【Cooperation】 <ul style="list-style-type: none">● Resolution on reappointment of financial auditor and remuneration's consent● Prior Understanding of Non-Guaranteed Business by Accounting Auditors● Review of KAM● Management interview● Review of the consolidated report● Verifying the EMS Audit	【Remuneration of Self-Assessment】 <ul style="list-style-type: none">● Resolution on Audit and Supervisory Board Member's Individual remuneration● Audit and Supervisory Board Member Questionnaire Survey (Evaluation of Effectiveness Evaluation)
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⑤ Message from Outside Directors and Chair of the Board of Directors



Support the Company's Challenges with the Knowledge of General Trading Company Management and Work to Realize Rolling Plan 2023

KOBAYASHI Eizo

Independent Outside Director (Principal Independent Outside Director)
Chair of Corporate Governance Committee
Chair of Remuneration Committee

■ Support growth strategy with knowledge gained as top management

The JAL Group Board of Directors has three outside directors, each with different knowledge and experience, who discuss various issues. There was a sense of tension at the Board Meeting when the COVID-19 pandemic was anticipated to continue for three more years from the beginning of 2020 as this would weaken the foundation of the JAL Group. In 2021, when the COVID-19 pandemic came to an end and air transport demand showed a pent-up demand, the JAL Group changed its policy from the pre-COVID-19 FSC-only stance and attempted to introduce a new businesses from a completely different perspective.

There is a limit to what we can do with our employees when developing new businesses. But if you look at other companies, there are always companies that excel in different fields with talented people. I think we have entered an era in which we can take on big challenges by incorporating our foresight and knowledge. The future growth strategy of the JAL Group will be to take advantage of external resources through collaborating businesses and to establish two or three new business realms.

In formulating Medium Term Management Plan Rolling Plan 2023, we recommended that it is important to convey our management philosophy to all employees and put it into our individual mission. In order to achieve the stated goals, each employee must do their best, and if it is difficult to do so, the PDCA must be turned around and reset again, and the whole company must work on it again.

At the trading company where I was President, there was a saying, "the status quo is, in other words, an omission". At that time, I continued to say to my employees, "Challenge, Create, Commit" and I asked them to be honest in order to be trusted by our customers, and to become people who launch businesses that open the future with an aggressive spirit and frontier spirit.

Our company's board of directors also spoke out based on this experience.

■ Enhance Effectiveness Evaluation of the Board through Discussions

In the Corporate Governance Committee, discussions were focused on the effectiveness evaluation of the Board. As Chair of the Committee, I am conscious of the transparency of management decision making, and am facilitating it from the viewpoint of strengthening our company's management.

I always advise people to implement the Medium-Term Management Plan's PDCA, but when evaluating its effectiveness, I ask what they could and couldn't do, why was it not possible and how it could be made into a valuable experience and asset.

In addition, when revising the Corporate Governance Code, we believe that it should be "Comply and Express" rather than "Comply or Express." There is no point in adhering to the Corporate Governance Code unless you can properly explain its contents. I will continue to contribute to the improvement of board effectiveness by taking the reins of the Committee as Chair so that we can improve our issues and move in a better direction.



Support the JAL Group's sustainable growth with the knowledge of development as a manufacturing and global manager

YANAGI Hiroyuki

Independent Outside Director
Chair of the Nominating Committee

■ Deliver a sustainable growth story from the Board of Directors

At the 2022 meeting of the Board of Directors, we discussed both structural reforms and growth strategies. In terms of structural reform, we focused on breaking away from the COVID-19 pandemic and restoring the LCC business. As for the growth strategy, we discussed refurbishing the cabin of passenger aircraft and the business model utilizing freight-only aircraft, and decided on the investment paths when the COVID-19 pandemic subsides. When I discuss growth strategies, I first have a hypothesis or a concept, which I use to develop a business plan and manage to check the flow of decisions. And I believe that the decisive and driving factor in decision making is whether the company has established methods to consolidate its management.

The growth strategy of the JAL Group now includes expanding into new areas. In March 2023, JAL signed a purchase agreement for 21 Boeing 737-8 fuel-efficient aircraft. This is the first time in 18 years that JAL has ordered a new Boeing model, which will be introduced in 2026. This is a very large investment that the JAL Group rarely makes. I hope the whole Group will be excited and take on the challenge. In order to achieve this, the Board of Directors needs to properly communicate to our Group employees the story of why "air transportation and societal connections" set forth in this Rolling Plan creates value and a sustainable business model.

From the viewpoint of sustainability, the aviation industry has a great responsibility to promote measures against climate change, such as reducing CO₂ emissions. From an aircraft perspective, there are two basic directions to change the aircraft: change to an energy-efficient aircraft or change the loaded fuel. In particular, the production and

stable supply of synthetic fuels is essential, and research on domestic SAF is a pressing issue. We will use our experience in developing engines and synthetic fuels at our manufacturers and the National Institute of Advanced Industrial Science and Technology to provide advice on the importance of synthetic fuels for the future of decarbonization and GX.

■ Discussing board diversity from a global perspective

In addition to discussions on the Succession Plan at the Nominating Committee, we decided to reappoint the President, which has been enforced at other companies where I am an Outside Director.

Looking back at the President's efforts over the past year, and confirming his future desires, we will be able to have a transparent and exciting management process from the perspectives of whether his ideas will lead to the improvement of corporate values.

At our company, three of the nine directors are Outside Directors. However, as corporate management is questioning the importance of diversity, it is not enough to have a diversity of directors. One of the outside directors was originally a woman, but it is significant that Ms. TOTTORI Mitsuko, who was a former JAL employee, has joined the board as a Representative Director Senior Managing Executive Officer. Furthermore, based on my experience in global management, I feel that non-Japanese often have a stronger awareness of issues such as human rights, and it is time for our company to start considering the appointment of non-Japanese directors. As Chair of the Nominating Committee, I will continue to enhance discussions on the diversity of the Board of Directors in order to broaden the scope of our company's business and promote diverse discussions.



Work to create a system that enables women and young people to play an active role by leveraging their experience as leaders

MITSUYA Yuko
Outside Director

■ Create a climate where challenges can be taken through dialogue

When I was in my 20s and traveling around the world with the national volleyball member most of my travel was with JAL to and from Narita Airport. As my first flight was also with JAL, JAL is my starting point in air travel. As an athlete, my judgment is made not whether I can do it, but whether I want to do it. When I was offered the position of an Outside Director, I accepted this challenging offer.

I became a teacher soon after I retired from being an athlete, and I have been working on human resource development since then. In this Rolling Plan 2023, we are focusing on human resource development and diversity under the guidelines of developing and hiring "a person who respects diverse values, challenges new value creation, and inspires change". I would like to use my experience to contribute to the development of human resources that the JAL Group values. The point of contact with airlines that many customers imagine are cabin attendants (CAs). Given the fact that there is still a large percentage of women working as CAs among Japanese airlines, the JAL brand and image as well as our service assessment will depend on how many promising women we can produce.

Because women often pursue their careers through life events such as childbirth and child-rearing, it is necessary for the JAL Group to consider how to design their lives in the midst of the various options that women have, and to prepare a system that enables such employees to pursue their careers throughout their lives. In this sense, I feel that the appointment of Ms. TOTTORI Mitsuko as Representative Director Senior Managing Executive Officer is of great significance. In the past, women commonly were backups for men not only in JAL but

also in many other companies. From now on, men and women will have equal opportunities. A system must be created that allows them to make mistakes, and experience small successes and small failures over again from a young age. In order to create a climate in which young people can take on challenges, I want to engage in dialogue with diverse employees in our company, including women and young people.

■ Submit your perspectives to the Board because this is your first year

In the coming year, I will use my experience to strengthen human resources development, diversity, and governance. The advantage of my first year as an outside director is that I can see JAL from a fresh perspective. This will be a period before I will become accustomed to the company's I thinking. I will be able to evaluate the company from outside perspectives, including the perspectives of our customers, and compare it with other companies.

I believe that it is my role to contribute to the improvement of Effectiveness Evaluation of the Board by making statements at the Board of Directors meetings on areas we should improve.



To maximize the strength of Board Members with diverse backgrounds and advanced knowledge to inspire employees

UEKI Yoshiharu
Director, Chairperson

■ Build a trusting relationship with each and every director

Based on its responsibilities to shareholders and other stakeholders, the Board of Directors is required to promote the sustainable growth of the JAL Group and the improvement of corporate value over the medium to long term while resolving social issues. In order to achieve this, while conducting highly effective supervision, we must take appropriate risks and present a major direction.

As stated in the Skills Matrix, diversity is a strength of our Board of Directors, which consists of members with diverse backgrounds and broad knowledge. Outside Directors, who have a wealth of management experience and high levels of expertise, provide opinions that are hard to come by among internal executives. We have not once or twice heard proposals that extend much longer than planned or that are not approved as proposed due to severe objections. This proves that a strong supervisory function is definitely enforced.

On the other hand, we decided to take the opportunity of the COVID-19 pandemic to build a highly resilient business portfolio, but in order to expand new business areas, we need to draw on the knowledge of Outside Directors to boldly support new challenges. However, new businesses are reasonably risky and sometimes divided.

My 30 plus years of pilot experience is advantageous. Pilots gather diverse information and opinions on every flight in order to deliver safety and security based on the trust relationship with colleagues, including those working at airports and in the cabin. Like an orchestra conductor, the role of the Chair of the Board of Directors is to create the best possible symphony by harmonizing the various voices in an open discussion. The optimal feature of the Chair of the Board of Directors is that it brings the minds of board members together in a position that is distinct from execution.

■ Support the implementation of growth strategies through communication

Needless to say, it is up to the JAL Group employees to implement the medium- to long-term growth strategy determined by the Board of Directors. Taking advantage of my long term experience as a captain (pilot) at the front line and coming from within the company, I always organize the decisions made at the Board of Director meeting by taking on the viewpoint of how to convey them to our employees. I also seek to deliver messages that will increase the commitment of our employees.

These days, some argue that Outside Directors should serve as Chair of the Board of Directors, but the important thing is to make optimal management decisions and make sure that those decisions are implemented. The responsibility of the Chair of the Board of Directors is to ensure that the JAL Group is "the world's most preferred and valued airline group".



5. The Trails of Challenges

Since its establishment in Japan in 1951 as the first commercial airline after World War II, the JAL Group has constantly grasped the trends of the times, and accumulated challenges and innovations. Going forward, we will continue to take advantage of the strengths we have cultivated through our 70-plus year history to realize vibrant society and future where many people and various where many people and goods freely move around and work together with our stakeholders to achieve the "the world's most preferred and valued airline group."

Leapfrogged into the era of mass transportation through the establishment of a flight system and management foundation

1951 to 1970s

Initially, we hired another company, aircraft, and started our business by operating and maintaining outsourcing. However, we expanded our route network by realizing our long-awaited aircraft and independent operations and supported the mass transit era of the 1970s.

Aircraft

- 1951: Martin 2-0-2 operation started
- 1960: DC-8 operation started (left photo)
- 1970: Launch of jumbo jet Boeing 747 (right photo)



Human Resources

- 1951: Employment of stewardesses
- 1953: Employment of stewards
- 1954: Two Japanese acquired pilot certificates for DC -4
- 1965: Overseas dispatch apprenticeship program and student program established
- 1969: Introduced Employee Stock Ownership Plan



IT system

- 1964: Domestic electronic seat reservation system started (photo)
- 1974: Domestic check-in system started



Route Network

- 1952: Launch of domestic independent operations
- 1954: Launch of the first international flight, Tokyo-Honolulu-San Francisco routes
- 1961: Launch of northbound European routes Launch of independent operations

- 1962: Launch of southbound European routes
- 1966: Launch of New York routes
- 1967: Launch of round-the-world routes
- 1970: Launch of Moscow routes "Launch of independent operations"
- 1974: Launch of China routes
- 1978: Launch of Brazil routes



Customer Base

- 1965: Launch of the sale of Japan's first overseas package tour, JALPAK



Sustainability

- 1964: Transportation of Tokyo Olympic torch
- 1967: Designated as the official airline for the World Expo
- 1972: Special flight between Tokyo and Beijing to transport two giant pandas (Kan Kan and Lan Lan)
- 1974: Special flight to Moscow to transport the Mona Lisa
- 1975: Launched JAL Scholarships Program for students in Asia and Oceania (Photo)



Organization and Management Foundation

- 1951: Launch of Japan Airlines Co., Ltd. (former company)
- 1953: Founded Japan Airlines Co., Ltd. (new company)
- 1959: Introduced the Tsurumaru logo



Became one of the world's leading global airlines through privatization

1980s to 2000s

As we enter the era of great competition due to the Open Sky agreement and deregulation of aviation, we improved our service quality to differentiate and grow as a global airline.

- 1990: Launch of Boeing 747-400 services (left photo)
- 1995: Launch of B737-400 (small aircraft)
- 1996: Launch of Boeing 777 services (right photo)



- 1988: Announcing the recruitment of 113 non-Japanese stewardesses (70 from the U.K., 22 from West Germany, and 21 from Singapore)
- 1994: Introduced flextime system
- 1995: The first female 1st grade aircraft mechanic
- 1997: The first female pilot operates a flight, for the first time in Japanese regular aircraft, on Tokyo-Hakodate route as a co-pilot of B747 aircraft
- 1997: Introduced captains over 60 years old



- 1995: Launch of JAL website
- 1996: Launch of online domestic flight reservation services
- 1997: Launch of online international reservation services
- 1999: Launch of JAL ONLINE (Domestic business travel support system)
- 2002: Introduced Japan's first international flight check-in machine (photo)
- 2005: Launched online check-in services (for domestic and international flights) Touch-and-Go boarding begins



- 1983: Became the world's highest passenger and cargo according to International Air Transport Association (IATA) statistics (Five years in a row until 1987)
- 1991: Terminated northern European routes passenger services via Anchorage
- 1996: Founded J-AIR Corporation
- 2007: Registered as a oneworld member

- 1982: Issued JAL card
- 1984: Founded JALCARD Co., Ltd.
- 1993: Introduced International Mileage Program
- 1997: Introduced JAL Mileage Bank on domestic flights
- 2003: JAL card membership exceeds one million members
- 2004: Launch of Class J services

- 2007: Launch of first class services on domestic flights
- 2008: JAL card membership exceeds two million members



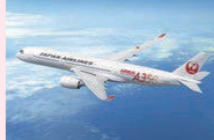
Recovery from Bankruptcy Overcoming the COVID-19

Create relationships and connections through air transportation with ESG strategy as top strategy

2010 to Today

After bankruptcy in January 2010, we recovered our business by optimizing the scale of our operations and reforming employee attitudes. An unprecedented crisis emerged with the COVID-19 pandemic, however we will overcome it by taking advantage of the strengths we built up to date and working together to realize JAL Vision 2030.

- 2012: Launch of Boeing 787-8 services (left photo)
- 2019: Launch of A350-900 services (right photo)



- 2010: Introduced the first female captain in Japan
- 2015: Diversity management companies Selected for the first time as "Nadeshiko Brand" Selected as the first health and productivity management brand
- 2017: Introduction of Telework
- 2017: Introduced WORKCATION

- 2019: Seven JAL Group companies certified as Certified Health & Productivity Management Outstanding Organizations Recognition Program 2019 White 500
- 2019: Childcare introduced to pilots and cabin attendants with a short-day working system
- 2021: Nursing care introduced to pilots and cabin attendants with a short day working system
- 2021: Telework of part of the customer contact center work
- 2022: Promotion requirements reflected for childcare, nursing care and maternity leave periods
- 2022: Strengthen efforts to encourage male employees to take childcare leave

- 2012: Introduction of Wi-Fi on international flights
- 2017: Transfer passenger check-in system to Altea
- 2019: Introduced Self Baggage Drop (SBD) at Narita Airport
- 2020: Realized JAL SMART AIRPORT Launched JAL Chat Auto Answer Service
- 2021: Launch Face Express



- 2011: Launch joint business with American Airlines
- 2011: Founded Jetstar Japan in collaboration with the Qantas Group in Australia.
- 2012: Launched joint business with British Airways
- 2014: Launched joint business with Finnair
- 2016: Launched joint business with Iberia Airways

- 2020: Launched joint business with Malaysian Airlines
- 2021: SPRING Japan becomes a consolidated subsidiary

- 2013: Launch of "JAL CLUB EST" credit card for people in their 20s
- 2014: JAL card membership exceeds three million members

- 2010: Became the first eco-first airline after concluding an Eco First Agreement between the Minister of the Environment and the President
- 2011: Launched "Japan Project," a regional revitalization project
- 2014: Diversity Declaration

- 2016: Established the JAL Group Supplier Code of Conduct
- 2019: Established a new JAL Group Code of Conduct
- 2019: Eliminated plastic straws and muddlers in cabins and lounge
- 2020: Announced commitment to achieve "Net Zero CO₂ Emissions" by 2050 Japan's first successful production of domestic SAF using cotton clothing

- 2010: Petition for reorganization Restructuring of the route network, Withdrawal from the dedicated cargo aircraft business
- 2011: Established a new Corporate Policy JAL Philosophy Introduced **divisional profitability management system** and a revised Tsurumaru Logo

- 2012: Re-listed on the Tokyo Stock Exchange Established **Fundamental Policies of Corporate Governance**
- 2019: Revised **our Safety Charter** and established a **new Code of Conduct**
- 2021: Formulated **JAL Vision 2030**



To Become The World's Most Preferred and Valued Airline Group

Human Capital (FY2025)

- Human resources that respect diverse values, challenge new value creation, and drive change
- Productive and professional JAL Group employees
 - Female managers 30% of all managers
 - Highly engaged employees 64.4% (Plus 10.0 pts compared to FY2019)

Intellectual capital

- Improve CX and EX and create new values and know-how
- Regulations and manuals that protect the new aviation safety
 - IT systems that utilize AI and advanced technologies to realize DX

Social and related capital

- Networks that enhance air transportation and societal connections
- JAL Group Airlines and partnership airlines
- Work together to solve social issues
- Partnership
- Collaboration with local communities and business partners
- Customer base spanning aviation and non-aviation
- JAL Mileage Bank Member

Manufacturing Capital (FY2025)

- Accelerate aircraft renewal to support growth in fuel-efficient aircraft
- JAL Group has nine types and a total of 232 to 238 aircraft Of which 22 to 26 are deployed to internal and growth areas
 - New fuel-efficient aircraft Two aircraft types 47%

Financial Capital (FY2025)

- Rebuilding a strong financial base to strengthen risk tolerance and achieve growth
- About 50% of equity ratio (based on rating)
 - Credit Rating A Flat

Natural Capital

- Precious Earth/Resource use with low environmental impact
- World below the 1.5°C scenario
 - Conservation, restoration, and expansion of environmental resources that are also tourism resources
 - Securing and using resources with low environmental impact



JAL Vision 2030

